

ATTITUDE FORMATION TOWARDS PERSONALIZED INTERNET
ADVERTISEMENTS

A Research dissertation submitted to
Kathmandu University School of Management
in partial fulfillment of the requirement for the
Degree of Master of Philosophy (MPhil) in Management

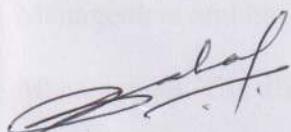
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DECLARATION

I hereby declare that this research work entitled *Attitude Formation Towards Personalized Internet Advertisements* consists the result of an original research work I carried out in partial fulfillment of the requirements for the degree of Master of Philosophy (MPhil) in management of the Kathmandu University and that this work has not been submitted for candidature for any other degree.



Suman Dahal

October, 2017

RECOMMENDATION

This is to certify that Suman Dahal has completed his research work on *Attitude Formation Towards Personalized Internet Advertisements* under my supervision and that his dissertation expresses the result of his investigation conducted during the period he worked as an MPhil candidate of the School of Management. The dissertation is of the standard expected of a candidate for the degree of MPhil in Management and has been prepared in the prescribed format of the School of Management. The dissertation is forwarded for evaluation.

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APPROVAL

We have conducted the viva-voce examination of the dissertation *Attitude Formation Towards Personalized Internet Advertisements* by Suman Dahal and found the dissertation to be original work of the candidate and written according to the prescribed format of the School of Management. We approve the dissertation as the partial fulfillment of the requirements for the degree of Master of Philosophy (MPhil) in Management.

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ABSTRACT

Business firms around the world are spending more and more on internet services. There has in fact been a paradigm shift from traditional to digital marketing. This naturally makes researchers want to know whether it is worth investing in traditional means of advertisements like analog television, newspaper and radio, or to explore other alternatives.

Digital marketing in Nepal is popular especially among youngsters and growing fast but effects of personalized digital advertisements are not known to marketers. The study explored the personalized Ads and their effect on perceived Ad attributing factors that contributed in attitude formation on internet advertising. The main objective of the study was to analyze the effects of personalized Ads on cognitive factors of Ads: perceived entertainment, perceived informativeness, perceived interactivity, perceived irritation, perceived credibility, and their effect on attitude towards internet advertising.

Validity and reliability test was done through confirmatory factor analysis using AMOS. Pertinent tests like homogeneity, convergent validity, discriminant validity, correlation, regression followed by structural equation modeling were carried out to examine cognitive factors that form attitude towards internet advertisements. The results in general were found to support few of the hypothesized relationships, and the findings were consistent with past empirical studies. The findings are applicable to business firms and marketing managers willing to adopt digital channels to promote goods and services through Advertisements online.

Key Words: personalized ads, entertainment, informativeness, credibility, irritation, interactivity, attitude towards internet advertising

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ABBREVIATIONS

NTA	Nepal Telecommunication Authority
ODF	Official Documentation Facebook
Ads	Advertisements
IA	Internet Advertising
TA	Traditional Advertising
IM	Interactive Marketing
TAM	Technology Acceptance Model
MIT	Massachusetts Institute of Technology
TPB	Theory of Planned Behavior
TTF	Task Technology Fit
TRA	Theory of Reasoned Action
IT	Information Technology
UTAUT	Unified Theory of Acceptance and Use of Technology
MMA	Mobile Marketing Association
ATIA	Attitude Towards Internet Advertising
SPSS	Statistical Package for the Social Sciences

CHAPTER I

INTRODUCTION

Digital advertising channels are growing due to rapid development in technology. Among various advertising channels, internet is the most prominent in the digital world. Internet channels are used by many business houses to convey information of their products and services and to promote brand values through advertisements. Advertisements (Ads) and promotional messages are seen in corporate websites in the form of banner ads, hyperlinks, pop-up messages, which also includes multimedia features. Even social networking sites and internet messages on mobile are found to act as collaborative platforms for organizations, helping them reach larger populations. Also, digital ads of companies are promoted in search engines like Google, Yahoo, YouTube and Bing. Some popular social media marketing means are Facebook, Twitter and Google+, and Flickr and LinkedIn too. Advertising done through such means are digital forms of product promotion which is electronically routed through the internet nationally or globally, as per the requirement. Different forms of advertisements seen on internet through digital channels are internet advertising. Types of internet advertising that are displayed to users on their personal interface includes display advertising, affiliate advertising, advertising on search engines, and mobile advertising. These Ads are exposed to end users based on their personal profile. Personalized Internet Advertisements are images, video clips, text or audio in any form attached with e-mail, message alerts on mobile phones, banner ads on web portals, corporate logo on an official website, hyperlinked messages on webpages and multimedia messages on social networking

sites and even in YouTube with an aim of providing information using internet services.

Cookies and utility software are used by web servers to capture users' browsing histories and create personal profiles. And based on those database records, advertisements are transmitted. Such Ads are experienced by internet users from personal emails, personalized multimedia messages, or from websites during surfing or on Apps installed on personal gadgets. Among various applications, product recommendation is the most common facilitator for personalized Ads. A personalizing system agent selects and advertises a small set of products in the form of recommendations that match a person's preferences, with the goal of influencing his or her decision making (Ho & Bodoff, 2014).

Once the attributing factors are perceived, cognition leads to affection that influences attitude formation towards the object. Attributes associated with digital advertisements like informativeness, entertainment, economy, credibility, incentives, and irritation were statistically significant predictors of attitude towards internet advertising, which in turn, significantly predicted online advertisement clicking and frequency of online shopping, as well as consumers' beliefs, attitudes and behavioral responses toward online advertising. Not only that, even relationship among constructs was found to vary across countries, the U.S., China, and Romania (Wang & Sun, 2010). Media forecasts based on annual growth rates suggest that the dominance of television advertising would soon yield to digital advertising (Kelty, 2016).

This growth is possible due to widespread use of internet as one of the prominent alternatives to traditional services. Technical knowledge on how internet works and how devices are working is not required. That means despite the lack of knowledge of network architecture and protocols, internet usage is still simple and

user friendly. Rapid increase in the number of internet subscribers worldwide is a proof of this. This domain of internet is a new market space with new innovative means as opposed to conventional means of communication in buying and selling (Yousif & Othman, 2012). Choosing appropriate digital media mix is important for online business vendors to promote their products and services and internet is the most prominent one. The speedy growth of internet based technological world is contributing to all facets of business processes, one of them digital advertising (O'Brien & Markas, 2011). Internet advertising is a form of digital marketing. There are numerous applications of electronic commerce in digital marketing: financial applications, online inventory management, product location and shopping, proactive service management, online auction, entertainment and so on (Upkar & Ron, 2002). Such computer aided business processes must be communicated to consumers using internet as a means, making Ads personalized, customized, entertaining, informative and even interactive, in order to develop positive attitude toward the Ads.

Advertising is one of the main language events that people in societies engage in today. Internet Advertising includes many forms of commercial content, from electronic advertisements that are like traditional advertisements (e.g., billboards, banner ads) to formats that are different from traditional advertisements, such as corporate Web sites (Schlosser & Shavitt, 1999). Traditional advertising and social media activities may improve a firm's performance with respect to building the brand and enabling customer acquisition (Vries, Sonja, & Leeflang, 2017). However, Internet Advertising seeks to disseminate information to significantly affect a buyer-seller transaction.

Internet advertising differs from other mediums by enabling people to directly interact with the advertisement. A person can click on the Ad for more information, or

take the next step and purchase the product in the same online session. Internet advertising also gives advertisers the opportunity to precisely target audience, enabling them to deliver advertisements that are customized to each user's interests and tastes. Google, a search engine, runs algorithm at back end to get a sense of the pattern of browsing, as well as of clicks and bricks, which are automated for each user. It happens in Facebook, too, where system automatically suggests and displays promotional pages and advertisements that most suit particular users. The Internet advertisers can focus on users from specific domains, geographical regions and nations. Marketers interested in internet advertising can track how users interact with their brands and learn what is of interest to their current habits and perspectives. Also, Internet Ads are delivered 24 hours a day, 7 days a week, 30 days a month. Beside all these, a consumer can interact with product or services, assess them, and if he or she chooses to, can buy on internet.

