

Business Behaviour across Advertisement Platforms



Literature Review

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BUSINESS BEHAVIOUR ACROSS ADVERTISEMENT PLATFORMS

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Introduction

The current study focuses on assessing business behaviour in the advertising industry. The study seeks to explore the advertising market by researching the behaviours of companies, sectors, investments, and platforms in the advertising market. Advertising can be described as non-personal but persuasive communication about a product, service, or idea paid for by a sponsor through various media (Sharma and Singh 2021, p.8). Advertising is non-personal as it entails an indirect transfer of information from buyer to seller. It is a communication because it provides information to potential consumers about the product, service, or idea. Advertising is intended to be persuasive to convince potential consumers into buying the product or service. Other parameters of advertisement are sponsors who pay for the advert and the media that relays the information.

Literature Search Strategy

In addressing the research problem related to the research topic, the study collected and reviewed several pieces of literature. In the bid to provide a comprehensive review of the existing pieces of knowledge concerning the advertising market, numerous databases were assessed. Scholarly sources perceived to contain reliable information worthy of supporting a masters-level dissertation was used. In this regard, book references were used to provide the definition of terms while academic articles and journals were used to provide information that support the objectives of the study. Peer-reviewed journals were preferred for supporting the discussion because they are reliable for providing up-to-date information. The criteria for search results was such that only articles published within the past ten years were included for review since information older than ten years was considered too old and most likely irrelevant. Only articles published in English, peer-reviewed, and available in full view were included for review.

The databases accessed to retrieve the articles for the review included Wiley Online Library, ACM Digital Library, Compendex, Inspec, MIT Cognet, Web of Science Core Collection, and Statista. Though Statista did not contain peer-reviewed articles, it was included among the databases as a source of data. The search terms used include words and statements relevant to the research topic. The primary search terms were; advertisement, market, Cyprus, sources, platforms, and sectors. These terms were combined to form statements such as advertising market, advertising platform, advertising source, and advertising market in Cyprus, which were also used in the search.

The search done using these terms and statements produced numerous results and so the criteria described in the paragraph above were employed to determine the most appropriate sources.

Advertising Market

The advertising market involves various players such as companies that sponsor the advertisements, agencies that create the ads, and the media that carry the adverts. The purpose of advertising from the sellers' perspective is to sell the product and build the reputation of the company building the product (Sharma and Singh 2021, p.27). On part of the consumers, the purpose of advertisements is to attract their attention and to pass on information (Einstein 2017, p.21). As such, the general purpose of advertising is to attract the attention of potential consumers and to increase their purchase intention as well as improve their perception of the product and brand reputation.

Advertising is important to business for several reasons. The first importance of advertising is that it helps to spread information about the product. Advertisements spread a story about the features of the product or service and as such educates the potential consumers about the product or service. Another importance of advertising is that it helps to target specific consumers. Most adverts are made with specific consumers in mind hence the information contained in them is targeted toward these consumers. One of the articles that have investigated the impact of advertising is the study by Ailemen, Okpara, and Achugamonu (2014) titled "Conceptual Review of the Effects of Advertising on Consumer Buying Behaviour." In their review of secondary sources, the researchers established that adverts that are properly packaged had a significant influence on the purchase decision of the consumers (Ailemen, Okpara, and Achugamonu 2014, p.13). This article is relevant to the discussion in this research in that it investigated the importance of advertising concerning consumer perception. The article supports the perception that advertising influences consumers' purchase decisions and as such promotes sales. Intrinsically, another importance of advertising is that it promotes sales for the sellers.

As can be seen from the paragraph above, advertising benefits both sellers and buyers. The benefit of advertising to the sellers was researched by Hanaysha and Hilman (2015) in a study titled "Advertising and country of origin as key success factors for creating sustainable brand equity." In this study, the investigators were interested in knowing if advertising and country of origin have a significant impact on brand equity.

