THE EFFECTIVENESS OF INTERNET ADVERTISING ON CONSUMER BEHAVIOUR:

THE CASE OF MOSHI COOPERATIVE UNIVERSITY STUDENTS

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THE CASE OF MOSHI COOPERATIVE UNIVERSITY STUDENTS

By

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A Dissertation Submitted in Partial Fulfillment of the Requirements for the Award of Degree of Master of Business Administration (MBA-Corporate Management) of Mzumbe University.

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CERTIFICATION

We, the undersigned, certify that we have read and there by recommend for acceptance by the Mzumbe University, a Dissertation entitled **The Effectiveness of Internet Advertising on Consumer Behaviour: the Case of Moshi Cooperative University Students** in Partial Fulfillment of the Requirements for the Award of Degree of Master of Business Administration (MBA-Corporate Management) of Mzumbe University**.**

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DECLARATION

I, **Anthony Reuben Ngowi**, declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other university for a similar or any other degree award.

Signature: ________________________

Date: ____________________________

DEDICATION

This study is dedicated to my family especially my wife Mary and my children Vanessa and Mathias and my parents for their constant encouragement and patience throughout my academic struggle and for their moral and financial support thus realizing my long cherished dream.

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The completion of this study would have been impossible without the material and moral support from various people. It is my obligation therefore to extend my gratitude to them. First of all I thank the Almighty God for giving me good health, and guiding me through the entire course.

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ABBREVIATIONS

Ad	-	Advertisement
B2C	-	Business to Consumer
CDMA	-	Code Division Multiple Access
E-mail	-	Electronic mail
FTP	-	File Transfer Protocal
GSM	-	Global System for Mobile
HSPA	-	High Speed Packet Access
ICT	-	Information of Computer Technology
IMC	-	Integrated Marketing Communication
ITU	-	International Telecommunication Union
LTE	-	Long Term Evolution
MOCU	-	Moshi Cooperative University
SPSS	-	Statistical Package for Social Sciences
TCRA	-	Tanzania Communication Regulatory Authority
TV	-	Television
WWW	-	World Wide Web

ABSTRACT

With the rapid growth in technology, the internet is becoming an important one stop point for consumers in finding most of their needs. Many consumers are online every day for their personal work, but do they notice the ads, banners displayed on that web page and most important their recall value. The current study investigated the effectiveness of internet advertising on consumer behavior by conducting a case study of Moshi Cooperative University Students. The study sought to determine the effectiveness of internet advertising on reach and creation of awareness; to establish the reliability of internet advertising through recall; and to determine the relationship between internet advertising and purchase decision. The study used a case study research design. The target population was the Moshi Cooperative University students. The study used stratified sampling technique to select 100 study respondents. The primary data was collected using questionnaires. Content analysis was used to analyze qualitative data while the quantitative data was analyzed using descriptive statistics using SPSS. Regression and Correlation analysis was used to show the relationships among the variables. The data was presented through percentages, means, standard deviations and frequencies. The study found that internet advertising was effective on reach and creation of awareness due to diverse usage, and established that its reliability as an advertising media was low compared to TV. Internet advertising has significant relationship with purchase decision of the consumers and therefore is a key determinant in influencing consumer behavior. The study determined that there is a positive relationship between internet advertising and consumer purchase decision and further recommends that companies should conduct a market research on the different markets in various countries to ensure that the internet advertising initiatives being implemented suits the targeted markets to improve product purchases.

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CHAPTER ONE

INTRODUCTION

1.1 Background to the study

Internet has grown tremendously in both its applications and number of users due to its unique characteristics of flexibility, interactivity, and personalization. It has been a very useful tool for communication, entertainment, education, and electronic trade (Ko et al., 2004; Koyuncu and Lien, 2003). The revolutionary change brought forth by information technology has an important impact on the daily lives. It has transformed the way we do business by allowing retailers to offer unlimited range of products and services to all consumers from around the world at any point in time. The Internet has emerged as an advertising medium (Silk et al., 2001). Many companies have turned to the Internet to advertise their products and services; and the Internet is deemed to be the most significant direct marketing channel for the global marketplace (Faber et al., 2004; Ko et al., 2004; Korgaonkar and Wolin, 2002). Companies are pouring billions of dollars into Internet advertising to obtain greater return on investment on ads (Edwards, 2005; Joines et al., 2003).

The Internet has existed since the late 1960s when a limited number of computers were connected in the United States from the Advanced Research Project Agency.(ARPA) This was used mainly to enable academics and military personnel to exchange defense information (Chaffey, et al., 2000:10). Until the advent of the World Wide Web in 1990, the Internet was almost entirely unknown outside universities and corporate research departments and was accessible mostly via command line interface such as Telnet and File Transfer Protocol (FTP) (Anonymous, 2004:2). Griffiths (2002:2) indicates that the recent dramatic growth in the use of the Internet has occurred because of the development of the World Wide Web. The World Wide Web changed the Internet from a difficult-to-use tool for academics and technicians to an easy-to-use tool for finding information for businesses and consumers. Since then the Internet has grown to become an almost ubiquitous aspect of modern information systems, becoming highly commercial and a widely accepted medium for all sorts of customer relations such as advertising, online sales and services (Anonymous, 2005:2).

The Internet can be considered as an interlinked publishing medium for displaying graphic and text information. This information is stored on server computers and then accessed by users who run web browser programs such as Microsoft Internet Explorer and Netscape Navigator, which display the information and allow users to select links to access other web sites (the process known as „surfing") (Tang, 2004:2).

The Internet has given consumers more control in accessing information on products and services. There are several factors that contribute to consumers pull for online content consumers are the one who decide when, where, what, and how much commercial content they wish to view (Korgaonkar and Wolin, 2002). The Internet enables consumers to access an unlimited range of products and services from companies around the world, and it has reduced the time and effort they spend on shopping (Ko et al., 2004).

Consumers play a much more active role in searching for information online with some goal in mind, and that goal can influence individual behaviors and responses to online information and advertisements (Smith, 2002). With the rapid advancement in the computer industry, many companies have made the Internet as part of their advertising media mix to take advantage of the online technologies (Cali sir, 2003). The Internet has become a popular advertising platform because marketers found that the Internet possess greater flexibility and control over the advertising materials (Ducoffe, 1996). Since the Internet can be used as an efficient marketing communication tool, both scholars and practitioners are interested in understanding how to take full advantage and maximizing the value of this communication medium (Rodgers and Thorson, 2000).

A set of ideas that made sense a century ago shaped the modern perspective on shopping. Some of these old-fashioned ideas are people shop for dollar value, which shopping decisions make practical sense or that shopping is mostly about acquiring needed goods and services. The new mode of thought in the shopping environment is no longer sufficient to identify simple customer demand and try to satisfy them. Modern shoppers buy things to reward themselves, to satisfy psychological needs or to make themselves feel good. Modern shoppers buy things because they are expensive. They buy things to make a statement, to show off their personality or to boost their self-esteem. Purchased item have become an affirmation of the psyche. Retailers need to change in order to suit the modern shopping behaviour. It is no longer sufficed to see a shopper as a rational creature making decisions. It is no longer enough to think that the shopper acts in a way that makes sense from an economic of logical point of view (Pooler, 2003).

Shopping itself is a form of self-expression. People define themselves through their shopping. How they shop, where they shop and what they buy serves the purposes of letting people express their desires, their needs and personalities. Shopping gives people a sense of accomplishment. For many, it gives life a sense, a purpose, value and a function. The successful shopper feels a sensation of satisfaction, execution and fulfillment. Shopping for emotional and psychological reasons has become the new mantra of modern society.

In 1940, Abraham Maslow invented a new way to look at how people live, how they order their priorities and set their goals in life. Maslow suggested that life consists of five levels which range from elementary where we satisfy the most basic needs, like food and shelter to where we satisfy our highest psychological needs, like those for inner emotional fulfillment. Maslow Theory of Needs suggested that higher needs can only be fulfilled once the lower needs are met (Pooler, 2003). According to Pooler (2003), he also argued that when it comes to shopping, our lower level needs have being met and that we're shopping on a higher plane, where a higher level of needs is being satisfied. To aid the decision making, a brand name provides a shorthand device or means of simplifications for their product decisions (Keller, Aperia & Georgeson, 2008).

Consumers within Tanzania have been largely exposed to the traditional advertising forms as the main media used by advertisers to provide information. However, over the years marketing strategies have evolved with technology leading to the internet creating unprecedented opportunities for digital marketers to connect with customers to create an immersive connected digital environment, influence and drive purchases, fuel new growth and create new market share. The growth of internet advertising is both globally and locally outpacing offline advertising. While outdoor advertising is also experiencing growth, it is not growing as rapidly as Internet advertising. It is on this basis that the study investigated the effectiveness of online advertising based on a consumer sample from Moshi Cooperative University to determine the relationship between advertising and consumer behaviour.

1.2 Research Problem

Advertisers are expected to shift and spend millions in internet advertising in the coming years than TV, print ads and other traditional advertising media. Internet advertising broadly consists of various commercial content formats delivered by video clip, print, and audio; either solicited or unsolicited and includes company web sites, corporate logos, e-mail messages, pop-ups, banner ads, skyscraper ads, buttons, interstitials, hyperlinks, dynamic media, and interactive games (Ducoffe, 1996; Goldsmith and Lafferty, 2002; Korgaonkar and Wolin, 2002; Wolin and Korganokar, 2003).

With the rapid growth in technology, the internet is becoming an important one stop point for consumers in finding most of their needs. Be it communication, entertainment, shopping, information search, internet serves as a panacea for all their requirements. This has led 65% of the ever users to glue themselves to the Internet and access it on a regular basis. The problem is that, volumes of consumers are online every day for their personal work, but do they notice the ads, banners etc. displayed on that webpage, most important what is their recall/remembrance value. What about the reach of online advertising, is it effective across over all target groups?

While a lot of research has been done on advertising, the effectiveness of online advertising in Tanzania is a segment that has been missing from these studies. Also researchers from our neighbors Kenya maintain the same position for instance research done by Wanjoga, (2002) mainly focused on consumer attitudes towards online advertising in Nairobi, and showed that consumers were aware of the online adverts though with no preference to the advertising forms. It however, failed to quantify and explain the effectiveness of internet advertising on such consumers. Similar research done by Wakukha, (2011) on the use of internet advertising by Kenya mobile telephone industry, explained forms of internet advertising in use, the success and challenges faced in its use and the level of adoption, but failed to provide information on its effectiveness in influencing or stimulating consumer response. The findings of a survey of the attitude of consumers towards retail media advertising by tobacco firms in Kenya showed that the consumers are aware and knowledgeable about Retail Media Advertising tools. The study used a sample of 200 consumers from retail outlets in Nairobi, which was not a viable sample to determine its effectiveness on all consumers from Kenya.