To form an attitude towards an object, consumers evaluate their surroundings. Almost all of them strive to maintain positive evaluations of themselves as well as those around them. Consumers' actions often involve judgments about whether objects and events are favorable or unfavorable, likeable or unlikeable, good or bad. The tripartite theory suggests that attitudes have three components: affect, cognition, and behavior (e.g., Katz & Stotland, 1959; Rosenberg & Hovland, 1960; Smith, 1947). Traditionally, affect has been used to describe one's positive and negative feelings toward an attitude object (Rosenberg & Hovland, 1960). Object in this study is Internet Advertising (IA). This study on affective component of attitude towards an object examines factors that affect internet advertising on scale and magnitude. Beliefs are cognitions about the probability that an object or event is associated with a given attribute (Ajzen & Fishbein, 1980). Cognition refers to beliefs that one holds

about the attitude, and behaviors are actions and responses to the attitude object. The study is to explore the affective and cognitive components towards advertisements on internet.

Regardless of the growing popularity of digital advertising, business houses still spend significant amounts on traditional marketing. Many of them still refuse to adopt digital strategy on marketing. More than 5.4 million Nepalese are on Facebook (excluding nonresident Nepalese) and out of these more than 2.8 million users live in Kathmandu. Among these 1.5 million users are between 18 to 25 and one million between 26 and 35. Till November 2015 more than 11 million Nepali citizens already had access to Internet, most of them from urban cities (Samdup, 2017). Online data from Facebook reflects that the number of Facebook users and other social media users can go up only when prices of the internet service goes down and its network coverage increases. Now, it raises a question over whether the newspapers and radio stations are most commonly consumed media. Now it is the time for business houses to act differently in the digitized context of advertisements being displayed on phone or laptop. Through digital means business firms can show customers a graphic, display text, make them watch a video, play music, browse websites, and more. A good digital campaign can provide users with a rich experience that will either guide them to make a purchase or at least create a strong impression that they will not forget. Broadcast of radio Ads requires fixed time slots, time per target segment listeners and the same applies to other traditional Ads. These traditional methods are delimitating to create space for digital advertising.

With the help of sophisticated digital techniques, exact target segmentation according to location, age, and gender are possible. This allows for a much better targeted campaign ensuring the right people to experience intended messages. In other

words, Ads can be personalized. Digital advertising platforms allow one to see even the tiniest detail about campaign such as: Who saw it? What time did they see it? How many times did they see it? Did they click on it? Did they share it? How many people had a positive reaction to the Ad? Which location do they belong to? And even can be made interactive for two-way communication to operate in full duplex mode. Personalized Ads exposure to consumers is easy and most effective through application systems that supports personalized Ads. Digital advertising platforms also allow creating new Ads instantly just in case that one of the campaigns is not doing well or if change is required. One limitation prevailing in developing nation is that online payment systems are not open for foreign currencies. This might limit international trade. However, to overcome these kinds of constraints, firms can subscribe financial service providers, which is possible due to number of agencies providing services do exist. In near future, one can expect traditional media to die out as technology becomes more advanced and interwoven into society.

Fifty percent of all media probably will be digital media by 2019 and digital advertising will be the largest advertising category (Murdoch, 2015). Recently, Nepal Telecom completed laying down optical fibers from Kathmandu to the Chinese border. Two countries are now digitally connected with fastest means of communication. This is a global trend that is taking place between neighboring countries in rest of the world. It is believed that any business, big or small, should start working on digital marketing strategies to stay competent. Is this the scenario of the world at present? Are consumers ready for personalized ads through internet; pertinent research issue to be answered.

To penetrate the target groups, especially the youth segment, Internet advertising is a need for companies in today's context. Digital Ads comprise of main

targets, those aged between 17 to 55, and those belonging to middle and upper class with high purchasing power. Internet advertising improves memory and accelerates the diffusion of the advertised message through personalized Ads. For many, Internet is considered as robust medium of information prior to the final purchase. Habits of information search by consumers and real-time monitoring of such events have created a need of database marketing that is later used to promote services and products personally. All these factors that highlight the growing importance of internet advertisement lead to a problem to be answered.

Statement of the Problem

Companies are spending more and more on internet services worldwide. This is due to presence of increasing number of internet users across generations, especially among youngsters. Digital marketing on internet channels are getting popular. Greater trust for digital Ads over traditional advertising is creating positive attitude among marketers for advertisements. But which attributes contribute in attitude formation is unknown to many. Experts estimate that by 2019, online advertising will be the biggest segment of advertising budgets worldwide, surpassing television advertising, with a forecasted annual spending of nearly \$240 billion (Taylor & Costello, 2015). Therefore, the problem is lack of proper information on attitude formation towards internet advertising.

Most of the television channels are increasingly putting their content online on cloud, creating an alternate Ad platform. The same applies to newspapers and radio stations and their digital platforms. These web portals are hosted on web-server that contains various kinds of digital Ads. Increased number of web portals creates space for digital Ads to increase. Moreover, the creativity of digital Ads is hard to match in other platforms like print, radio and TV. Customers can frequently interact with

advertisers for better information of the advertised products. Personalized digital advertising is essential in reaching an audience that is spending more and more time online and thus business houses are keen on exploring attitude towards such Ads.

Developing nations like Nepal, which contribute significant tax to government against internet services naturally attract researchers. In this context, the question of whether it is worth or safe to invest in Ads in traditional means like analog television, newspaper and radio, or to explore other alternatives is a question of relevance for them. Online purchase and promotion really works. But its effectiveness is poorly understood among marketing managers. There is little academic research on how organizations can convince users to be more receptive to internet advertisements to form positive attitude towards digital Ads (Chandra, Goswami, & Chouhan, 2012) and on factors that most influence attitude formation to internet advertising. Therefore, this study contributes to understand how internet advertising is becoming effective in a developing economy like Nepal, especially among the youths.

Advertising companies can run marketing campaigns targeted at tens of thousands of people with a fraction of the cost and time in comparison to other direct marketing mediums that use internet. However, as internet advertising is a new area, it calls for still further investigation. Little is known regarding the effectiveness of internet advertising campaigns and the Ad attributing factors contributing to their success in attitude formation.

Ads on digital means are personalized but research on its effects on Ad effectiveness in attitude formation is rare. Personalized Ads include dynamic content, purchase behavior, time zone, and customer specific needs and are catered individually for end users. However, personalized Ads influence perceived Ad attributes, leading to attitude formation towards internet advertising (Schiffman &

Wisenblit, 2011). There might be similar findings in Nepal too. Internet subscribers in Nepal are increasing and bandwidth consumption is high. Internet users must be better understood to create brand awareness through creative internet advertisements at low cost but at large scale, for instance in search engine marketing, which is one example of personalized interactivity marketing (Interactive Marketing, 2015). Research so far has not used personalized Ad as stimuli to affect cognition of different attributes despite the fact that most of the Ads are personalized. Therefore, to address this deficiency this study is must in this area.

Traditional TV channel revenue is dropping by 60 to 80% annually (Nhemaphuki & Nhemaphuki, 2013). TV viewing no longer means relaxing in the living room with family watching the week's most popular shows, said Mark Henning, head of media & digital Australia. Consumers watch what they want to, when they want to, across multiple platforms and devices with fragmented, time-shifted viewing; and advertisers are increasingly challenged in to reach these viewers. Therefore, personalized Ads are vital in digital marketing. So, advertisers and marketers must get relevant information to design personalized Ads with the help of database marketing considering the Ad attributing factors of the Ad.