The researchers collected quantitative data using questionnaires from participants that were sampled using a systematic sampling approach. The data were analysed in SPSS and AMOS to test the hypothesis that advertising and country of origin have a positive impact on overall brand equity. The results of the analysis indicate that advertising has significant positive impacts on brand awareness, brand loyalty, brand leadership, brand image, and overall brand equity (Hanaysha and Hilman 2015, p.7). The data used in the analysis were tested for validity and reliability using AMOS. The results from the study are, therefore, reliable and trustworthy. The article supports the idea that advertising benefits sellers by positively impacting overall brand equity.

On matters of the benefit of advertising to consumers, a study by Sawant (2012) was found to offer the best illustration. The study was titled “Impact of advertising on brand awareness and consumer preference” and sought to investigate how advertising influences brand awareness of men’s wear. The study was used in this review because it demonstrates that advertising has an impact on consumers. The study found that advertising increased the consumers' level of awareness of men's wear (Sawant 2012, p.57). There was a significant positive association between awareness and awareness owing to advertising with the regression results indicating a significant coefficient. The study met its goal of determining the impact of advertisement on awareness levels and the conclusion that advertising increases consumers' level of awareness of products.

Several steps are followed by advertising companies in the advertising process. The first step of the advertising process is the briefing where the advertiser is briefed about the product and a SWOT analysis of the company and product is done (Qin and Jiang 2019). The second step is to know the objective of advertising which is then followed by research to know the market behaviour. The next step is to identify the target audience that is most likely to buy the product (Qin and Jiang 2019). After identifying the target audience, an appropriate media for advertising is selected and the budget is set (Qin and Jiang 2019). The next step is to design and create the ad and to decide where and when the ad will be shown. The last step is the execution phase where the ad is released after which the performance of the advert is judged.

Advertising Sources

Previous pieces of research have indicated that advertisements are done across various platforms. In an article by Camilleri (2018) titled integrated marketing communication, the author discussed advertising as an element of promotional strategy.

The article is used in this study because it discusses the various media options that are used for advertisement. In his discussion, Camilleri (2018, p.4) noted that there are several tools of advertising which include broadcast advertising such as television, radio, and cinema; print advertisements such as newspapers, brochures, and magazines; outdoor advertising such as signposts, flyers banners, and bus ads; and direct mail. Similarly, when comparing the performance of traditional and online advertising platforms, Arunprakash et al (2021) listed newspapers, magazines, radios, TVs, and cinema as traditional modes of advertising and email and social media as the online platforms. The article by Arunprakash et al (2021) is useful to this study as it helps to identify some of the advertising platforms. Mutsikiwa et al. (2013) and Makasi, Govender, and Rukweza (2014) while investigating the impact of advertisement on brand equity suggested different advertising methods. The suggested methods include event sponsorship, trade shows, radio, internet, billboards, TVs, posters, newspapers, and magazines among many others (Mutsikiwa et al. 2013, p. 3-6; Makasi, Govender and Rukweza 2014, p.3-4). Nonetheless, the advertising platforms do not have the same performance levels. The rate of use of these platforms is believed to be associated with their effectiveness.

TV advertising is among the few sources of advertising that are considered effective. According to research by Hadadi and Almsafir (2013, p. 10), TV advertising is one of the most effective sources. Fossen and Schweidel (2017) when investigating how television advertising drives online word-of-mouth (e-WOM) established that the effectiveness of television advertising to drive e-WOM depends on the program in which the advertisement is aired. The study is relevant to this research because it sheds light on how the effectiveness of TV adverts can be increased and also indicates that TV advertising is effective. Hemamalini (2014) in a study that investigated the effectiveness of TV adverts on purchase intention found that there is a significant influence of TV advertisements on purchase intention (Hemamalini and 2014, p.4). It would be expected that as the number of advertising platforms increases, the competition rises and so some platforms lose their market share. Particularly, with the rise of social media and web advertisements, one would expect that traditional platforms such as TVs would face a fall in market share. However, this has not been the case. As Duke et al (2014) demonstrated in their research on e-cigarettes, advertising through TVs is still experiencing growth despite the presence of other forms of advertisement such as social media.