However, as suggested by Gong and Maddox (2003), “future research can look into the impact of web advertising across different countries and cultures to enhance the global understanding of web advertising effectiveness” (p: 46). In addition, more studies are needed to cover various samples in different countries to increase external validity of the research findings (Calisir, 2003). To fill these gaps, the current study sought to determine the effectiveness of internet advertising on consumer behavior.

1.3 The Overall Research Objective

The current study investigated the effectiveness of internet advertising on consumer behavior by conducting a case study of Moshi Cooperative University Students.

1.3.1 Specific objectives

The specific objectives of this study are to;

i. Determine the effectiveness of internet advertising on reach and creation of awareness.
ii. Establish the reliability of internet advertising through recall.
iii. Determine the relationship between internet advertising and purchase decision.

1.4 Research Questions

1. What are the effectiveness of the internet advertising on reach and creation of awareness?

2. What is the Reliability of Internet advertising through recall?
3. What is the relationship between internet advertising and purchase decision?

1.5 Significance of the Study

The study will benefit marketers, businesses, government and academicians. This study may be able to inform marketers on the consumer preference of the advertising media and whether using Internet adverting would be effective in reaching and increasing awareness of the target audience.

Before adapting marketing practices to the Internet, it is imperative to understand the characteristics of the online customers towards online advertising as would be revealed by this study. The Internet has grown in popularity as an advertising medium because, among other things, it allows 24-hour interactivity between the advertiser and customer. It is important for local businesses to look into internet advertising as more consumers turn to the internet for their purchasing. A small business that can offer online purchasing may be able to tap into this customer base.

The government from this study would understand the value of internet advertising and its influence on consumer decisions which ultimately impacts electronic commerce/trade, and therefore would effectively regulate how internet advertising is delivered by acting rationally on laws that would restrict data usage, creating an ambient environment and availing resources to internet providing companies and at the same time safeguarding the interest of consumers. For scholars and academic researchers, the current study will form a basis upon which future research on Internet Advertising may be established. The findings may be resourceful in providing viable information to academicians, researchers and consumers on various concepts related to internet advertising.

1.6 Limitations of the study

There are number of factors that affect the behavior of consumers in Tanzania's market. But in this research, main focus is to study the effectiveness of internet advertising on consumer behavior in the process of purchasing. There are many theories and models that identify the consumer. This research is limiting itself on the scenario to identify consumer behavior variables in the buying process of goods in Tanzania. Consumer behavior would be changed according to kinds of goods and products. Therefore, different factors have different importance in the eye of consumer based on quality and kind of a product. Therefore, this research limits itself only to the effectiveness of internet advertising on consumer behavior in Tanzania.

Respondents below 18 years of age were not included in the present study, as it was assumed that respondents of the age 18 years and above can answer questions relating to Internet advertising. This is a limitation as respondents below 18 years also use the Internet and if they had been included in the sample their opinion on issues relating to Internet advertising may have given important insights.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter provides, through selective reference to some of the literature, a clearer understanding of Internet advertising concept and outlines previous research findings on the effectiveness of internet advertising based on measures of advertising effectiveness.

2.1 Definition of Concepts

2.1.1 The Internet concept

The Internet is often referred to as the network of networks   a communication medium made possible by computers and networks. People exchange all kinds of information in innumerable social contexts on the Internet (Pitter, 1995:2). The Internet is a communication system that utilises a computer and a modem to gather information from all over the world. It is composed of tens of millions of computers all connected allowing a person to get information that previously was inaccessible or took a long time to access (Norris, et al., 2000:187).

Research and information pass back and forth endlessly. The Internet is a fluid and dynamic environment, that is, it has no definite boundaries. Its limitations are imposed only by available software and hardware technology. The scientific and academic communities have used it extensively for many years. With the recent surge in Internet usage by business and government, the Internet or its successor computer network will be of major importance to tomorrow's world (Pitter, 1995:2). The Internet is a technology that is spreading much faster than any other technology. It is totally changing the way people work and live. The use of the Internet doubles every hundred days (Wang, 2002:2).

According to Novak and Hoffman (1996:59), the Internet uses a model of distributed computing that facilitates interactive multimedia many-to-many communications. For example, the Internet supports discussion groups (Internet news), multi-player games and communication systems chat, file transfer, electronic mail, and global information access and retrieval systems.

Firms communicate with their customers through various media. Traditionally, these media follow a passive one-to-many communication model, whereby a firm reaches many current and potential customers, segmented or not, through marketing efforts that allow only limited forms of feedback from the customer. The Internet revolution has dramatically altered advertising and communication media. According to Wang (2002:3) the Internet as a marketing medium has the potential to radically change the way firms do business with their customers.

2.1.2 The Concept of Internet Advertising

Internet advertising is a form of promotion that uses the Internet and World Wide Web (www) for the expressed purpose of delivering marketing messages to attract customers. Examples of online advertising include contextual ads on search engine results pages, banner ads, Rich Media Ads, Social network advertising, online classified advertising, advertising networks and e-mail marketing, including e-mail spam. Online video directories for brands are a good example of interactive advertising. These directories complement television advertising and allow the viewer to view the commercials of a number of brands. If the advertiser has opted for a response feature, the viewer may then choose to visit the brand's website, or interact with the advertiser through other touch points such as email, chat or phone. Response to brand communication is instantaneous, and conversion to business is very high. This is because in contrast to conventional forms of interruptive advertising, the viewer has actually chosen to see the commercial.

Consumer can gather information about products and services, communicate with other consumers and firms for related products and services, and sometimes complete transactions. As the Internet session is a self selected environment of the consumer, the promotion message will be more effective. Internet advertising is also capable of providing an experiential environment to the consumer through virtual reality interfaces thus allowing the consumer to experience some of the features of products before making the purchase decision. Consumer can provide feedback content about the product, to the firm and to other consumers.

A positive feedback becomes a good promotion for the marketer. A marketer can even exploit a negative feedback by solving the consumer's problem and showing the commitment of the organization to satisfying consumer needs. Consumer can also add "collective content" to the medium through discussion forums like the virtual communities (Ducoffe, 1996). In Tanzania, online advertising has gained increased popularity with more people spending time online.

2.1.3 The Concept of Promotion

Promotion is the component of a company's marketing system that involves delivery of messages to target customers that emphasizes the benefits of your brand, products and services. A few common communication tools such as advertising are used in a promotional plan. Goals of promotion include building brand awareness, creating favorable brand attitudes, gaining market share, inducing buying, building loyalty and growing sales (Kurtz 2010).

To reach its promotional goals, a company develops an effective promotional mix, which is a combination of strategies including advertising, personal selling, sales promotion, direct marketing and public relations through a cost effective allocation of resources (Robinson, 1991). In large companies, the marketing department has many roles. It determines the promotional mix, establishes the budget, allocates resources, coordinates the campaign, supervises any outside resources, and measures the results.

Manufacturers often develop a promotional mix for each segment of the distribution channel. To promote a product to large retailers that sell its products, a manufacturer might want to use a mix of personal selling, advertising, and buying discounts. This is known as the push policy. (The manufacturer pushes the product to the retailer.) The same manufacturer might use a different promotional mix of local and national advertising, in-store displays, sales promotion, and public relations to reach consumers. The pull policy directs promotions towards the consumers. It is used to create customer interest and demand. The study focuses on advertising as one of the strategies in the promotional mix used by companies within Tanzania.

Advertising is the communication relayed from companies to persuade an audience to purchase their products. This communication is usually through various forms of paid media TV and radio commercials, print ads, billboards and more recently, product placements, social media and online ads. Ads are placed where advertisers believe they will reach the largest, most relevant audience. Commercial businesses within Tanzania e.g. Azam Group of Companies, Vodacom use advertising to drive the consumption of their product, while non-profit organizations may place ads to raise awareness or encourage a change in behavior or perception.

2.1.4 The Concept of Consumer Behaviour

"Consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. " (Kuester, 2012) With the reference of above cite; Consumer behavior of every individual is different from other depending on buying choices which is influenced by buying habits and choices that are turn tampered by psychological and social drivers that affect purchase decision process. (Brassington, F. and Pettitt, S., 2000)

The term "consumer behavior" refers to actions and decisions that factor into a customer's purchase. Researchers, businesses and marketers study consumer behavior to understand what influences a consumer's shopping preferences and selection of products and services. Multiple factors affect consumer behavior, among them economic status, beliefs and values, culture, personality, age and education (Kotler, 2004). Findings on consumer behavior are used to develop methods and products that will boost company performance and sales.

"We're not aware of changing our minds even when we do change our minds. And most people, after they change their minds, reconstruct their past opinion they believe they always thought that." (KEYS, 2011) As quoted above, consumer behavior about decision making is difficult to define and is a system of short cuts and rule of thumb which is unpredictable. The short cuts in decision making vary from person to person and focusing on the past experience of consumers; we can predict the future trends by bringing profitable products and services into the market. In this modern world, the popularity of interactive media like the World Wide Web is increasing day by day with rapid pace. With reference to marketing it is continuously realized that the main two factors observed due to WWW are 1)Most of the companies are doing their business online and make their website as showroom of their product and services. 2) Fast increment of consumer segments due to increase needs and demand including online shopping as well. (Ha¨ubl, 2000, p. 5).

Customers are becoming more powerful, more knowledgeable and more sophisticated, and research into modern consumer behaviour is increasingly important for businesses according. Advertising to attract consumers, providing better environment, product, services and policies is important in improving today's consumer experience to support businesses in retaining customers. This study seeks to determine and explain the effectiveness of internet advertising in stimulating consumer response.

The number of internet users in Tanzania was estimated at 9.3 million in 2014 according to Tanzania Communications Regulatory Authority (TCRA). This majority of internet users are youth especially university students, who regularly use the social network sites through their mobile phones, either searching for information or chatting with friends online. Many students from the Moshi Cooperative University have embraced the evolution in technology, and adopted latest variety of android products, tablets, ipads, and the popular models of Samsung galaxy for easy access of the internet. The growth has been fuelled by the implementation of the ICT policy by the government and the introduction of the fibre optic network offering fast internet connections.

This study used a sample of these university students to determine and explain the relationship between internet advertising and consumer behavior. The students come from a diverse background and are ideal in studying various characteristics related to consumer behavior. Students are enrolled in different study programmes through fulltime with some operating from outside the institution while others have residence within the university leading to variability in exposure to advertising.

2.2 Theoretical Foundation of the Study

Emotional appeals in advertising theory and classical conditioning theory in learning consumer behavior form the theoretical basis of this study. Extensive academic research has been conducted on the psychology of emotion (e.g., Lazarus 1984) and the ways in which ad-evoked feelings may influence consumer response to marketing communication (e.g., Batra and Ray 1986; Holbrook and Batra 1987). Scholars have also observed that advertising may evoke both positive and negative emotions when seeking to persuade. Indeed, Brown, Homer and Inman (1998, p.115), suggest that from a practical perspective, “the relative strength of positive and negative feeling effects potentially could guide advertisers’ decisions regarding executional strategies.”