It is likely that Internet Advertising influences attitude formation and purchase intention (Ogutu, Ogutu, & Lilly, 2014). Cognitive factors associated with Internet Ad are entertainment, informativeness, irritation, interactivity and credibility. It is important to find out the stimulus effects of personalized Ads perceived by consumers to understand attitude formation towards internet advertising among Nepali consumers. Decisions regarding internet advertising, if made with limited knowledge about consumer attitudes toward Internet Advertising, might affect promotion. Since there are difficulties in measuring online impressions precisely, it is hard for

The world of internet is now a common platform of corporate houses and consumers to interact. This interaction has led to the creation of a new market known as e-market. Meanwhile, significant population worldwide is accepting internet channels as one of the projecting means of communication. Therefore, the study is useful to firms and Digital Ad developers to find out the factors that affect attitude formation towards digital advertisements.

Numbers of telecommunications and internet service providers are increasing with increment of service takers demanding high speed internet services (Nepal Telecommunication Authority, 2012). The findings of the study can support them in policy formulation and deregulation of present act to enhance digital marketing in Nepal. Therefore, the study is worth so that business firms can strategize the right digital marketing tool to expand marketing efforts, and even save time and money. Hence, corporate houses must know information like age groups, number of visits, websites types, online purchase records, service providers subscription information, so that customized and personalized Ads can be sent through internet to form positive attitude to internet advertising. This creates a new, robust and effective avenue for marketing communication for corporate.

Organization of the Study

The study is organized in three sections. They are prefatory section, main body section and supplementary section. Prefatory section consists of Approval Sheet, Certificate of Authorship, Acknowledgements, Table of Contents, List of Tables, List of Figures, List of Charts, Abbreviations and Executive Summary. Supplementary section consists of Appendix and References.

The main body of the study has been organized in five chapters with necessary headings and sub-headings. The first chapter of this study consists of background

information of the research, statement of the problem highlighting research gaps, objectives of the study, significance of the study, and finally organization of the study. In the second chapter, efforts have been made to present and review the related studies done by other researchers. The first section of this chapter deals with the literature review of related research studies. Research articles from France, Japan, UK, US, Canada, India and Nepal are used. In another section, Theories and models on digital marketing research are discussed followed by conceptual review of pertinent concepts, terminologies and theories associated with the research topic. Theoretical framework is discussed and conceptual framework is presented in the form of schematic diagram. The third chapter deals with the discussion on methodology adopted to know things that are aimed to study followed by research design. Definitions of variables and their operationalization followed by research hypotheses are explained. Descriptions of the research instrument and unit of analysis, population and sample design, nature of data, research procedures, validity and reliability and analysis plan are included.

Results chapter consists of presentation of results of sample description and analysis. The chapter includes confirmatory factor analysis, convergent analysis, discriminant analysis, hypothesis test through estimation, correlation test, and other tools in the inferential analysis section. Finally, the chapter is concluded by proposing a model and testing of hypotheses. The last chapter of the study consists of summary of the findings, discussion, implications and critique of the study.

CHAPTER II

REVIEW OF LITERATURE

This section of the report presents descriptions of the relevant literature on the topic. It highlights what the literature tells on the stated problem backed up by the theory leading to form a conceptual model consisting of variables that are measurable both empirically and quantitatively.

In general, perceived view and dimension of attitude formation towards anything are not obvious but must be inferred from consumers. There are plenty of research studies on attitude formation towards internet advertising. Specifically, the issue is to relate attitude towards internet advertising with perceived informativeness, entertainment, irritation, credibility and interactivity due to personalized Ads. The starting point of this research is the challenge of identifying the perceptual Ad attributes in internet that affects attitude towards Internet advertisements. In the present time, internet advertising is considered as one of the most imperative applications of e-business and e-commerce worldwide (Wall, Jagdev & Browne, 2007). Different forms of digital Ads prevail and are exposed to consumers directly and forcefully in some context during information search or while surfing internet. Even alerts are pushed thorough internet enabled mobile devices in the form of text messages. However, people cannot deny or avoid inbound messages completely, close or purge pop-up or interstitial ads annoyingly; people are forced to be exposed to the ads (Kononova & Yuan, 2015). Such activities might cause irritation to internet users and is a matter of credibility in most cases. Internet is one of the most powerful mass media for distribution and access of digital content. The socio-cultural dimension of

IA, i.e. who in society advertises what to whom, how and why, is prominent field of research around the world (Louden & Louden, 2012). Advertising companies with the help of database marketing can reach consumers through personalized and customized messages.

Not all digital Ads can be blocked and many invariably reach consumers (Kunz, 2017); rather they are more and more personalized and transmitted through web-enabled systems. The key challenge for Ad designers is to influence consumers to form positive attitude towards internet advertising. Scholars have only just started systematically explaining and predicting consumers' online behavior (Close & Angeline, 2013). Previous research strongly suggested that form and nature of online Ads are important determinants of internet advertising responses. However, perceptual factors associated with digital Ads that influence attitude towards internet advertising are rarely considered in the studies done so far.

Advertising and marketing campaigns must be designed to appeal to customers' tastes and to fit with their Internet use and shopping habits, also to take maximum advantage of the social media on internet. Social media is chiefly related to the desires for connectedness, social interaction, entertainment, convenience, information and in some cases credibility advancement (Duffett, 2015). Antecedents of potential consumer's attitude were positively affected by several attributes, including credibility, entertainment and interactivity (Hongyan, Xing, & Chen, 2014).

Compared to general Ads, many consumers found personalized Ads to outperform those that are not personalized and be more engaging (54%), educational (52%), time-saving (49%) and memorable (45%), according to a Yahoo survey of 6,000 respondents aged 13-64 (Yahoo, 2014). Respondents, generally, perceive personalized Ads to be relevant than non-personalized Ads. Personalized Ads have

greater perceived relevance than other Ads. Study suggested that consumers develop unfavorable attitudes in response to poorly targeted or irrelevant marketing messages. In fact, most of the Ads seen while browsing the internet on PC/laptop, and on their smartphones, are relevant to them. Personalized Ad obviously carries with it questions of privacy, but roughly people find it acceptable or are neutral about it.

The degree to which consumers welcomed personalized Ads varied by category, who desires personalized retail ads. The study indicated that most of the respondents believed that personalization technology would improve entertainment content; however, financial incentives are vital too. Nevertheless, maximum people desire some type of personalized content (Google, 2014).

Numbers of advertisement tricks are exercised with the intention of drawing users' attention and turning them into potential customers, although the effectiveness of these advertising has shown mixed results (Souza & Duro, 2016). For Example, Google creates customers who trust searched results implicitly. Customers who either ignore or do not realize that the results they got from search engines are influenced in large part by advertising dollars (Vaidhyanathan, 2012). One of the advantages of internet is that it enables businesses to reach a worldwide customer population of wide-ranging profile, so that consumers can survey, compare prices and features, select, and purchase products, subscribe services from businesses around the world (Vinerean, Cetina, Dumitrescu, & Tichindelean, 2013).

Different kinds of activities that consumers need to get informed are possible through web interfaces and service access points. Digital Ads could be one of these interfaces. Digital Ads are personalized and are interactive in nature. Interactivity in digitized systems is defined as the dialogue that occurs between a human being and a computer program. Program that run without immediate user involvement are not

considered as interactive, they are usually called batch or background programs.

Interactivity in marketing is becoming powerful tool nowadays. Marketers must not think marketing as a persuasion act or a simplex mode of communication to send information. Rather, customers are catered with information from multidimensional perspective to provide as much information as they want. A new set of conceptual skills related to database analysis, skills that permit the design of customer specific product offerings and messages is a must and prevails in order to form positive attitude towards the Ad. Marketers must learn how to communicate with customers, listen to them as well as send them messages (Sorrell & Salama, 1996).

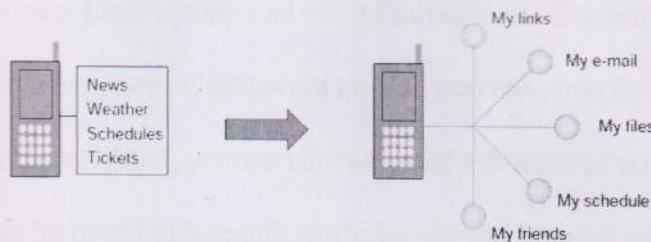
Interactivity through internet on personal digital assistances allows consumers to actively participate in the persuasion process by controlling the advertising messages, amount of information, and order of presentation at any time, according to their needs and preferences. It is a well-accepted fact that the commercial value of interactivity has been considerably increased since the advent of the Internet. It is said that the term "interactivity" refers to a complex and multidimensional concept. Web-based interactivity involves communication between users and systems to share information and participate in active communication to load the message, to find information, and to communicate with others (Charlene, Raina, & Megan, 2014).