Radios are preferred by advertisers for advertisement due to their reach to a large audience. People spend most of their time with the radio throughout the day making radios an effective source of advertisements.

Besides radios also make use of local languages which makes them an effective tool for advertisement. However, given that radio adverts lack visual aspects, their effects are improved by tailor-making them in local languages. Nevertheless, Malembo (2015) in his study to investigate the role of various advertising platforms in consumer purchase behaviour in Tanzania established that radio advertising significantly influences consumers' buying behaviour. The study also that Television advertising was more effective than radio even though radios have a larger audience.

The internet platform provides the opportunity for many buyers and sellers to interact. Since the rise of the internet, the perspective of advertising has changed. A great number of people use the internet which makes it a good avenue for advertisement. An advantage of the internet as an advertising platform is that it allows users to post adverts of various formats. In as much as the web platform is widely used, its usage has not been much researched. Most researchers combine web advertising with social media advertising under the banner of an online advertising platform. Among the few researchers that have investigated web advertising on its own is Smith (2012). In his study titled "Digital Marketing strategies targeting millennials", Smith sought to determine the digital advertising strategies that are preferred by millennials and which effectively influence their behaviour. The findings of the study showed that the use of graphics, coupons, and encouraging writing reviews are effective strategies that influence the millennials' behaviour towards an advert.

Calder and Malthouse (2012) posited that media content that engages consumers makes an ad more effective because it exposes the ad to more viewers. With the invention of the internet, the number of people who use print media has been on the decline. Going by the postulation in the study by Calder and Malthouse (2012, p.2) that a media that engages consumers makes ads more effective, the effectiveness of newspaper adverts has been on the decline since the number of people who are engaged with print newspaper contents have been on the decline. Sridhar and Sriram (2015) conducted a study to investigate if online platforms are indeed contributing to a decline in advertising in the print newspaper. They examined the association between advertising in print newspapers and online newspapers. Their results showed that there has been a decline in advertisement revenue for print newspapers and at the same time an increase in the revenues of digital newspapers (Sridhar and Sriram 2015, p.15). They concluded that there was a negative association between advertising in print newspapers and advertising in digital newspapers.

They, however, noted that there is a possibility that other confounding factors are contributing to the negative correlation between advertising in print newspapers and advertising in digital advertising. This study is relevant to the current study in that it demonstrates that even though advertising in print newspapers is declining, it is compensated by the increasing advertising in online newspapers. The study thus indicates that newspapers remain an effective source of advertising.

Just like newspaper advertising, outdoor advertising has withstood the pressure that comes with the growth in technology. Outdoor digital ads have played a big role in ensuring the continuity of outdoor advertising. Wilson, Baack, and Till (2015) investigated the factors that make an outdoor ad stand out. The article that was titled "creativity, attention and Memory for Brand" purposed to determine whether creativity was enough to attract attention without being conspicuous. The results of the study revealed a significant interaction between visual saliency and creativity (Wilson, Baack, and Till 2015, p. 23). The study concluded that an outdoor ad must be conspicuous and visible for its creative work to attract attention. The study is useful in this research as it identifies the factors that are necessary for outdoor advertising to be effective. Regarding the effectiveness of outdoor advertising, Jian and Yazdanifard (2015) when assessing the effectiveness of modern trend advertisements established that outdoor ads were effective in reaching the target outcome. A study by Chan and Fung (2013) also supported the findings that showed the effectiveness of outdoor advertising. In their research, Chan and Fung (2013) focused on the effectiveness of subway advertising where they found that subway ads increased awareness. In another different study investigating the negative effects of outdoor advertising, Lesser, Zimmerman, and Cohen (2013) found that outdoor advertising of food and non-alcoholic beverages increased the odds of obesity.