It has been suggested that ads use positive effect to make consumers like the ad and then buy the product, and negative effect to evoke an uncomfortable state that makes consumers want the “solution” offered by the advertiser (Aaker, Stayman and Hagerty 1986). Unfortunately, there are no guarantees that what the consumer actually experiences will be the affective response the advertiser intended to create: Research has shown that this kind of mismatch between advertiser intentions and consumer response occurs all too often (Cotte, Coulter and Moore, 2004; Englis 1990; Stout, Homerand Liu 1990).

These insights notwithstanding, a number of fundamental questions remain unanswered with respect to ad appeals. Why, for instance, do these appeals induce such powerful consumer responses in certain cases? What causes them to be more or less effective on consumers? With specific reference to internet advertising, this study will attempt to answer these questions.

Classical conditioning is often referred to as a means in which humans learn by association. In the classical conditioning paradigm, Pavlov’s Dog, a neutral stimulus is paired with an unconditioned stimulus to elicit an unconditioned response. For example, after repeated pairings of meat (known to cause salivation) with the sound of a bell, the sound of a bell alone elicits salivation. This association is dependent on two characteristics of the association: contiguity and frequency. The law of contiguity states that in order for associative learning to take place, the unconditioned stimulus and the neutral stimulus must be paired close in time to each other. Furthermore, it is not enough for a neutral stimulus and an unconditioned stimulus to simply co-exist in a close period of time. The more frequent the pairing, the easier it is to form an association.

Proponents of applying classical conditioning to marketing believe that the association between a product and positive stimuli may help explain the effect of many variables in communication and attitude change. Gorn (1982) tested the effects of a positive unconditioned stimulus on product preference. His results support the notion that the simple association between a product (conditioned stimulus) and another stimulus such as music (unconditioned stimulus) can affect product preferences as measured by product choice.

However, these effects were diminished in situations where consumers were in a clear decision making mode. The learning's of classical conditioning give us some insight on the characteristics of an effectively branded Internet advertisement. First and foremost, the frequency with which an ad is served impacts brand awareness. Frequency also impacts whether or not, an association between a message and a brand, is made by a consumer.

2.3 Internet Advertising

As a new advertising channel the Internet and particularly the World Wide Web (WWW) portion of the Internet, are challenging traditional forms of mass media advertising (Hoffman and Novak, 1996; Hearn, Mandeville and Anthony, 1998). Meeker (1998) defines a mass communication medium as the communication from "one person or group of persons through a transmitting device (a medium) to a large audience or market". The Internet offers an interactive alternative to mass media communication through the use of web pages, discussion groups and email (Hoffman and Novak, 1996).

A significant advantage for advertisers will be the opportunity to communicate more directly with individual consumers through this medium. Marketers will also be able to promote their products and services in a personalized, targeted manner to interested people within their target market. Importantly, wastage of advertising and marketing funds often experienced when exposing promotional messages to the mass market, may be reduced as a result of using this new interactive medium. Advertisers will need to re-address their techniques, services and agency structure and evolve new communication strategies for the Internet as market share is being lost to this more personalized, interactive form of Internet advertising.

Schlosser et al., (1999) surveyed a national sample of over 400 participants and found no majority opinion of Internet advertising-about a third of the participants liked, disliked, and felt neutrally toward Internet advertising respectively. The Internet users found online advertising was informative but less entertaining, and it did not encourage them to make purchases even they did not perceive it to increase product prices.

Korgaonkar and Wolin (2002) examined the differences between heavy, medium, and light web users and concluded that "heavier users hold stronger beliefs about and attitudes toward Web advertising which likely lead to stronger purchase intent" (p: 201). Comparing with lighter users, the heavy Internet users believed that web ads were more believable, entertaining, informative and helpful; but harder to understand. They perceived that web advertising was a good thing, moderately essential, and it reduced the cost of products. Marketers should include web advertising in their promotion efforts but the ads should be designed with the respective user groups in mind. For example, ads targeted to heavy web users should stress the price value relationship of the products, since they engage in more frequent purchasing and believe that web advertising helps to decrease the prices of products. Similarly, Ducoffe (1996) found that Internet advertising was perceived to be informative, entertaining, useful, valuable, and important.

2.3.1Marketing in the internet age

According to Norris (2000:18), an Internet market can be viewed as a direct parallel of the familiar shop, store or emporium. It is, in essence, a virtual trading area where deals are made through a computer screen, over a network. The "shop-front" is usually a set of web pages, the shelves equate to the catalogue where products are stored and displayed, and the warehouse is the server.

Internet marketing or Internet-based marketing can be defined as the use of the Internet and related digital technologies to achieve marketing objectives and support the modern marketing concept. These technologies include the Internet media and other digital media such as cable and satellite together with the hardware and software, which enable its operation and use (Chaffey, et al., 2000:6).

The term "electronic commerce" is often used in a similar context to Internet marketing and has become a standard term recognised for business transactions such as selling online, online bill payments, home shopping/banking and improving market efficiency in dealing with suppliers and clients (Novak and Hoffman, 1996:57). In the industrial age, marketers initiated and controlled the exchange process, whereas in the Internet age customers increasingly initiate and control the exchange, customer define what information they need, what offering they are interested in, and - 16 - what price they are willing to pay. In other worlds, Internet age marketing is the age of "reverse marketing" (Sheth, et al., 2001:6).

Karjaluoto (2002:348) argues that the commercialisation of the Internet was only started in 1995. By the year 1999, the Internet had reached over 50 million people. At the beginning of the year 2000, there were over 70 million computers connected to the Internet and this development is accelerating at enormous speed. Within the next three to four years, the number of people connected is likely to reach the 350 million mark worldwide.

The Internet provides consumers with a new means of obtaining useful information particularly with regard to commercial products and services. Electronic commerce is currently attracting a great deal of interest. Not only is it growing rapidly, but it also has a significant impact on the computer market and the way people work (Chaffey, et al., 2000:8). Wang (2002:3) highlights the importance of the Internet in facilitating dyadic information flows between supplier and customer, emphasising that the inverse relationship between the richness and reach of information no longer holds. As a result, the Internet has the potential to encourage a simultaneous two-way flow of information between large numbers of customers and suppliers.

Norris, et al., (2000:19) point out that one of the biggest implications for marketing theory and practice is the shift from a non-virtual market-place to a virtual market space where industry players unlike their traditional counterparts do not have to have a physical presence. The market-space comprises four different spaces of opportunity: virtual information space, virtual communication space, virtual transaction space and virtual distribution space. In order to capture the opportunities provided by each of these spaces it is necessary that firms have a website.

According to Weisman (2001:3), increasingly more consumers are migrating to electronic commerce to make electronic bill payments, to pay for information online, and to purchase products, services and prepaid cell phone airtime. It is estimated that worldwide electronic commerce had generated up to $42 billion in consumer transactions in the year 2000 and $65.9 billion in the year 2001.

According to Lain (2000:18), electronic commerce in South Africa is expected to grow by 20% every month. However, De Kare-Silver (2001:235) found that there is still a huge gap between the marketing potential of the Internet compared to the level of understanding within companies of how this can be exploited. The majority of companies are still „missing the link". More than 50% of companies seemed confused about the role of the Internet in their business, unclear what their strategy should be and have no immediate plans to graduate from trial and error to a level of greater selling sophistication.

2.3.2 Business benefits from the internet

According to Chaffey, et al. (2000:33), the Internet can be used to achieve each of the four strategic directions as follows:

Market penetration. The Internet can be a way to sell more existing products into existing markets. This is achieved by using the power of the Internet to advertise and increase awareness of products and also to lift the profile of a company amongst potential customers in an existing market.

Market development. The Internet is used to sell into new markets, taking advantage of the low cost of advertising internationally without the necessity for a supporting sales infrastructure in the customers" country.

Product development. New Internet-based products or services are being developed which are typically information oriented, such as market reports that can be purchased using electronic commerce. This is an innovative use of the Internet.

Diversification. In this sector, new products are developed which are sold into new markets.

2.3.3 Importance of the internet to marketers

The Internet represents a tremendous opportunity. For customers, it gives a much wider choice of products, services and prices from different suppliers and the means to select and purchase items more readily. For marketers it provides the opportunity to develop new skills and to improve the competitiveness of a company (Chaffey, et al., 2000:1). Understanding the importance of Internet exposure would help companies to implement their web-based marketing more effectively because:

Firstly, consumers and firms are conducting a substantial and rapidly increasing amount of business on the Internet. Recent figures indicate that electronic commerce on the Internet approached $45.8 billion in the year 2000 (Novak and Hofmaan, 1996:57).

Secondly, Malone (1995) cited by Novak and Hoffman (1996:58), argues that the market prefers the decentralised, many-to-many web for electronic commerce, as opposed to the centralised, closed-access environments provided by on-line services. Significantly, all the major on-line services now offer web access to their subscribers and have announced or are expected to announce, plans to allow members to self publish their own home pages on the web as well. Additionally, virtually all the major communication conglomerates have web sites as they shift their strategic orientation away from so-called interactive television applications to web-based publishing, communication, and multimedia marketing efforts.

Thirdly, the web provides an efficient channel for advertising, marketing, and even direct distribution of certain goods and information services. For example, Verity and Hof (1994), cited by Novak and Hoffman (1996:61), suggest that it may be nearly one-fourth less costly to perform direct-marketing through the Internet than through - 19 - conventional channels. A study by IBM Corporation (1995) cited by Novak and Hoffman (1996:62), suggests that on–line catalogues published on the Internet can save firms up to 62 percent of what it would cost to print and distribute them by conventional means. Along with the suspected increases in efficiency, evidence continues to indicate that marketing on the net is far more effective than marketing through traditional media.

2.4 Mobile Internet Usage

Mobile Internet growth is the growth of the Internet when accessed via a mobile device such as Smartphone. Through the use of mobile Internet as a service reached by mobile devices, the world has seen some quite changes in past decade and more rapidly than purchases of any other consumer product, according to study research by Tomi Ahonen. (2003). Below are just few consequences as the impact of combined Smartphones and mobile Internet.

(i) Smartphones have become an integral part of our daily lives. Smartphone penetration has risen to more than 100% of the population in some parts of the world and these smartphone owners are becoming increasingly reliant on their devices. Over half of the users with Smartphones access the Internet every day and most never leave home without it.

(ii) Smartphones have played a major role in transforming consumer behavior. Mobile search, video, app usage, and social networking are prolic. Smartphone users are multi-tasking their media with close to 100% using their phone while doing other things such as streaming songs.

(iii) Smartphones obviously help users to navigate the world. Appearing on smart-phones is critical for local businesses. More than two-thirds of smartphone users look for local information on their phone and almost all users take action a result, such as visiting the searched place or contacting the business.