In the research conducted with an objective to understand whether customers like when they receive and view advertising messages through smart mobile phones, findings were significant. Customers found mobile advertising entertaining and informative and messages not always credible and also irritating (Dahal & Shrestha, 2015). This research was confined to few variables and was limited on mobile devices. Web based advertising however is a broader concept in this research, which is aimed to add knowledge gap in the context. Therefore, the spread of digital

communication, a global mega-trend, opens an opportunity to get to know consumers attitude, attract them and cultivate relations with them through internet advertising.

Research done in India focusing on three different demographic group provides marketers with an understanding of consumers, their attitude toward advertising, so as designers and marketers can better strategize their advertising designs. The variables taken were informativeness, entertainment, credibility, economy, value and demographics (Haq, Azeem, & Ul, 2012). However, in this study interactivity and irritation are also included as constructs within the research framework. Although interactivity is a prominent feature of internet marketing and has already made major inroads into marketing budgets in the past decade in the form of direct mail, catalog retailing, telemarketing, and the incorporation of response devices into broadcast advertising, previous research did not include this as variable to measure. Similarly, in previous research, irritation is included but in small sample size. These constructs stand by side for this research work as a gap to fulfill in the context of emerging digital marketing environment. Environmental or social factor such as income, religion or literacy may have an impact on consumer, their privacy, policy or media (Poustchi & Wiedemann, 2010).

It is noticed that wireless fidelity (wi-fi) as a techno means of internet hotspots do exist at restaurants, hotels, hospitals, offices, and even at school and colleges. These are the places where consumers do access internet and are exposed to internet Ads. This is because; internet users are keen on taking the services like shown in the Figure 1. Business houses could be interested to encapsulate such means to incorporate advertisements and avail to consumers.



Source: (Eija, 2009)

Figure 1. Shift from common to personalized services

Internet is experiencing an exponential growth in number of subscribers and is creating a platform for marketing and communication applications worldwide. Nepal is one of the countries standing out as prominent one to pay significant internet service tax to the nation in short tenure. Digital inclusion and involvement is high at increasing rate. Therefore, understanding the market to develop suitable marketing strategy to attract consumers is need. There is no published literature on the buying behavior of Nepali youths using telecommunication services (Joseph & Khanal, 2011).

Among many types of computer-mediated communication channels, the Internet has been utilized for both internal information dissemination, access and outwardly focused marketing and sales activities (Park, Kim, & Ounjoung, 2009). Communities of people who use and develop the networks, as well as a collection of resources that can be shared at anytime from anywhere is internet (Ko, Cho, & Roberts, 2005). Though, most of the researchers focused upon investigating the structure of advertising attitudes, this study attempted to generalize attitude favorability towards internet advertising.

Beside attitude towards internet advertising, several internet usage surveys are conducted to document consumers' behavior online. Internet user's attitudes toward advertising on newsgroups and through e-mail recommended that consumers held

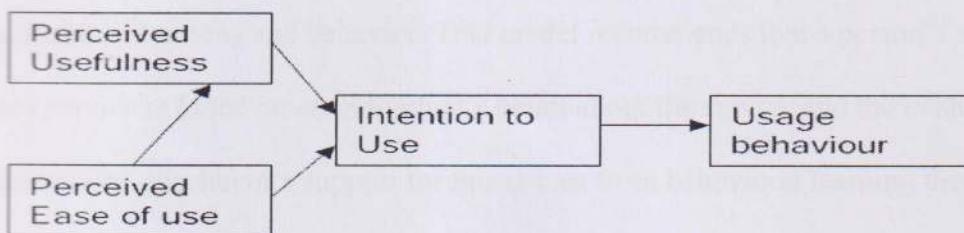
negative attitudes toward newsgroup and e-mail advertising. Commercial possibilities of the Internet, consumers' attitudes toward on-line services, purchasing online, Web usage, recall of the sites visited, actions taken toward intrusive advertising or SPAM, effect of banner ads on brand judgments, attitudes toward Internet advertising policies, awareness of the Internet itself (Schlosser & Shavitt, 1999) were focus of previous studies. Most of these studies were found to focus on company rather than consumers' point of view.

A review of past research on strategic decision-making has shown that there are several models of the strategic decision-making process. One example is Hofer and Schendel's model that outlines seven steps of the strategic decision-making process: strategy identification, environmental analysis, resource analysis, gap analysis, strategic alternatives, strategy evaluation, and strategic choice. Another is the model of Mintzberg, which suggests three phases and seven steps of the strategic decision-making process: identification phase consisting of decision recognition and diagnosis steps, development phase consisting of search and design steps, and selection phase consisting of screening, evaluation, and authorization steps. Likewise, Fredrickson suggested that from the perspective of a managerial decision maker, the rational decision-making process involves five interrelated cognitive stages: pay attention to a problem or opportunity, gather information, develop a series of options, value the options using expected costs and benefits, and select the option with the greatest utility (Fredrickson & Mitchell, 1984). Hence, marketing managers need to decide strategically to communicate personalized Ads to consumers. Therefore, marketing managers and digital Ad designers must know in advance the perception and attitude of consumers towards the Ads on internet.

It is marketers' obligation to learn consumers. The learning process involves the acquisition and interpretation of knowledge. Learning is the process of modifying one's cognitive map or understandings, thereby altering the range of one's potential behaviors. So, one may speculate that learning capability refers to individuals' ability to develop a new understanding of the world around them, it may promote or limit their understanding of a proposed change.

Digital Marketing Research: Theories and Models

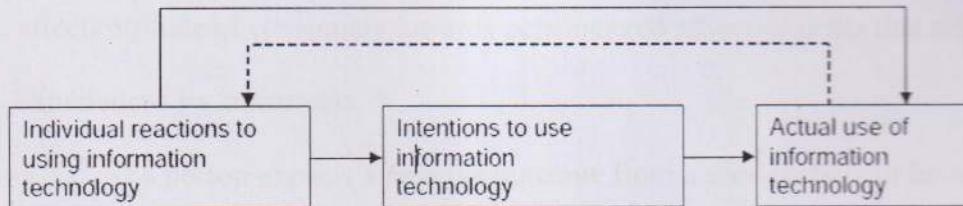
Nolan and Gibson (1974) argued that Information Systems are developed in six stages: Initiation, Contagion, Control, Integration, Data administration and Maturity (King & Kraemer, 1984). The work of John Rockart and his colleagues (1979) at the center for Information System Research at Sloan School of Management at MIT gave managers a major tool, called critical success factors, to help them define their information needs and to link these with general business needs.



Source: (Eija, 2009)

Figure 2. Technology acceptance model (Davis, 1989)

This theory explains about the enthusiasm a person gets by knowing system features and capabilities (stimuli), user's motivation to use system (organism) and actual system use (response) (Pousttchi & Wiedemann, 2010). The (TAM) model is found to be one of the widely used models in IS research. It is up to the marcom manager's capabilities to make Internet usages effective.



Source: (Eija, 2009)

Figure 3. Basic concept underlying TAM

The perceived usefulness and ease of use were found to have positive impacts on the user's attitudes and behavioral intention. Four technology acceptance models (TAM, TAM2, TPB, TTF) were integrated and created a robust model for mobile computing internet enabled devices and further added three new factors (adaptability, mobility, and security) that act as antecedents of perceived usefulness, which is one of two foundational belief constructs in technology acceptance model theory.