Advertising Market in Cyprus

The advertising industry in Cyprus has undergone tremendous changes over the years. The entry of multinational companies in Cyprus has created an intense competition that has pushed many companies into doing adverts to attract the attention of their potential customers. This has in turn led to an incline in the advertising budget. According to Statista (2022), Cyprus reported a steady increase in the annual advertisement budget between the years 2010 and 2019. By 2019, the annual advertisement budget had grown to 507.3 million euros from 184 million euros in 2010 (Statista, 2022). The growth in the advertising budget is attributed to increased advertising activities.

There are no existing pieces of literature that have investigated the most advertised sector. Also, there are no known records that show the sector that does the most advertisements in Cyprus. Studies that have investigated the advertisement market in Cyprus have all focused on a specific sector. For example, Siakalli, Masouras and Papademetriou (2017) focused on the hotel sector, while Komodromos and Nicoli (2016) focused on technology. Even studies such as Melanthiou, Papasolomou and Komodromos (2015) that gathered data from various sectors did not do so with the intention of comparing the sectors but rather to demonstrate how social media advertisement cut across different sectors. From the available pieces of research, it can be seen that the sectors that have been investigated concerning advertising include, hospitality and tourism, technology and communication, and food sectors. One can thus conclude that tourism, communication, and fast food are among the noteworthy sectors in Cyprus in terms of advertisement.

In this century where the market is full of closely similar products competing for the same customers, marketers have shifted their focus on competition from products to brands. Branding has become an important differentiating factor in the advertisement market as marketers strive to make their brands stand out among the many competitors in the market. In Cyprus, product brands have been found to significantly influence the effectiveness of advertising. Dehghani and Tumer (2015) while examining the role of brand image on the impact of Facebook advertisement on purchase intention found that Facebook advertisement has a significant effect on brand image, and brand image in turn affects purchase intention. The researchers thus concluded that brand image positively mediates the relationship between Facebook advertisement and purchase intention. Therefore, the existing pieces of literature indicate that brand image is a significant factor in the advertising market in Cyprus.

Just like in other countries, the Cyprus advertising market is characterized by several marketing platforms. Attempts have been made to identify the most used marketing platforms in Cyprus. In a study by Papasolomou et al (2014), the authors indicated that traditional advertising sources are on the decline as more marketers are turning to market public relations. The study ranked digital sources such as the web and social media above print sources such as newspapers and magazines. Komodromos (2014) while listing digital sources used for marketing in Cyprus rated the internet and YouTube (90%) as the most used platforms followed by video conferencing (80%).

Gaps in the Literature

Most researchers have focused on investigating specific advertising platforms. For example, modern researchers have tended to focus on online advertising platforms. Besides, researchers also tend to focus on one type of product or sector. For example, a study by Siakalli, Masouras and Papademetriou (2017) focused on the hospitality sector, while Komodromos and Nicoli (2016) focused on the technology. There is no single study that has covered all the sectors and all the advertising platforms. As such, there are limited studies that compare advertising performance by different advertising platforms across different sectors. The ones that attempted to make such a comparison such as Bhayani and Vachhani (2014) did so by first grouping the platforms as traditional and online/ internet platforms. Besides, most comparisons only involve comparison of other platforms with the social media platform. Further, most studies that have investigated advertising in Cyprus were conducted in the northern part of the country. There are very limited studies that focus on advertising in the rest part of the country especially the Greek part. Intrinsically, there exists a gap in knowledge regarding the comparative performance of the advertising market across different platforms and sectors in Greek Cyprus.

Conceptual Framework

Development of a model that can be used to predict the sales performance of companies considering the company's sector, product brand, and advertisement platform was the focus of this study. The concept here is to identify how much company sectors and product brands are advertised, and which platforms are most used for advertisement. The number of advertisements a sector or a product brand has is believed to influence sales performance. Likewise, an advert made on a platform that is accessed by most people is believed to have a greater effect on sales. As a result, the concept here was to examine how product brands, company sectors, and advertising platforms impact sales.

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