(iv) Smartphones have significant changed the way consumers shop or make purchase. Smartphones are critical shopping tools with almost all users having researched a product or service on their device at least once. Smartphone re-search influences buyer decisions and purchases across channels

(v) Smartphones facilitate advertisers to get connected with consumers. Mobile advertisements are noticed by all Smartphones users who have access to Internet. Smartphones are also a critical component of traditional advertising as more than half have performed a search on their Smartphone after seeing a traditional advertisement.

In Tanzania, fixed communications infrastructures are stagnated and currently seems like fixed wired communication is no longer needed. The country has allowed a door open for wireless communications and mobile devices are increasing everyday with thousands of new subscribers join or shift network operators every day. Mobile Internet is also in the same status of being improving day after day. Now, all mobile providers in Tanzania provide mobile Internet access and even more wireless network operators with mobile Internet.

2.5 Evolution of Mobile Broadband

Mobile broadband is simply a coined marketing term for wireless Internet access through a mobile device such as mobile phone. Mobile broadband was technically born after at least Telecommunication manufacturers, mobile phone industries integrated-circuit makers have worked on joint connection in the GSM Association to realize the built-in support for mobile Internet access technology on laptops and other mobile devices (GSM 2012).

In 2002, a huge barrier to mobile broadband was the coverage the cellular networks can provide. In many areas end users will not be able to achieve the peak speeds advertised due to coverage limitations. Furthermore, there are concerned issues with connectivity, network capacity, quality of service, and mobile network operators' over-all lack of experience with mobile data track
(Radisys 2010).

The world is home to seven (7) billion people, one third of which are using the Internet. 45% of the worlds Internet users are below the age of 25. While over the last twelve years, developing countries have increased their share of the world's total number of Internet users from 44% in 2006, to 62% in 2011. Today, Internet users in China represent almost 25% of the world's total Internet users and 37% of the developing countries Internet users.

With 5.9 billion mobile-cellular subscriptions, global penetration reaches 87% and 79% in the developing world. Mobile-broadband subscriptions have grown 45% annually over the last four years and today there are twice as many mobile-broadband as xed broadband subscriptions . Furthermore, active mobile broadband subscriptions will top 3.8 billion by 2015, according to Ericsson, with 4G networks, e.g HSPA, CDMA and LTE networks driving 95% of those subscriptions

Speaking of growth of Internet broadband which is a key factor for providing high-speed Internet access to a growing number of Internet subscribers has grown exponentially over the last twelve years, from 11000 Gbit/s in 2006, to approximately to 80000 Gbit/s in 2011. In term of comparison of bandwidth in around the world countries, disparities between regions in terms of available Internet bandwidth per Internet user remain, with on average almost 90000 bit/s of bandwidth per user in Europe, compared with 2000 bit/s per user in Africa (Tina 2011).

International Telecommunications Union, ITU has showed that in 2011, 90% of the world's population lived in areas covered with 2G network, while 45% lived in areas with covered by 2G and 3G networks (Telco 2012).

PCs and laptops are important devices in nowadays society as they enable and enhance communications, information seek entertainment and commerce via Internet. It is obvious that without Internet, computer becomes less useful in aspect of above activities. Now that digital lifestyle device, tablets, wireless phones, and other Inter-net appliances are beginning to come of age at higher penetration power and spread over every part of the world. It is right time to provide a deep insight of current status of key players in this wireless telecommunications domain.

2.6 Integrated Marketing Communication

The Internet has contributed to a greater adoption of integrated marketing communication (IMC) strategies, by allowing marketers to communicate more directly with individual consumers (Low, 2000). Internet functions become integrated into a company's communications mix, which permits the operation of the Internet as an advertising medium to be incorporated alongside more traditional media types. The application of the IMC concept involves the progression away from the traditional one-to-many marketing communication model for mass media to the one-to-one communication, or many-to-many communication model (Hoffman and Novak, 1996).

The inclusion of the Internet in the promotional mix will not eliminate the use of mass media advertising channels such as television, radio, newspapers and magazines. However, the Internet may reduce the amount of mass media advertising required. Arguably, this will occur because the personal computer with Internet access is being utilized frequently by target audience members as an effective communication channel to make both social exchanges using email and commercial exchanges to purchase products on the web. The advertising industry is being challenged to create more direct, personal and interactive communication with the target market through the use of the Internet.

The influence of the Internet on business-to-consumer (B2C) relationships has introduced a new dimension of interactivity to the communication industry (Shiva, 1997). Along with the introduction of the Internet, advertising as a form of communication has become more interactive. Traditionally advertising has involved the reduction of information about a product, service or idea's core benefits into a 30 second TVC, a full page colour magazine advertisement, or a 15 second radio spot, in order to persuade the target market to take action (Shiva, 1997). However, while traditional advertising involves the reduction of information, the Internet enables the advertiser to provide consumers with detailed information with no time or space restrictions. Internet-based advertisers do not need to rely on traditional media channels, and are becoming liberated from these limitations, thus taking advantage of interactive communication and informing and educating consumers online.

Berthon, Pitt and Watson (1996, p. 53) argue that the WWW represents a "remarkable new opportunity for advertisers and marketers to communicate with new and existing markets in a very integrated way."

This is because the Internet, and in particular the WWW, frees consumers from their traditional 'passive' roles as receivers of marketing communication and gives them greater control over their information search and acquisition process. As a result, consumers are now becoming interactive and more active participants in advertising and marketing processes (Hoffman and Novak, 1996; Hoffman, Novak and Chatterjee, 1997).

2.7 E-Commerce / online shopping

Internet makes life simple and innovative. People are doing business online and trade has become more easy and fast due to this. Internet provides new ways to promote business. Website becomes the essence of online business as to show their services and products. Internet gathers all competitors and consumers in one place. It brings new lane to promote, advertise products and services in market (Barry Silverstein, 2002, p. 3).

Total global E-commerce sale in 2011 have grown to Euro 690 billion (USD 961 billion) and recorded an increase of 20 % with an estimation of increase in the coming years and to cross the 1 trillion Euro mark in 2013. Asia pacific region is leading in terms of growth as compared to mature markets like US, UK, Japan and European countries. Asia Pacific recorded 130 % growth specially China in 2011. The online retailing is becoming an integral part of an economy and country and worldwide increasingly seeing trust and confidence in purchasing online. (AadWeening, 2012)

"E-commerce is benefiting from several positive trends, including the continued rollout of broadband, increasing user comfort shopping online and the decline of certain brick-and-mortar retailers," (Imran Khan, 2011, P.416).

Online consumers are always seeking new products, new attractiveness and the most important thing being price compatibility with their budget. The internet is the best way to save time and money through purchasing online within their range of budget at home or in anywhere. Online consumers don't have limits to online shopping. They also use internet for comparison of prices of goods and services, news, visit social networks and search information and so on. The recession has so much impact on online consumer behavior (Rodriguez, 2009, p. 3). Online shopping behavior depends o variables, internet knowledge and experience and last factor is shopping incentives. These are key determinants to influence the behavior of online consumers. Online seekers are the main sources of online shoppers always want to seek information within few clicks and reach to the most relevant information according to their requirements such as competitive brands, best price offers, product specification and consumer word 2005, p. 32).

2.8 Effectiveness of Internet Advertising

Various researchers have studied numerous factors that might have an impact on Internet advertising recall. (Danaher and Mullarkey, 2003; Goldsmith and Lafferty, 2002; Menon and Soman, 2002). The factors include ad characteristics, Internet users' viewing mode and duration of viewing, campaign publicity, attitudes toward the web site or ad, and curiosity and innovative advertising strategy (Danaher and Mullarkey, 2003; Goldsmith and Lafferty, 2002; Menon and Soman, 2002). Danaher and Mullarkey (2003) examined the effects of such factors as viewing mode, visit duration, text and page background complexity, and the style of banner ads on both aided and unaided recall. The authors did not find any significant impact of the web site context factors on advertising recall. The key finding was that the duration of page viewing is a strong determinant of the ability to recall banner ads; however, a minimum level of exposure (around 40 seconds per page) is required to achieve a reasonable level of advertising recall.

Dreze and Hussherr (2003) also examined the effectiveness of ad characteristics on the ability to recall ad. Animation content, the shape of the banner ad, and frequency of the ad (repetition) leads to higher advertising recall but not the size of the banner. In addition, the authors reported that "a banner's message influences both aided advertising recall and brand recognition. This indicates that what an ad says is more important than how it says it" (p: 21). In contrast, Yoon (2003) found that banner image is more significantly effective than text to assess consumers' preferences toward online ads.

In terms of consumer responses in the form of liking online ads, researchers such as Goldsmith and Lafferty (2002) and Metha (2000) have found that a more favorable attitude towards ads can lead to a higher ability to recall ads. Goldsmith and Lafferty

(2002) found a significant relationship between positive responses to web sites and the likelihood of recall the brands advertised on the web. The authors reported that “In general, research suggests that those consumers who have a positive attitude toward an ad are more able to recall than those with a negative attitude (p: 320). Metha (2000) made a similar conclusion but the study was based on print advertising performance.

Click-through rate is a widely used measure for assessing the effectiveness of banner advertising, which is the average number of times a viewer clicks on a pop-up ad and is then exposed to the target web site (Dreze and Hussherr, 2003; Faber, et al., 2004). As reported by Cho (2003), “the banner advertisement click-through is believed to be the most common way to draw consumers into a target site and engage them with a brand or product.

2.9 Consumer Behavior

According to Malcolm Warner (2001) consumer behavior is the study of individuals, groups, or organizations and the processes they use to select, secure, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society. Malcolm (2001). Warner emphasized the consumption related behaviors are often undertaken collectively. For example, some activities performed by individuals but consumed by a family or group of people, similar as organization purchasing activities usually followed by group decisions. Beside this point, the consumer behavior is not just purchasing, but has usage and disposal the goods, this type of information always be useful for company to make marketing decisions Malcolm(2001). It blends elements from psychology, sociology, social anthropology and economics, and attempts to understand the decision-making processes of buyers, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioral variables in an attempt to understand people's wants, and also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general.

This definition clearly brings out that it is not just the buying of goods/services that receives attention in consumer behavior but, the process starts much before the goods have been acquired or bought. A process of buying starts in the minds of the consumer, which leads to the finding of alternatives between products that can be acquired with their relative advantages and disadvantages. This leads to internal and external research. Then follows a process of decision making for purchase and using the goods, and then the post purchase behavior which is also very important, because it gives a clue to the marketers whether his product has been a success or not. Malcolm (2001).

The black box model shows the interaction of stimuli, consumer characteristics, and decision process and consumer responses. It can be distinguished between interpersonal stimuli (between people) or intrapersonal stimuli (within people). The black box model is related to the black box theory of behaviorism, where the focus is not set on the processes inside a consumer, but the relation between the stimuli and the response of the consumer. The marketing stimuli are planned and processed by the companies, whereas the environmental stimulus is given by social factors, based on the economical, political and cultural circumstances of a society. The buyer's black box contains the buyer characteristics and the decision process, which determines the buyer's response.