The Fischbein multi-attribute model Ajzen and Fischbein (1980) is a complex and influential conceptualization of the relationships among consumer's belief, attitudes, intentions and behavior. This model recommends that a person's attitude to any service is based on an individual's belief about the service and the evaluation of the service. Fischbein's support for this comes from behavioral learning theory. An attitude toward an object is learned as one learns about a new product, and that learning occurs in the form of beliefs about product attributes (Poustchi & Wiedemann, 2010). Nowadays, Internet services are easily available through personal digital assistances embedded with smart applications and latest operating systems in the market. Consumption of these devices is also increasing. Even internet bandwidth consumption rate is too high compared to outer-world. The reason behind increased broadband subscription is due to internet usage by systems for e-business and digital marketing. In such context, it is genuine and reliable to examine the factors that

affects attitude of consumers towards personalized advertisements that are experienced by consumers.

If a person expects a positive outcome from a service, he will have a favorable attitude towards it and if the person expects a negative outcome from a service, he will maintain a negative attitude towards it. Based on this assumption, attitude towards anything can change when attributes are added or removed. Fischbein's model is extremely helpful to managers and marketers because it provides reasons for consumer preferences, identifies unfulfilled needs, and provides suggestions for new products.

Innovation diffusion theory is the process by which innovation is communicated through certain channels over time among the members of a social system. It is dictated by uncertainty reduction behavior during the introduction of technological innovations. According to the UTAUT model, intention to use the information technology (IT) can be determined by three antecedents: performance expectancy, effort expectancy, social influence, and four moderators including age, gender, experience, and voluntaries (Pousschi & Wiedemann, 2010). Earlier research on the mobile usage mostly focused on usability issues, technological developments, and mobile telecommunication policies. Therefore, dissemination of knowledge of internet Advertisements to marketing managers is must. Personalization of digital Ads is a new and innovative technique in digital world.

Theoretical Framework

Through search of all types of published literature to identify relevant information to this study, constructs and antecedents were identified and relation was established in diagrammatic form. This point of study is not the summary of what has already been done in the field. Instead, it is the proposed study that is relevant to

previous work. Through literature review it was found that the constructs taken for this study are not outliers, rather they show the relationship to existing theory and research.

There exist various theories that relate consumer behavior with task and technology. Whether it be technology acceptance model, extended technology acceptance model of socio-psychological theory. They differ according to market environment, context and culture. Internet is no more limited for a particular purpose. It has a wider and brighter scope of applications. Although digital promotion is prevailing, subtle point is readiness of consumers and firms towards internet advertising. On this regard, a study that explores personalized Ads and their effect on attitude formation towards internet advertising is more relevant and rewarding. Ling *et al.* (2010) developed summary of key factors of technology based advertising which appeared in the existing literature.

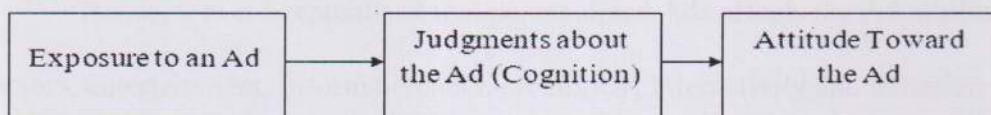
Table 1

Summary of Key Dimensions

Author	Key Dimensions
Tsang, Ho and Liang (2004)	Five factors: entertainment, informative, irritation, credibility, relevant demographic variables.
(Wang, Zhang, Choi, & Eredita, 2002)	Six factors: entertainment, informative, irritation, credibility, interactivity, demographic.
creZhang and Wang (2005)	Five factors: entertainment, informative, irritation, credibility, interactivity.
Wang, Sun, Lei and Toncar (2009)	Five factors: entertainment, information, credibility, economy, value corruption.
D'Souza and Taghian (2005)	Five factors: favourable, pleasant, convincing, believable, good.

Source: (Ling, Piew, & Chai, 2010)

Advertising and marketing campaigns that appeal to the consumers' sense of taste and best fit with their Internet use and shopping habits are required. To understand the impact of advertising or some other potential vehicle on consumer attitudes toward particular products, brands, considerable attention has been paid to developing what has been referred to as attitude towards the ad models (Schiffman & Wisenblit, 2011). The literature on digital advertising is mostly established on traditional advertising models. The most common among many is a conception of the relationship among elements in an Attitude Toward the Ad Model (Edell & Burke, 1987).



(Source: Edell & Burke, 1987)

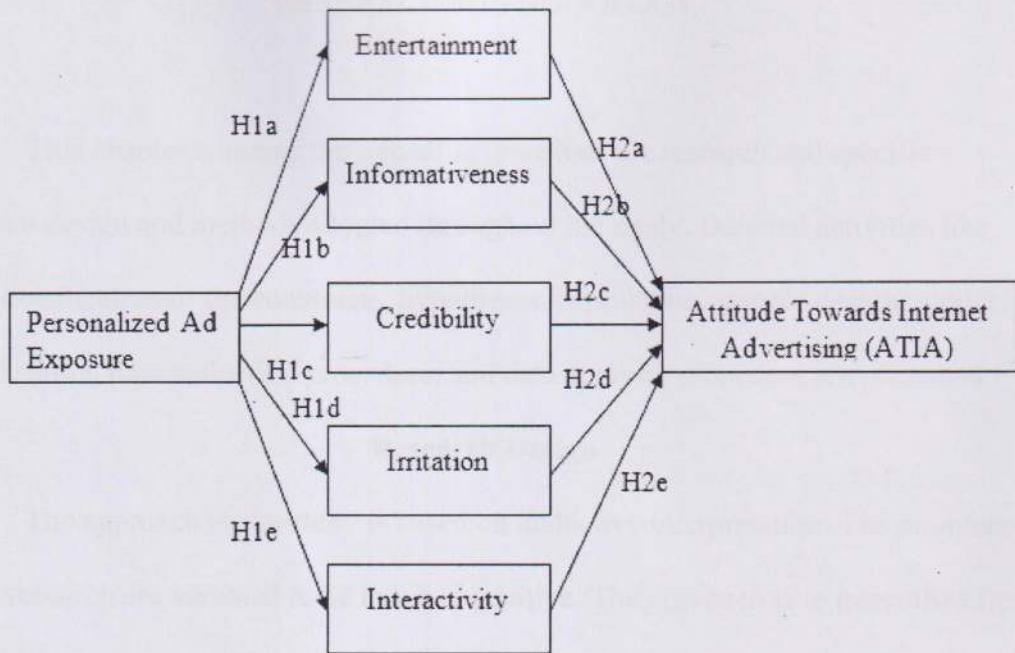
Figure 4. Attitude toward the ad model

The validity of models related to digital ads are tested and confirmed by numerous studies. Number of studies carried out in new field and scope are available with increasing number of digital channels and potential cultural differences in consumer types and their behavior. In line with previous relevant literature on digital advertising, a traditional and accepted model by Ducoffe explained attitude towards web advertising is another foundation for this study. Originally the Ad value model by Ducoffe was developed upon Uses and Gratifications Theory (UGT) for analyzing advertising on Internet (Aydin, 2016). UGT was originally established by Katz to explain the effectiveness of mass communication media and consumers' motivations. In this model, the cognitive needs, affective needs, as well as relaxation needs are considered as fundamental categories of needs and gratifications. Ducoffe incorporated cognitive needs through informativeness and credibility constructs in the

Ad value model and affective needs through entertainment and irritation constructs. Advertising value in this sense was defined as a subjective evaluation of the relative utility of advertisement to consumers. The focus of this study is examination of attitude formation rather than analyzing Ad value. Besides entertainment, informativeness irritation and credibility as constructs interactivity and personalized Ads are taken as additional variables that are not new but are occasional in literature in the model under study. One of the advertising goals is to inform customers about new products or services (Kotler, 2009), or to provide awareness for the differences of products.