Measuring customer behavior is a crucial part of any business. Knowing what the consumer wants and how he acts is vital in terms of product design, and marketing (Todd, 1997). Assessment of consumer behavior in specific situations, using observational and physiological methods, is becoming increasingly important in understanding conscious and unconscious consumer behavior. An increased understanding of consumer behavior may result in the development of improved consumer products and in more healthy dietary patterns. A growing number of techniques are available to assist researchers in measuring various aspects of consumer behavior such as walking patterns, product selection, meal composition, and eating/drinking. Due to advances in digital video, sensor technology and computer speed, complex measurements of behavior and physiology are now possible. Integration of these techniques allows multimodal measurements. With the growing number of techniques, the challenge for the researcher to choose the right solution becomes larger.

There are different ways of measuring consumer behavior, depending on the interest. Regularly conducting market research allows businesses to know their customers, and take them into account when making business decisions. This greatly improves business performance, and profits. (Todd 1997).

Common measurements includes, conducting a survey to determine consumer behavior. There are two main types of consumer survey: qualitative or quantitative. Qualitative studies involve asking a few consumers a lot of in-depth questions. Quantitative studies involve asking lots of consumers a few questions. The latter would be better for determining the market for a totally new product, since you only need to find out if people would buy it. If you are amending a product, or making one similar, a qualitative study would allow you to gain more detailed information. (Todd 1997).

Similarly, consumer behavior would be measured by observing consumers going about their business within permitted stores or shopping malls. By watching consumers, it is possible to discern a great deal of information about their behavior. Information such as optimum height and location of a product and store layout is all gleaned from observational consumer behavior measures. Other techniques involve using raw data to provide a measurement tool. For example, releasing a new product to the market, and observing if it is bought regularly in conjunction with another product. If so, then an assumption can be made that it has a similar demographic to the second product. (Todd 1997). Using the raw data to determine what time of day, or weather, or time of year people buy a product gives information on consumer behavior. Using separate objective and subjective data obtained from an interview or survey. The primary data from respondents is used to make objective judgments, which are free from bias.

2.9.1 Goal oriented consumer behavior

Goal oriented consumer behavior is known as utilitarian shopping behavior. It is deliberatively, efficiently and preplanned with decision making purpose (Bidgoli, 2004, p. 272).

Goal oriented online consumer are task oriented, specific directed, rational and efficient in decision making. They are always seeking to complete their task quickly without delay because they are focused and determinant about their purpose of shopping. As aspect to online consumer, they always are goal oriented.

The reason behind is that easiness attract them to buy electronic goods online. It is shown by research that goal oriented online shoppers prefer online shopping because it is convenient. Goal oriented online consumers have characteristic that they have value convenience and they are likely to buy electronic goods over the internet (Yuan Gao, 2005, p. 56)

2.9.2 Experimental consumer behavior

Experimental is the hedonic mindset where consumer reacts more on the basis of experiments rather than cognitions or sensory attraction, consumer deemphasize on external elements and more respond to their past experience (Robert W. Proctor, 2005, p. 597).

Experiential consumer behavior is characterized by non-direct search because they directly search online shopping particulars on their experience basis along with hedonic benefits (Pedersen, 2002, p. 3). This behavior is more focused on pleasure and by seeking information on the basis of consumer's experience with sensory elements, this mind set is refer as "search as recreation", it is by nature has experimental influence and consumer wants to have experience new things which pursue him to be as motivator (Saaksjarvi, 2007, p. 29) . This situation would be explained in e-Shopping context as a consumer is visiting website in order to buy a particular item because he had already purchased that item from this website. He would have all necessary things to start transaction, all steps he would do easily because he would had experience.

2.9.3 Factors influencing consumer behavior

There are so many factors that have influence on online consumer behavior while doing online shopping, in simple word, it is a complex mixtures of so many factors such as social, culture, education, race, personality, environment and resources availability. It involve many variables some are controllable and some are uncontrollable such as environment and consumer personality are uncontrollable variable which always prevail in every online transaction but some are in our span of control such as medium of exchange, medium of goods information, products or services characteristics, merchant or inventory characteristics. There are other factors as well like building trust factor, confidence, appealing website, proper and full information about goods and services by this purchasing decision would be more encouraged.

2.10 Internet Advertising and Consumer Behavior

The evolution of the Internet as a global communication infrastructure (Cae 2000) has created a new advertising channel for advertisers and advertising agencies to utilize and will provide advertisers with the means to more cost effectively target their promotional messages to consumers. Psychological factors such as thinking, feeling, sensation, and intuition directly correlate with customers' online advertising experience. Companies should aim to strengthen customer interactions with advertisements on the Web, keeping both context and cognition in mind. Unfortunately, most companies provide a generic experience to all customers rather than relying on customer analysis to deliver a personalized experience. They've failed to innovate and bring the online advertising experience to a whole new level of interaction and integration that would truly let them achieve effective communication.

As consumers experience and respond to stimuli around them, emotions arise. Their reactions manifest themselves as physiological changes they experience as feelings. Likewise, as people react to stimuli online for example, to an online advertisement they have emotional responses that are directly proportional to their reactions to these stimuli. On the other hand, when customers repeatedly experience the same stimuli, they may not cause any emotional response. People become conditioned to ignore the ever-present ads on Web sites, which is called ad blindness (Wolhandler, 1999).

Advertising and promotion offer a news function to consumers. As Yoo W., Suh K. and Lee M. (2002) mentioned in their report, personal interactions with other customers and service providers play a very important role while shopping online. Viewers of ads learn about new products and services available to them, much like they learn about events in the news.

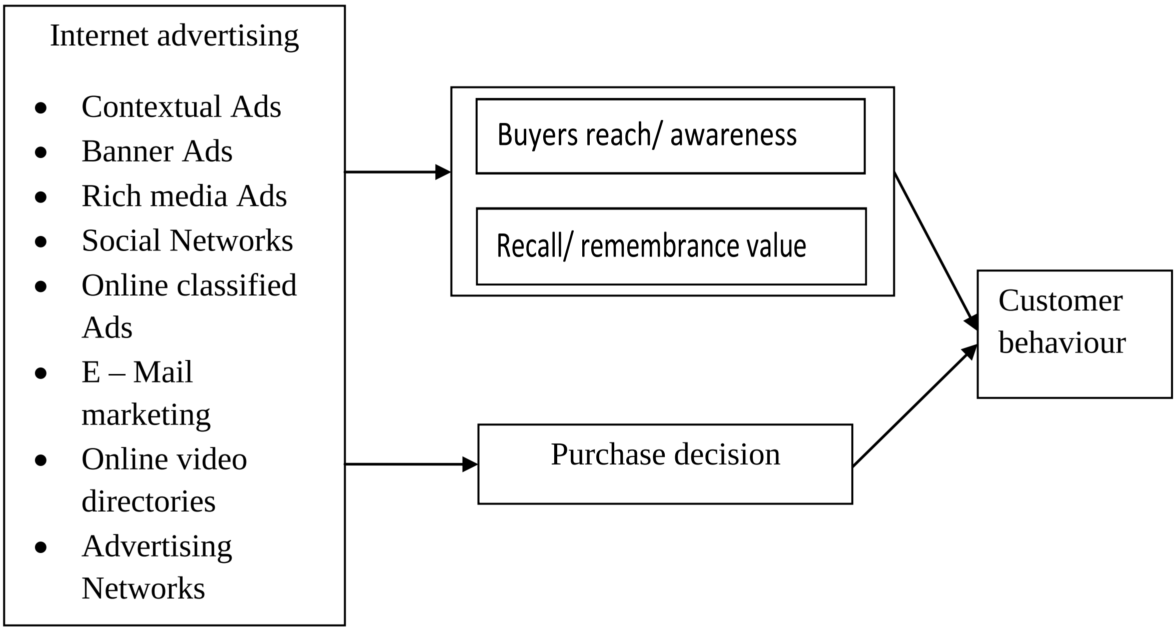
This information function has a neutral role. It provides facts without approval or disapproval from consumers. Customer behavior at this stage encompasses expressions of curiosity. Consumers have a rational response to advertising when they look at the features of a product or service. This response focuses on a logical listing of all the functional aspects of the offering. This is an intellectual response, rather than an emotional one (Lee, 2002).

When customers weigh benefits, they become emotionally involved with advertising and promotion. Consumers identify ways the product or service can make them happier, improve their lives or give them pleasure. This part of the consumer response is irrational and can lead to impulse buying and competition to obtain the product. Repeated advertising messages affect consumer behavior. This repetition serves as a reminder to the consumer. Behavior that stems from reminders includes suddenly thinking of a product while shopping and making a decision to buy it, as if it had been on the consumer's "to-do" list (Lee 2002).

Consumer behavior splits between loyalty and alienation depending on how well the product lives up to its advertised benefits (Thorson, 2000). Corporate behavior such as scandals or charity work can also affect alienation and loyalty responses. Once the consumer makes this choice, advertising and promotion are not likely to undo that decision. The Cannon-Bard Theory that Walter Cannon and Philip Bard advocated suggests human beings feel emotions first, and then act upon them. When customers visit a Web site, the ads they encounter evoke an emotional response before they even decide what their next step should be. If ads don't trigger customers' emotions, they may not take any action in response.

Based on the review of the research studies mentioned above, it is clear that Internet advertising is gaining much attention and should be an essential part of a marketer's advertising media mix. The inconclusive findings call for further studies on Internet advertising to gain more insight into consumers' response and perception of the Internet as an advertising medium. Hence, this study determined the effectiveness of internet advertising as an ad medium, and its relationship to consumers' response e.g. online purchase decision.

Research model



From the research model above Internet advertising is a form of promotion that uses the Internet and World Wide Web (www) for the expressed purpose of delivering marketing messages to attract customers. Examples of online advertising include contextual ads on search engine results pages, banner ads, Rich Media Ads, Social network advertising, online classified advertising, advertising networks and e-mail marketing. Online video directories for brands are a good example of interactive advertising. These directories complement television advertising and allow the viewer to view the commercials of a number of brands. Through these customers becomes aware of various products and service and be able to recall their value and hence influence their behavior on purchase decision.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter focuses on research methodology that was used in the study. It provides a detailed description of the research approach adopted in this study. Research design, target population, research instruments, data collection and analysis methods used were presenting the subsequent sections.

3.2 Research Design

This study used descriptive research. Descriptive research involves gathering data that describe events and then organizes, tabulates, depicts, and describes the data collection (Glass & Hopkins, 1984). It often uses visual aids such as graphs and charts to aid the reader in understanding the data distribution and therefore offer a better clarification on online advertising, and ultimately give a clear picture on the effectiveness and reliability of online advertising and its relationship to purchase decision.

3.3 Population of the Study

The Moshi Cooperative University (MOCU) formally known as Moshi University College of Cooperative and Business Studies (MUCCoBS) has 4204 registered students with 3990 in undergraduate and 214 in postgraduate as at December 2014. This study targeted undergraduate students together with the post graduate students of the Moshi Cooperative University because of their background diversity and exposure to advertising with a larger percentage using the internet. Students of the Moshi Cooperative University are provided with the Internet access through wireless connection, and therefore, the chances for them accessing online advertising via social media are very high. On the same basis of their diverse background, only students from the Main campus were chosen for this study.

3.4 Sample Design

Stratified sampling technique was used to select the units for study. 100 students of the Moshi Cooperative University were used as a study sample to represent the population of consumers. This sample was stratified into each year of study and respondents were randomly selected from each stratum to come up with the representative sample of 100 for the entire population. This was a viable sampling technique since it gave the advantages of focusing on important subpopulations and allows the use of different sampling technique for different subpopulations in improving the accuracy of estimation.

3.5 Data Collection

The research made use of primary data, which was collected using structured questionnaires distributed to the 100 respondents sampled from the Moshi Cooperative University main campus, found outside the library, from classes, within the university square and within the hostels. The administered questionnaires were collected after completion by the respondents on the same day and their responses used for analysis. The questionnaire had open ended questions to enable guide the respondent through filling of the questionnaire as well as probe them for more information.

3.6 Validity and Reliability

Content validity refers to the extent to which an instrument represents the factors under study. To achieve content validity, questionnaires included a variety of questions on the knowledge of students on internet advertising and consumer behavior. All the subjects completed the questionnaires in the presence of the researcher. This was done to prevent subjects from giving questionnaires to other people to complete on their behalf.

Reliability can be ensured by minimizing sources of measurement error like data collector bias. Data collector bias was minimized by the researcher's being the only one to administer the questionnaires, and standardizing conditions such as exhibiting similar personal attributes to all respondents, e.g., friendliness and support. Pilot testing was carried out by the researcher to identify any flaws on the questionnaire to reduce errors of measurement and test for consistency.

3.7 Data Analysis and Presentation

The study applied both nominal and ordinal scale to measure a range of factors establishing the effectiveness of internet advertising on consumer behavior and an interval scale in determining the relationship between internet advertising and consumer behavior. Descriptive statistics was used to analyze the data. The mean responses, standard deviation and other relevant statistics were computed to better understand the data. The data that collected was compiled and edited to check for logical inconsistencies.

The data was then coded according to the responses. Relationships between responses was assessed and presented using tables and graphs and analysis was done using SPSS. Regression and Correlation analysis was applied in this study to reveal relationships among variables in the findings from the data.

CHAPTER FOUR

DATA ANALYSIS, RESULT AND DISCUSSION

4.0 Introduction

This chapter present analysis and finding of the study as set out in the research methodology. The results were presented on the effectiveness of internet advertising on consume behaviors: the case of Moshi Cooperative University Students. The study objectives were; to determine the effectiveness of internet advertising on reach and creation of awareness, to determine the effectiveness of internet advertising through recall; and to determine the relationship between internet advertising and purchase decision. The study targeted 100 respondents out of which all the 100 respondents responded and return their questionnaires contributing to a response rate of 100%. This response rate was sufficient and representative and conforms to Mugenda and Mugenda (2003) stipulation that a response rate of 50% is adequate for analysis and reporting: a rate of 60% is good while a response rate of 70% and over is excellent. This commendable response rate was due to extra efforts that were made via courtesy calls made to remind the respondents to fill-in and return the questionnaires. The chapter covers the demographic information, and the findings based on the objectives. The findings were then presented in tables, graphs and charts as appropriate with explanations being given in prose thereafter.

4.1 Demographic information of the respondents

The study mainly tried to find the general information on the respondents involved in the study with regards to the year of study, age, and gender. The demographic information points at the respondents' suitability in answering the questions on the effectiveness of internet advertising on consumer behaviour: the case of Moshi Cooperative University Students (MOCU).

4.1.1 Year of study of the respondents

From the table below shows that 20 (20%) of the respondents were First year, 29 (29%) of the respondents were Second year, 33 (33%) of the respondents were third year and 18 (18%) of the respondents were Post graduates. The study sample was representative of all the years of the study with the third year students forming the highest proportion of the sample.

Table 4.1: Distribution of the respondents by year of Study

	Frequency	**Percentage**
First year	20	20
Second year	29	29
Third year	33	33
Post graduate	18	18
Total	100	100

Source: Field data

4.1.2 Age groups of the respondents

The age of all respondents were analyzed so as to find the distribution of the respondents based on their age. Tables 4.2 analyze the distribution of the respondents based on their age. From the findings below 19 - 25 years were 82 (82%) of the respondents and 26 – 36 years were 18 (18%) of the respondents. This shows that the age group of 19 – 25 years was majority.

Table 4.2 Distribution of the respondents by Age groups

Age groups	**Frequency**	**Percentage**
19 – 25 years	82	82
26 – 36 years	18	18
Total	100	100.0

Source: Field data

4.1.3 Distribution of the respondents by Gender

The total number of all respondents was 100. Majority of respondents were males who were 72 (72%) of the respondents whereas 28 (28%) of the respondents were female. Table 4.3 below shows the statistical data of the gender of respondents in frequencies and percentages.

Table 4.3 Distribution of the respondents by Gender

	Frequency	Percentage
Male	72	72
Female	28	28
Total	100	100

Source: Field data

4.1.4 Distribution of the respondents by place of residence

The distribution of the respondents based on their place of residence in the table 4.4 below shows that, 75 (75%) of the respondent reside in the university hostels while the 25 (25%) of the respondents stays in other places other than university hostels.

Table 4.4 Distribution of the respondents by place of residence

	Frequency	Percentage
University Hostel	75	75
Other	25	25

Source: Field Data

4.2 Effectiveness of internet advertisement and creation of awareness.

Research Question one: What are the effectiveness of the internet advertising on reach and creation of awareness?

This research question is addressed by the responses to the under mentioned questions sent to the respondents below.

4.2.1 Awareness of various forms of advertisement

The first objective of the study was to determine the effectiveness of internet advertising on reach and creation of awareness. The study sought to establish whether the respondents were aware of various forms of advertisements adopted by various companies. Majority of the respondents 98 (98%) attested to being aware of various forms of advertisements adopted by various companies while 2 (2%) of the respondents were not aware of the various forms of the advertisement. As it is shown in table 4.5 below this illustrates that the effectiveness of internet advertising on reach and creation of awareness was determined by the level of knowledge about the existing platforms of advertisements adopted by various companies in Tanzania.

Table 4.5 Awareness of various forms of advertisement

	Frequency	**Percentage**
Yes	98	98
No	2	2

Source: Field Data

4.2.2 Respondents attitudes towards advertisement

The respondents were asked to indicate their attitude towards advertisements. The table 4.6 below shows that, most of the respondents 35 (35%) indicated that advertising was informative, 31 (31%) of the respondents indicated the advertisement creates awareness, 25 (25%) of the respondents indicated that advertising was entertaining and 3 (3%) indicated that advertising was either irritating, annoying or a waste of time. These findings mean that most of the respondents had positive attitude towards advertising as illustrated by their various perceptions about the use of advertising. This clearly shows a positive attitude toward advertising and hence is a good indication for marketers.

Table 4.6 Attitude towards Advertisements

	Frequency	**Percent**
Informative	35	35
Creates awareness	31	31
Entertaining	25	25
Irritating	3	3
Annoying	3	3
Waste of time	3	3
Total	**100**	**100**

Source: Field data

4.2.3 Time spent on various platforms of advertising

In order to further identify the effectiveness of internet advertising on reach and creation of awareness, the respondents were requested to indicate the amount of time spent on various platforms of advertising. The responses were rated on a five point Likert scale where: 1 = less 1hr, 2=1 – 2 hrs, 3 =2 – 4 hrs, 4 = 4 – 6 hrs while 5= over 6 hrs.

From the findings in table 4.7, on an average spends more than 4 hours on the internet during his free time which is more than that of TV and movies, radio and print medium. Hence, on an average the exposure of internet to an individual is around 40% more than that of other mediums i.e. the reach of medium internet is much better than that of others.
The study sought to establish whether the respondents watched the TV/ or listened to Radio commercials during commercial break. The findings are as shown in table 4.7 below.

Table 4.7: Time spent on various platforms of advertising

	Mean	Standard deviation
TV, Movies	2.42	1.241
Newspaper, Mags	1.11	1.372
Radio	1.03	0.927
Internet	4.21	0.515

Source: Field Data

4.2.4 Watching the TV/ or listen to radio commercials during commercial break

The respondents were asked whether they watched the TV/ or listened to Radio commercials during commercial break.

The study sought to establish whether the respondents watched the TV/ or listened to Radio commercials during commercial break. According to the findings, the majority of the respondents attested to watching the TV/ commercial during commercial break. This implies that for television commercial, around 70% of consumers had a positive perception towards advertising on TV. The findings are as shown in table 4.8 below.

Table 4.8 Watching the TV/ or listening radio commercials during commercial break.

	Frequency	Percent
Yes	70	70
No	30	30
Total	100	100

Source: Field Data

4.2.5 Change the channel during commercial breaks

Respondents were asked to indicate if they changed channels during commercial and the results were tabulated. From table 4.9 shows that 26 (26%) of the respondents never changed the channel during commercial break, 17 (17%) of the respondents were sometimes changed, 33% of the respondents changed depending on an ad, 13% of the respondents they often change and 11% of the respondents changed every time. The degree of attractiveness of the advert and its relevance to the respondents determined their attention to the advert. The viewers would see the advertisement if the ad is attractive and appealing.

Hence there is a probability of 0.75 of a consumer viewing the particular advertisement (for creating awareness and information) on television making it an effective mode of communication**.**

Table 4.9 Change the channel during commercial breaks

	Frequency	**Percent**
Never	26	26
Sometimes	17	17
Depends on ad	33	33
Often	13	13
Every time	11	11
Total	**100**	**100**

Source: Field Data

4.3 Reliability of Internet advertising through recall

Research Question two: What is the Reliability of Internet advertising through recall?

This research question is addressed by the responses to the under mentioned questions sent to the respondents below.

4.3.1. Checking an online advert

The respondents were asked whether they would check an online advert. The objective of the study was to establish the reliability of internet advertising through recall. In case of online advertising, majority 79 (79%) of consumers ignored the advert completely while 21 (21 %) indicated that they would check an online advert. Further the study found out that, out of the 21% respondents, 15% said that the intention was not to see the ads, but they didn't have any option but to see them as they were interstitial.

Adverts, Pop – up ads or floating ads. These ads either block the view of the content, or appear right in the middle of the page, or keeps on floating (moving) around which is considered to be very irritating for the consumers. Checking the ads determined the level of interactions with the online ads. Therefore, even though the reach of internet is much higher than that of other modes, its ability to attract consumers for awareness creation is very low. The findings presented in the table 4.10.