Hence, it is conceptualized that personalized Ads affects the Ad attributing factors, entertainment, Informativeness, credibility, Interactivity and Irritation and these factors contributes in attitude formation towards the personalized Ad. Personalized Ads are one of the key factors in affecting consumers' attitude toward mobile advertising, particularly for female users (Xu, Liao, & Li, 2008). Since personal digital assistance (PDA) gadgets are no more confined for SMS and voice call only rather are web surfing devices. Generally, third and fourth generation mobile advertising are considered as internet advertising at present. Therefore, Ads that are received either on mobile phones or on any other digital devices through internet are internet advertisements. Ads exposed to consumers are received on their personal devices based on prior records of their personal profiles like email ID, IP address, frequently browsed websites and any other records of browsing habits. Therefore, Personalized Ads is considered as one of the constructs that affects the Ad attributes leading to attitude formation towards internet Ads. Previous studies suggested that personalized Ad affects perceived informativeness, credibility, and entertainment of

the advertising message while having a negative effect with irritation (Kim & Han, 2014).



2014).

Figure 5. The conceptual framework for measurement

Previous studies were also found to indicate that perceived entertainment and perceived informativeness were the constructs affecting attitude towards internet enabled mobile advertising significantly (Unal, Ercis, & Keser, 2011) which was consistent with other findings (Gonzalo & Vela, 2013). But these factors were tested in the context of large scale advertisements on telecommunication channels. Study is rare in case of internet channels. Similarly, a study in South Korea suggested that personalized Ads on Smartphones were significant in attitude formation (Kim & Han, 2014) but context matters; therefore, Nepal needs another such research. Significant differences in internet advertising across cultures are evident (Haq, Azeem, & Ul, 2012). Nepal is a country of culturally diversified population. This study of Nepali consumers towards internet advertising provides possible inference and contributes to theory that can be made valid in different context.

CHAPTER III

RESEARCH METHODOLOGY

This chapter contains the overall approach of the research and specific research design and methods adopted throughout the study. Detailed activities like operationalization of the constructs, hypotheses formulation, sample design, model specification, data collection procedure, and data analysis procedure are presented.

Research Design

The approach in the study is based on deductive interpretation. The premises in the research are assumed to be true and positive. The approach is to generalize from the general to the specific finding through sampling, data collection, and analysis to evaluate propositions or hypotheses related to an existing theory. Theory is either falsified or verified. A set of hypotheses is formulated to be confirmed or rejected after data analysis and finding.

Systematic plans and procedures required for the study were carried out based on the conceptual framework devised that include three stages. At first the effects of personalized Ads on Perceived entertainment, Perceived informativeness, Perceived credibility, Perceived interactivity, Perceived irritation were examined. Secondly, effects of these Ad attributes on Attitude towards internet Advertising were analyzed to establish relations among variables to infer the relationships, findings and implications.

Individuals have different outlook towards the same events. This results into different outlook for the same problem and findings different solutions. Considering these points, a self-administered survey through questionnaire validated by experts in

the field, was adopted. Also, sincere effort was put on to specify the model to avoid specifications errors, which was one of the stimulating tasks. This research is precise on representation of the model, estimation of the unknown parameters, and evaluation of the model, however, there is a room to extend the model, if required for future scope. The model was confirmed after review of literature. Whatever the model be, if the variables in the conceptual framework are irrelevant, unreliable and invalid and lack support from the literature theory, robust methodology will not be relevant. To assure the confirmation of the factors in the model, statistics of construct items were calculated and fit indices are shown in the results.

In many cases, more advanced techniques involve quantitative models, which enable the marketing researcher to examine various correlations between marketing response variables and explanatory variables being measured. For this study, structure equation modeling was applied to find the effects among the constructs. Also, confirmatory factor analysis was carried out to confirm the constructs followed by convergent validity and discriminant validity. The measurement model of the study was carried out following required steps of confirmatory factor analysis (CFA) to test the construct validity of a set of measured items using AMOS 21.0. Confirmatory analysis uses multivariate technique to test and confirm a pre-specified relationship (Hair Jr, Black, Babin, & Anderson, 2003). This test is the maximum likelihood estimation test of the measurement items since the measurement items for each construct loaded are as predicted on each individual construct. There are various models for revealed preference data, among those SEM methods was one of the best alternatives in the study.

Marketing research begins with problem definition and ends with a report and action recommendations. The analysis of marketing data using a quantitative model is

not necessarily a very straightforward exercise. In fact, for some models, one needs to build up substantial empirical skills for these models to become useful tools in new applications. This may not always be true since statistical tools now are robust and condensed too.

Internet advertising is a prime product for business organizations to accept as one of the alternative means of promotion. Prior to accepting that, it is necessary to know the perception towards it. The method adopted attempts to determine the intensity or magnitude of customers' preferences and translates that into a measure of actual direction of response. The analysis applied here is also to reprove, verify and unmet the need in the marketplace if already been detected.

Variables and their Operationalization

The focus of study in this research is on formation of attitudes towards internet advertising and how individuals construct them. The application of current knowledge on attitude towards internet advertising for business settings and strategies, and its implications on individuals are of interest at present context. The study emphasized consumers' attitudes that influence their predisposition to formulate a pre-determined response towards internet advertising.

Perception is defined as complex process by which people select, organize, and interpret sensory stimulation into a meaningful and coherent picture of the world. Perception is also about receiving, selecting, acquiring, transforming and organizing the information supplied by senses. Various kinds of definitions of attitudes do exist. In social psychology, the term "attitude" refers to an individual's preference for or disinclination toward an idea, issue, item or object; it is subjective in nature, and can be positive or negative. Attitude is a disposition to react favorably or unfavorably to a class of objects. There are two important aspects of attitude: one of them is a belief

aspect that uses cognitive processes to describe an object and its relation to other objects, the other is an affective aspect that leads to liking or disliking an object (Schiffman & Wisenblit, 2011).

To understand the role of attitude in human behavior, a model by Fishbein and Ajzen has suggested that: first, an individual's positive or negative beliefs about an object form an attitude towards that object; second, this attitude determines the individual's intention to behave with respect to the object; and finally, this intention to behave is related to the actual behaviors acted (Icek & Martin, 1977). Given this observation, one may assume that attitudes towards internet advertising tend to result in pre-determined intentions to behave and then subsequent behaviors. In this sense, consumers who have a negative attitude towards digital advertisements on internet are more likely to resist accepting the ads. In the same way, it is probable that consumers who have positive attitude towards digital advertisements on internet are more likely to support to accept the ads.

There is also the question of whether attitudes are conscious or unconscious in nature. Researchers have suggested that attitudes are conscious in nature, has been implicitly embedded in much of the prior research on attitudes, and most of the previous studies have focused on conscious cognitive involvement in debate judgments and decisions (Blair & Zanna, 2005). On the contrary, another group of researchers has begun to recognize the unconscious aspect of attitude. The key proposition of this stream of research is that there is an implicit operation of attitudes. By acknowledging both implicit and explicit operations of attitudes, one can assert that humans' attitudes can influence thinking, decision-making and behaviors in situations in which people recognize the existence of their attitudes as well as in

situations in which they do not recognize the existence of their attitudes. References of the constructs used for the measurement is shown in Table 2.

Table 2

Details of the Instruments Used in Measurement

Constructs	References
Entertainment	(Ho & Bodoff, 2014), (Unal, Ercis, & Keser, 2011) (Ying & Sun, 2010)
Informativeness	(Wang & Sun, 2010), (Unal, Ercis, & Keser, 2011)
Credibility	(Unal, Ercis, & Keser, 2011), (Ying & Sun, 2010)
Irritation	(Unal, Ercis, & Keser, 2011), (Ying & Sun, 2010)
Interactivity	(Burner, 2009)
Personalization	(Xu, Liao, & Li, 2008), (Unal, Ercis, & Keser, 2011)
Attitude	(Unal, Ercis, & Keser, 2011), (Burner, 2009)

Operationalization of the variables was done by removing the ambiguity in the items. Items used for the measurement of the constructs were reformed considering the respondents to remove their confusion without violating the essence of the items. This was done by strictly defining variables into measurable factors. Following are the definitions of the constructs taken for the study.

Entertainment

Some information provided through internet are found to be useful, interesting entertaining also sometimes affording pleasure. Such dynamics contributes to attitude formation. Entertainment expresses consumers' sense of pleasure related to messages incorporated in Ad. In this respect, there are games, music, and visual applications in many of online advertisements. Ads that are pleasant or likable is thought to have a positive impact on attitude towards advertising (Ducoffe, 1996). In this study entertainment is defined as one of the antecedents that make consumers' feelings

towards internet advertising a sense of amusement, excitement and entertainment.