Table 4.10 checking an online advert

	Frequency	Percent
Yes	21	21
No	79	79
Total	**100**	**100**

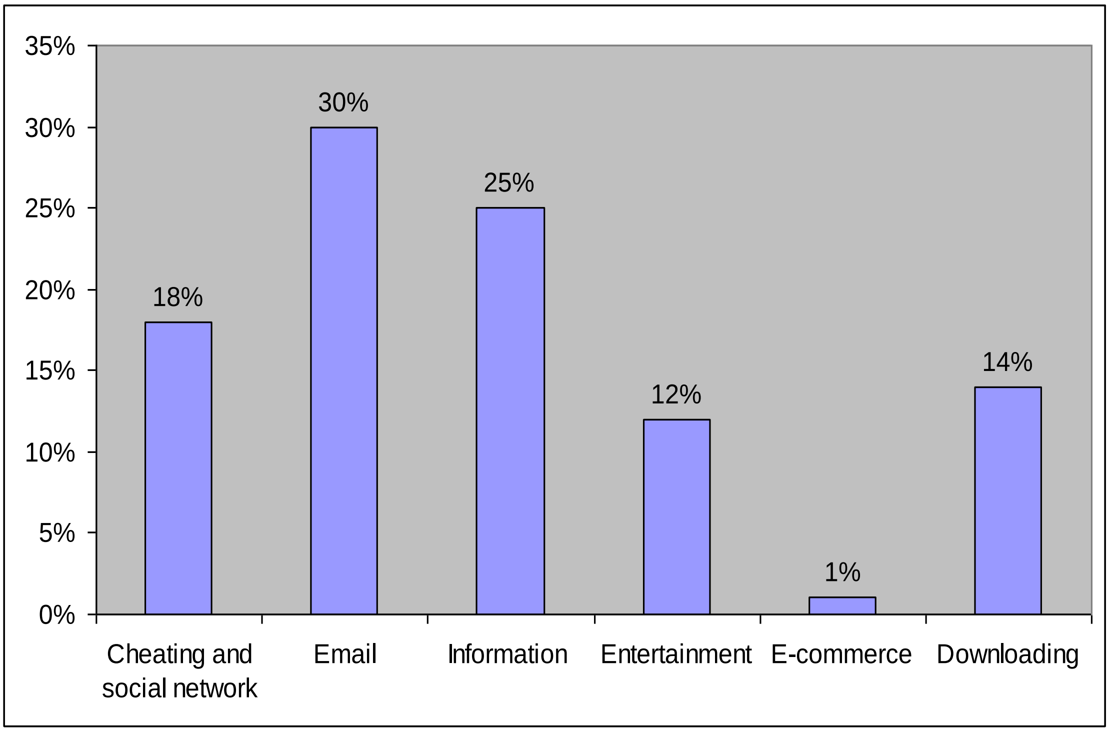
Source: Field Data

4.3.2 Internet Usage

The respondents were further asked to indicate their purpose of using internet.

As shows in figure 4.1, 30 % of the respondents used internet for E-mail, 25% for information, and others for chatting and social networking, indicating that communications has been the fundamental value of the internet to consumers. There was a higher chance of interaction with various online ads as reflected by the diverse usage of internet. The study findings are illustrated in Figure 4.1

Figure 4.1 Internet Usage



Source: Field Data

4.3.3 Ad recall

The respondents were asked to indicate whether they would recall the last three TV and online ads.

This is for the last three ads that they had seen consciously or unconsciously. In case of TV ads, 84 (84%) remembered their last three ads which is very good score in terms of creating awareness. In case of online ads, only 54% could remember their last three interactions with the online ads. Therefore, one can easily make out the reliability on online and TV ads recall values. The study found out that TV ads are much reliable that internet advertising and other forms of advertising.

Table 4.11 Ad recall

	Recall		
		Frequency	**Percent**
TV	Yes	84	84
	No	16	16
Online ads	Yes	30	30
	No	70	70
Total		**100**	**100**

Source: Field Data

4.4 Relationship between internet advertising and purchase decision.

Research Question three: What is the relationship between internet advertising and purchase decision?

This research question is addressed by the responses to the under mentioned questions sent to the respondents below.

The third objective of the study was to determine the relationship between internet advertising and purchase decision.

4.4.1 Mode of advertising influencing intention to buy product

Respondents were asked to indicate the mode advertising that mostly influenced their decision to purchase a product.

From the table below, the highest number of students, 40% of the respondents were influenced to buy a product based on information provided by friend and relatives; with TV commercials being second online advertisements was least in influencing their decision at 6%. Therefore, friends and relatives were the major influencers behind decision making. This depicts that traditional form of advertising has an edge over internet advertising in terms of consumer preference to mode of advertising. Traditional mode got over 86% preferences that that of internet advertising which is a huge margin. The results were tabulated in table 4.12.

Table 4.12 Mode of advertising influence intention to buy product

	Frequency	**Percent**
Magazines and newspaper	17	17
Friend and relatives	40	40
TV Commercial	29	29
Online advertisements	6	6
Social Media – Blog, forums, social Networking sites	8	8
Total	100	100

Source: Field Data

4.4.2 Statement on internet advertising and purchase decision

The respondents were also asked to indicate whether the internet ads they came across influenced their purchase decision. From the table below 52% of the respondents indicated that the internet ads they came across never influenced their purchase decision while 48% posited that the internet ads they came across influenced their purchase decision. This depicts that the internet advertising influenced purchase decision of the customers to a moderate extent as only nearly half of the respondents were influenced purchase decision.

Table 4.13: Statement on internet advertising and purchase decision

Statements on Internet advertising and purchase decision	Mean	Standard deviation
Internet advertising influence customers' purchase decision	4.21	0.513
Duration of page viewing is a strong determinant of the ability to recall banner ads	4.13	0.746
Animation content, the shape of the banner ad, and frequency of the ad (repetition) leads to higher advertising recall	3.92	0.841
Companies should aim to strengthen customer interactions with advertisements on the web	4.11	0.62
Most companies provide a generic experience to all customers rather than relying on customer analysis to deliver a personalized experience	4.01	0.738
When customers weigh benefits,, they become emotionally involved with advertising and promotion	4.05	0.673
Repeated advertising messages affect consumer behaviors. This repetition serves as a reminder to the consumers	3.98	0.847

Source: Field Data

4.4.3 Level of agreement on relevant statement on effects of internet advertising on purchase decision

The respondents were requested to indicate their level of agreement on relevant statement on effects of internet advertising on purchase decision

The responses were rated on a five point Likert scale where: 5 – To a very great extent, 4 – to a great extent, 3 – to a moderate extent, 2 – To a little extent and 1 – to no extent.

The study established that internet advertising influences customers' purchase decision (mean = 4.21) and duration of page viewing is a strong determinant of the ability to recall banner ads. Other factors as repeated advertising messages affect consumer behaviors. This repetition serves as a reminder to the consumers (mean = 3.98), and that animation content, the shape of the banner ad, and frequency of the ad repetition leads to higher advertising recall. This implies that the internet advertising is a key determinant of purchase decision of the customers as they consider it to be an interaction point between decision of the customers as they consider it to be an interaction point between them and the company from which they buy their products from. The mean and standard deviation were generated from SPSS and presented in table 4.13 above.

4.5 Inferential statistics

In determining the effectiveness of internet advertising on consumer behaviors, the study conducted a multiple regression analysis to determine the nature of relationship between the variables.

The regression model specification were as follows

$Y=\alpha + \beta_1 X_1 + \varepsilon$.

Where;

Y = Consumer behaviors

X_1 = Internet advertising

ε = error term

β = coefficient

α = constant

The study further applied multiple regressions to determine the predictive power of the internet advertising on consumer behaviors. The researcher conducted a multiple regression analysis so as to test relationship among variable (independent) on the consumer behaviors. The researcher applied the statistical package for social sciences (SPSS V 17.0) to code, enter and compute the measurements of the multiple regressions for the study.

Coefficient to determination explains the extent to which changes in the dependent variable can be explained by the change in the independent variables or the percentage of variation in the dependent variable (consumer behaviors) that is explained by the independent variable (internet advertising)

Table 4.14 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.919	0.845	0.789	0.6273

Source: Field Data

The independent variable that was studied, explain only 84.5% of the consumer behaviors as represented by the R^2. This therefore means that other factors not studied in this research contribute 15.5% of the consumer behaviors. Therefore, further research should be conducted to investigate the other factor that affects consumer behavior.

Table 4.15. ANOVA of the Regression

Model		Sum of squares	df	Mean square	F	Sig
1	Regression	2.534	50	1.267	9.475	.000[a]
	Residual	9.307	200	2.327		
	Total	11.841	250			

Source: Field Data

The significance value is 0.000 which is less that 0.05 thus the model is statistically significance in predicting how internet advertising affects the consumer behaviors. The F critical at 5% level of significance was 3.23. Since F calculated is greater that the F critical (value = 9.475), this shows that the overall model was significant.

Table 4.16 Coefficient of determination

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.147	0.2235		5.132	0.000
	Internet advertising	0.752	0.1032	0.1032	7.287	.000

Source: Field data.

Multiple regression analysis was conducted as to determine the relationship between consumer behaviors and the one independent variable (internet advertising). As per the SPSS generated table, regression equation.

$$(Y= \alpha + \beta_1 X_1 + \varepsilon)$$

$$(Y= 1.147 + 0.752X_1 + \varepsilon)$$

According to the regression equation established, taking all factors into account (internet advertising) constant at zero, consumer behaviors will be 1.147. The data findings analyzed also shows that taking all other independent variables at zero, a unit increase in internet advertising will lead to a 0.752 increase in consumer behaviors; level of significance and 95% level of confidence; internet advertising was a significant, factor in predicting the consumer behavior.

To quantify the strength of the relationship between the variables, the study used Karl Pearson's coefficient of correlation. The person product-moment correlation coefficient (or person correlation coefficient for short) is a measure of the strength of a liner association between two variables and is denoted by *r*. the Pearson correlation coefficient, *r*, can take a range of values from +1 to -1. A value of 0 indicates that there is no association between two variables. A value greater than 0 indicates a positive association that is, as the value of one variable increases so does the value of the other variable. A value less that 0 indicates a negative association, that is, as the value of one variable increases the value of the other variable decreases. The data presented before on internet advertising was computed into single variables per factor by obtaining the averages of each factor. Pearson's correlations analysis was then conducted at 95%

confidence interval and 5% confidence level 2-tailed. The Table 4.17 below indicates the correlation matrix between the internet advertising and consumer behaviour.

Table 4.17 Correlation matrix and the coefficient of determination

	Consumer behaviors	Internet advertising
Consumer behaviors (r)(p) Sig. (2 tailed)	1.000	
Internet advertising(r) (p)(2 tailed)	0.894 0.018	1.000

Source: Field data

According to the Table 4.17, there is a positive relationship between consumer behavious and internet advertising of magnitude 0.894. The positive relationship indicates that there is a correlation between the consumers with internet advertising. This notwithstanding, all the factors had a significant p-value) $p<0.05$) at 95% confidence level. The significance values for relationship between consumer behaviors and internet advertising was 0.018. This implies that internet advertising was a significant factor on consumer behaviors.