There were three items used to measure this variable.

Informativeness

Informativeness, a feature of advertisements, can affect consumer's satisfaction and their buying decisions (Ducoffe, 1996). The informativeness dimension is the ability of advertisements to provide updated, timely, and easily accessible information. Informativeness is defined as something that supplies relevant and up-to-date product information to consumers for their needs to make purchase decisions. There were three items to measure the variable.

Credibility

Credibility in other way is the quality of advertisement being believable or worthy of trust. Credibility of messages is generally the perception related to correctness and integrity of an advertisement by consumers (Verma, 2014). Credibility is defined as a factor that helps consumers to believe, trust and be satisfied with internet advertising for references before making purchase decisions. Three items were used to measure the variable.

Irritation

Sometimes online advertisements might cause annoyance or discomfort, or a feeling of annoyance may arise due to which attitude may get affected. Generally, low cost advertisements create irritation if are sent via short messaging service (SMS), banner Ads and multimedia messaging service (MMS). Companies must consider this before they send collective information without considering personal information of receivers. As a consequence of this, most people are irritated and disturbed because of these wrong marketing tactics (Rittippant, Witthayawarakul, Limpiti, & Nathadej, 2009). Irritation here is defined as a feeling that makes consumer feel annoyed,

deceived and disturbed when they receive advertisements. There were three items to measure the variable.

Interactivity

Interactivity is the extent to which user feels convinced of the mutual effect that he or she and the environment have on one another (Nunamaker, 1997). In computers, interactivity is the dialog that occurs between a human being and a computer program. Programs that run without immediate user involvement are not interactive; they're usually called batch or background programs. The action of officially allowing someone to do a precise thing; consent or authorization is interaction. It is done by a computer system automatically before sending advertising messages to computer end users. Software like Facebook Connect allows different applications and websites to share information with the user's permission, so that the user doesn't have to continually register the same information with every application creating an interactive environment. Three items were used to measure the variable.

Personalization and Personalized Ad

Personalization, one of the constructs, is operationalized by distinguishing between "mass" media which deliver relatively undifferentiated audiences and "targeted" media which offer advertisers greater selectivity in reaching audiences through internet. Ads that are personalized and exposed contain attributing factors like entertainment, Informativeness, credibility, interactivity etc. These factors are perceived differently by consumers. What makes one feel entertained may not be true for others, because, entertainment depends on how effectively an entertaining factor is included on Ad. Before Ad is exposed to a person, his web activities, interests, hobbies or overall behavior is tracked, recorded and then Ads are personalized and pushed accordingly. For example, customers who purchase digital card may register

the card online, which allows them to check the balance of their card, or even get a replacement if their card is lost. When registering, most of the sites ask for the customer for their birthday, to send them a coupon. When the customer's birthday rolls around, they get the coupon; what they don't get is continued unsolicited mail sent to their address.

Much of the "free" content on the Web comes at a price to users, who are subjected to Ads that are targeted specifically at them and increasingly hard to ignore (Wu, 2016). Ads on internet are personalized to meet customer's needs more effectively and efficiently, making interactions faster and easier and, consequently, increasing customer satisfaction. Tailoring the presentation of Ads content to match a specific user's instructions or preferences is possible through personalized Ads. This is practiced by most of the forms since customer is identified by digital identities like email, internet protocol addresses, device numbers, phone numbers and many other forms of identities. This customization is accomplished either by the user choosing from a menu of available alternatives or by tracking his or her behavior by firms, on the site by maintaining a customer profile in database through information systems. Personalized Ads are tailored to match user's preferences, context and preferences by tracking their behaviors and maintaining consumer profile. It is a systematized technique of selecting and filtering of information for end users.

Personalized ad in this research is defined as Ad that is exposed to consumers by a process to reach a defined segment and minimize exposure to other unwanted audience groups based on personalizing and profiling consumers. Therefore, it is convincing that Ads received by consumers on their personal digital assistance with internet access are personalized Ads. There were four items to measure the variable, however, two items were discarded to standardize factor loading.

Research Hypotheses

Prior empirical research has examined the role of factors in the model. Previous research has focused on a smaller set of variables than the one this study examines. Effects of personalized Ads on Ad attributing factors are studied rarely. Literature concludes that attitude towards internet advertising is in positive direction in fragmented IT enabled geographical locations of the world. Additionally, empirical research pertaining to the examination of factors influencing consumers' attitude towards internet advertising are relatively rare.

Personal digital assistances with internet access are becoming real companions of individuals. They allow virtual access at anytime and anywhere. Hence, personalized ads are crucial to design. Advertisers need to personalize form and content of the messages on Ads they want to communicate to customers (Tsang, Ho, & Liang, 2004). Consumers expect the content of internet Ads to match their interests and preferences (Fred, 2003). The format or design is also expected to match their preferences and needs.

According to UGT theory, entertainment is one of the many gratifications attached to web enabled digital devices. Entertainment provokes diversion, emotional release and aesthetic enjoyment (McQuail, Golding, & Bens, 2005). Consumers like personalized messages on Ads because they reflect their needs and interests. When they receive a personalized advertisement, they feel enjoyed, find fun to see and also are excited. Therefore, following hypothesis is proposed.

H1 a: Perceived entertainment of internet advertisements positively depends on impact of personalized Ads

The content of most of the personalized advertisements are associated with relevant product information that provide up-to-date information that consumer is in need of. On this regard, following hypothesis is anticipated.

H1 b: Perceived Informativeness of internet advertisements positively depends on impact of personalized Ads.

Not all personalized advertisements are trustworthy, however consumers are satisfied with the message they perceive and sometimes they accept it to refer to make purchase decisions. Therefore, following hypothesis is predicted.

H1 c: Perceived credibility of internet advertisements positively depends on impact of personalized Ads.

While surfing on internet, advertisements that pops up suddenly are annoying in nature, few Ads may be deceptive in nature too. Since these ads are disturbing in nature, following hypothesis is predicted.

H1 d: Perceived irritation of unwanted internet advertisements negatively depends on impact of personalized Ads.

Whenever consumers are exposed with personalized Ad, they feel like going into deeper links for further details in request response mode on client server architecture. They click on hyperlinks and are taken away from one server to the other on the same session. This is possible only through interaction between the end user and the systems providing services, called server. Since, most of the personalized internet Ads are system driven and interactive in nature following hypothesis is proposed.

H1 e: Perceived interactivity of internet advertisements positively depends on impact of personalized Ads.

Cognitive and affective factors measure the extent to which advertisements are recognized and remembered by consumers. Recognition depends upon the attributing factors of the Ad experienced by consumer. Personalized internet Ads that smooth consumers' sense of pleasure, are entertaining, fun to see and exciting and contributes in attitude formation towards the Ad. Hence, the following hypothesis is postulated.

H2 a: Perceived entertainment has positive effect on attitude towards internet advertisement.

Primary goal of advertising is to inform consumers about a new product or services. Information quality is therefore crucial to the effectiveness of the advertisement. Advertisements must be relevant to product information, up-to-date and even supportive to make purchase decisions. If the information is of a poor quality and thus irrelevant, insufficient, inaccurate or out-of-date consumers' experience may be undermined. On this basis, following hypothesis is postulated.

H2 b: Perceived informativeness has positive effect on attitude towards internet advertisement.

An advertisement is perceived to be credible when it is true and it is believable. Credibility is another crucial factor to the effectiveness of internet advertising. Consumers find message content of Ad satisfactory and trustworthy and even take them as reference for purchasing. Consequently, subsequent hypothesis is projected.

H2 c: Perceived credibility has positive effect on attitude towards internet advertisement.

Personalized Ads on internet cause annoyance or discomfort and are deceptive in nature sometimes. Feeling of annoyance may arise due to which attitude towards the Ad may get affected. Therefore, following hypothesis is proposed.