4.6 Discussion of Findings

The study established that the effectiveness of internet advertising on reach and creation of awareness was determined by the level of knowledge about the existing platforms of advertisements adopted by various companies in Tanzania. Most of the respondents had a positive attitude towards advertising as illustrated by their various perceptions about the use of advertising.

This clearly shows a positive attitude towards advertising and hence is a good indication for marketers. The findings augment the findings of Baltas (2003) who indicated that marketing is perceived by the internet users as a major source of information on available products in the market as reflected by their positive attitude in the world over. According to Calisir (2003) internet advertising is an effective channel for marketing as the ad is attractive and appealing which changes from time to time.

The study found that even though the reach of internet is much higher than that of other modes, its ability to attract consumers for awareness creation is very low. The study concludes that the reliability of internet advertising through recall was low as only a small percentage of the respondents could recall the online ads they had seen. The study found that TV ads are much reliable than internet advertising and other forms of advertising. The findings are corroborated with Danaher and Mullarkey (2003) who posited that TV ads are much reliable than internet advertising.

The study established that friends and relatives were the major influencers behind decision making. This depicts that traditional form of advertising has an edge over internet advertising in terms of consumer preference mode of advertising. Traditional mode got high preferences than that of internet advertising which is a huge margin. According to Cho (2003) in the developing economies the traditional form of advertising has a greater market share compares with the internet advertising in terms of consumer preference mode of advertising.

The study found that internet advertising influenced purchase decision of the customers to a moderate extent as only nearly half of the respondents were influenced purchase decision. The study established that internet advertising is a key determinant of purchase decision of the customers. The study also established that internet advertising has significant relationship with purchase decision of the consumers. The findings augment earlier findings of Goldsmith and Lafferty (2002) that internet advertising is a key determinant of purchase decision by the customers and that internet advertising has an association with purchase decision of the consumer.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents summary of findings, conclusion and recommendations of the study in line with the objectives of the study.

5.2 Summary of the study

The study found that the effectiveness of internet advertising on reach and creation of awareness was determined by the level of knowledge about the existing platforms of advertisements and time spent on these media. On average, a person spent more than 4 hours on the internet during his free time than that of TV and movies and print medium and therefore the reach of internet medium is much better than that of other media. A higher percentage indicated that they were made aware of existence of various products through internet advertising and therefore it was effective in creating awareness. The study revealed that the ability of the respondents to recall the internet ads was low compared to TV, and therefore even though the reach of internet is much higher than other forms. TV ads are much more reliable than internet advertising Danaher and Mullarkey (2003). Internet advertising is a key determinant of purchase decision of the customers as they consider it to be an interaction point between them and the company from which they buy their products from. The study also established that internet advertising has significant relationship with purchase decision of the consumers. From the Pearson's correlations analysis, the study established that there is a positive relationship between consumer behavious and internet advertising.

5.3 Conclusion

The objective of the study was to determine the effectiveness of internet advertising on consumer behavious using a sample of Moshi Cooperative University students. After analysis of the study findings, the study concludes that the effectiveness of internet advertising on reach and creation of awareness was determined by the level of knowledge about the existing platforms of advertising adopted by various companies in Tanzania and time spent on various media. Internet advertising was effective in providing higher reach and creation of awareness. However, in spite of the diverse usage of internet and wide interaction with various internet advertisements, fewer respondents were able to recall the internet ads they had seen. This implies that the reliability of internet advertising is quite low. The research established that TV advertising is more reliable than internet advertising therefore conforming with Danaher and Mullarkey (2003), that TV ads are much reliable than internet advertising.

The study concludes that internet advertising influenced purchase decision of the customers to a moderate extent as only nearly half of the respondents were influenced purchase decision. However, internet advertising is a key determinant of purchase decision of the customers as they consider it to be an interaction point between them and the company from which they buy their products from. The study also concludes that internet advertising has significant relationship with purchase decision of the consumers. The study further concludes that internet advertising contributes most to the consumer behaviour and that internet advertising was a significant factor in predicting the consumer behaviour. In addition, there is a positive relationship between consumer behaviour and internet advertising. This implies that companies should invest more on internet advertising to increase their market share and conduct a market research on the difference markets in various countries to ensure that the internet advertising initiatives being implemented suits the targeted markets to improve products purchases.

5.4 Recommendation

The study established that the reliability of internet advertising is low and therefore recommends that the management of companies using internet advertising should provide unique experience to its customers based on customer analysis to deliver a personalized experience to the customers, Calisir (2003). The study also found that internet advertising is effective in reach and creation of awareness and recommends that the companies should invest more in internet advertising to increase their market share and provide product information.

Regulatory agency should be established by government to register and regulate the activities of companies in Tanzania which are involved in providing goods and services via the internet. This way, the problem of fraud will be eliminated or brought to a bearable level. Government should continue to invest in power until there is uninterrupted electricity supply to every home in Tanzania.

Government should place sanctions in form of fines on companies who do not provide services as advertised on the web to their consumers. While incentives should be given to companies in form of tax holidays for providing services as advertised on the web.

All products purchased through online should be insured by reputable insurance companies. This will encourage people to purchase what they see advertised on the web through online purchase, as the insurance companies would be made to compensate for products delivered in bad condition.

The government should provide internet infrastructure by launching communication satellite into space. This will make internet accessible to every Tanzanian. Apart from this, the government should encourage foreign companies to set up computer and mobile phone (with internet connectivity) manufacturing plants in Tanzania. This will help reduce the cost of computers and phones and also provide jobs to millions of Tanzanians.

Finally, the study determined that there is a positive relationship between internet advertising and consumer purchase decision and further recommends that companies should conduct a market research on the different markets in various countries to ensure that the internet advertising initiatives being implemented suits the target markets to improve products purchases. This is because there exist different markets Wolin (2002)

5.5 Suggestion for further studies

Since this study explored the effectiveness of internet advertising on consumer behaviour: the case of Moshi Cooperative University Students, the study recommends that a similar study should be done in a private university for comparison purpose and to allow for generalization of findings on the effectiveness of internet advertising on consumer behavious. As a suggested by Gong and Maddox (2003), “future research can look into the impact of web advertising across different countries and cultures to enhance the global understanding of web advertising effective” (p. 46)

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APPENDICES

RESEARCH QUESTIONNAIRE

Dear Respondent,

This questionnaire aims to collect data for partial fulfillment of the requirements for the award of Master Degree of Business Administration – Corporate Management, awarded by Mzumbe University. The researcher intends to research on the Effectiveness of Internet Advertising on Consumer Behaviour, The Case of Moshi Cooperative University Students

Therefore the researcher declares that, this research is for academic purpose only. You are kindly invited to complete this questionnaire as directed for a purpose of facilitating the study. Information from this document will be confidential and in no way will it be communicated to any person. Thank you in advance.

PLEASE NOTE: Your name should not appear anywhere in this document.

SECTION A – BACKROUND INFORMATION

1. Year of study?

☐Year I ☐Year II ☐Year III ☐Year IV ☐Other, Specify _____

2. Age Group (yrs): ☐up to 18 ☐19 to 25 ☐26 to 40 ☐41 to 55 ☐55 +

3. Gender: ☐Male ☐Female

4. Where is your place of residence?

☐University Hostels ☐Other, specify _____

SECTION B – ATTITUDES, REACH AND AWARENESS

6. Do you like Advertisements?

☐Yes	☐No
☐Informative	☐Irritating
☐Entertaining	☐Annoying
☐Creates awareness	☐Waste of time

7. How much time in a day do you spend on?

TV, Movies	☐< 1hr	☐1 - 2hrs	☐2 - 4hrs	☐4 - 6hrs	☐> 6hrs
Newspaper, Mags	☐< 1hr	☐1 - 2hrs	☐2 - 4hrs	☐4 - 6hrs	☐> 6hrs
Radio	☐< 1hr	☐1 - 2hrs	☐2 - 4hrs	☐4 - 6hrs	☐> 6hrs
Internet	☐< 1hr	☐1 - 2hrs	☐2 - 4hrs	☐4 - 6hrs	☐> 6hrs

8. Do you watch the TV/ or listen to Radio commercials during commercial break?

☐Yes ☐No

☐Informative ☐Irritating

☐Entertaining ☐Annoying

☐Creates awareness ☐Waste of time

9. Do you change the channel during commercial breaks?

☐Never ☐sometimes ☐depends on ad ☐often ☐every time

SECTION C: AD RECALL

10. Which is the last Newspaper/Magazine ad you remember? Which brand was it?

____

11. Which is the last TV commercial you remember? Which brand was it?

____

12. Name any three TV commercials you remember lately

1.________________________________

2.________________________________ 3. ________________________________

13. Do you see/check online ads/mails when you surf the internet?

☐Never ☐sometimes ☐depends on ad ☐often ☐every time

14. Which is the last online ad you remember? Which brand was it?

____

15. Name any three online ads you remember lately

1.________________________________

2.________________________________ 3.______________________________

SECTION D: INFLUENCERS, PREFERENCE AND PURCHASE DECISION

16. You use the internet for? (Rank them in order of your preference)

☐Chatting and Social Networking ☐_____

☐Email ☐_____

☐Information ☐_____

☐Entertainment ☐_____

☐E -Commerce ☐_____

☐Downloading ☐_____

17. What mode of advertising influences you to buy any product?

☐Magazines and newspaper

☐Friends and relatives

☐TV Commercial

☐Online advertisements

☐Social Media – Blogs, forums, Social Networking sites

☐None

18. Which mode of advertising would you prefer? (Rank in order of preference)

☐TV Commercials ☐_____

☐Print Ads: Newspaper, Magazines ☐_____

☐Banners, Posters ☐_____

☐Online Ads: Banners, Emails, ☐_____

☐None ☐_____

19. Have you made any purchases after seeing internet ads?

☐Yes ☐No

20. What is the relationship between internet advertising and purchase decision, Please tick where appropriate: 5-To a very great extent, 4-To a great extent, 3-To a moderate extent, 2-To a little extent, and 1-To no extent.

	1	2	3	4	5
Statements on Internet advertising and purchase decision	**To no Extent**	**To a little extent**	**To a moderate extent**	**To a great extent**	**To a very great extent**
Internet advertising influences customers' purchase decision					
duration of page viewing is a strong determinant of the ability to recall banner ads					
ads Animation content, the shape of the banner ad, and frequency of the ad (repetition) leads to higher advertising recall					
Companies should aim to strengthen customer interactions with advertisements on the Web					
Web Most companies provide a generic experience to all customers rather than relying on customer analysis to deliver a personalized experience.					
When customers weigh benefits, they become emotionally involved with advertising and promotion					
Repeated advertising messages affect consumer behavior. This repetition serves as a reminder to the consumer.					