H2 d: Perceived Irritation has negative effect on attitude towards internet advertisement.

In digital marketing, interactivity is the interaction between a consumer and a computer program that requires user involvement. Further links are associated to explore further information within a same session. More the Ads are interactive more they affect in attitude formation. Therefore, following hypothesis is proposed.

H2 e: Perceived Interactivity has positive effect on attitude towards internet advertisements.

Research Instrument and Unit of Analysis

For this study questionnaire was designed and developed to collect responses. It is a data collection instrument consisting of a series of questions with the purpose to gather information from respondents. In the study, some of the items were taken from marketing scale handbook and more items from existing literature to ensure consistency. To measure the experiences of personalized Ads items were taken from the handbook in four-point scale, however other items in five-point scale were used to measure the effect of personalization on attributing factors and their effects on attitude formation. This was different due to difference in scope and nature of the items in the questionnaire. Therefore, the questionnaire was divided into two sections. Respondent's response is the unit of analysis. The average of the responses is processed and computed by using software tools to transform the response to make them statistically fit for quantitative analysis as per requirements.

Population and Sample Design

The accessible population in the study was students and faculty members of different colleges within and outside Kathmandu valley. This population is a subset of the target population and is also known as the study population. Respondents for this

study were drawn from accessible population. Sample was designed to select people familiar to digital Ads among general population. It was a challenging task. To overcome this challenge, few items in the questionnaire were included for confirmation.

In the past, personal computers were virtually the only way to access the Internet, but not so anymore. The rapid rise of Internet-enabled personal devices consumers carry has created separate target groups for marketers. Internet is popular among youths. These young people were the probable respondents of the survey of this study. The task was challenging to decide whether sample could be the general population, those who go online using a computer, those who go online using Personal Digital Assistance devices, or those who go online mostly using a phone. Taking this into mind, each respondent was asked verbally to confirm whether she or he was an internet user, and only then the questionnaire was given.

Convenience sampling was followed and data were collected from people familiar with internet services and who understood what internet advertising is. By making sure that the respondents were internet users, every one of them was asked to mention the recent advertisement they come across while surfing internet, making them do so was to expect valid and reliable response. It was ensured that respondents were proper representatives of the population using internet. Data were collected from students and teachers of colleges in Kathmandu valley and also from outside the valley. Inside Kathmandu valley students and faculty members of Apex College, Baneshwor, Thames International College, Baneshwor, Uniglobe College, Baneshwor, Nepal Commerce Campus, Minbhawan, KIST College, Kamal Pokhari were the respondents. Data were also collected from students and faculty members in Butwal and Dhangadi. Survey was both online and field based. Online questionnaire

was sent on respective College email ID and total respondent were 127. Data collection in the field was self-administered. Questionnaire was distributed after confirming the person. To confirm one of the items in the questionnaire was dedicated to make sure the respondent by asking whether a person is familiar with digital Ads or not and was even asked to mention a recent Ad seen online and experienced.

Before taking responses, face validation of the questionnaire was carried out through experts in the related field, where each item on the scale were critically discussed and pilot test was carried out to make constructs reliable and meaningful. Total 260 number of questionnaire were distributed, however, 248 of them responded, 92% of questionnaire was returned by respondents.

Research Procedure

This section details the instrument administration, data collection methods, data processing tactics, and analysis strategy. Before final survey, for pilot test of thirty numbers of questionnaires were distributed, and data were collected to confirm the validity of the items of each constructs. After avoiding few ambiguities, questionnaire was finalized. This test also allowed knowing time taken by respondents to fill the items. The questionnaire included segment with informed consent, demographic variables, internet user's tendency and main section with items of major constructs in English language both in paper and digital form.

Data Processing and Analysis Strategy

Each response is tested for eligibility like form, criteria, completeness and response pattern before they were coded and recoded in SPSS 2, a windows statistical package. In the study object is the personalized advertisements on clouds experienced by respondents through internetworking protocols. The appropriate scale is necessary to measure various constructs. Items in the scale used by many researchers previously

on similar kind of research were considered for most of the constructs. Relevant items were also taken from the marketing scales handbook by Gordon C Burner. A five-point Likert scale was used for the measurement and analysis was carried out using different statistical tools.

The classic story of the blind men and the elephant teaches us that to fully understand something; we need to observe it from more than one perspective. Here, questionnaire survey, observations, content analysis of relevant websites on digital marketing was done before deciding on the design procedure. The data for the study were collected from primary sources using a self-administered questionnaire. Few questionnaires were distributed as e-mail attachments with the help of google form through personal contacts to collect responses from outside valley. Respondents were also selected by snowballing based on the original contact group to make sure of their digital involvement. Only those respondents who were regular in surfing internet services were given a prime focus. Those who carried internet enabled smartphones, personal digital assistance devices that support internet protocol, and were aware of web enabled internet advertising services were involved strictly to maintain the data integrity. Required statistical tests were carried out by software named; "Statistical Package for the Social Sciences" (SPSS 21), Amos Graphics 20, Microsoft Office Excel 2016. Based on the research objectives, required information was listed to navigate questionnaire.

In addition to the endogenous and predetermined variables, an influence of gender (male = 1, female = 0) was considered as control variables in the study. The sequence of data analysis that was followed is: recode scales of variables measurement as per necessity, descriptive statistics for all indicators, histograms for all indicators, confirmatory factor analysis, convergence validity, discriminant

validity and patterns of directions of indicators, correlations for indicators for each factor, reduction of number of indicators for each variable, test of structured equation modeling. In the tests of consumer's attitude towards object, perception as perceptual factors as independent variables; an ordinary regression analysis (OLS) would be inadequate when SEM is prevailing. In SEM degree of freedom can be changed without violating the essence of the model and several equations can be computed with different parameters. Structural equation modeling was done as per the recommendation of series of statistical analysis like convergent validity, discriminant validity and goodness of fit measures of the proposed model. It is a technique that provides privilege to researcher to design a model taking the constructs of choices maintaining consistency with theoretical model. In its simplest sense, structural equation modeling provides the appropriate and most efficient estimation technique for a series of separate multiple regression equations estimated simultaneously (Hair Jr, Black, Babin, & Anderson, 2003). A measurement model emphasizes the relationships between latent constructs and measured items, a structural model emphasizes the nature and degree of the relationships between constructs (Hair Jr, Black, Babin, & Anderson, 2003). Therefore, Structural Equation Modeling (SEM) is used to test a hypothesized theoretical model and estimates the coefficients and goodness of fit of the model.

CHAPTER IV

RESULTS

The aim of this study was to find out the effects of attributes of personalized internet advertisements on attitude towards the Advertisement. The data collected for the purpose and their inferential statistical analysis is presented in following section.

Sample Description

The respondents in the study were asked the following demographic characteristics: gender, age group, and occupation. A total of 260 questionnaires were collected through self-administered survey. Number of observations in the samples were 158 Male (64%) and 90 Female (36%). Total respondents within age group of 16 -30 were (90%).

Table 3

Survey of Respondent Profile

Variables		Frequency	Valid Percent
Gender	Male	158	64
	Female	90	36
Age	16-20	24	40
	21-30	124	50
Occupation	31-40	21	8
	41-50	3	1
	Older than 51 years	1	1
	Business owner	5	2
	Employee	29	12
	Student	214	86

Table 3 shows the Gender, Age and Occupation of the respondents. Most of the respondents are students and 90% of age group lies below thirty years of age. This demographic profile was supposed to be the viable sample who is familiar with internet advertising. These are the segments who use the computer most and are highly engaged in internet surfing the most.

Types of Personalized Ads Experienced

Table 4 shows the types of Ads perceived that were personalized to respondents by hosted web servers through internet channels on their personal email, personal accounts of social networking sites, personalized web pages and on applications (apps) installed in personal digital gadgets. To record statistics, respondents were asked to mention the advertisements related to Brand, Products, and Services in the questionnaire. These Ads were exposed by servers on internet to respondents through personalization systems owned by business firms and are experienced by respondents. On the basis of judgments of these personalized Ad attributes attitude formation towards internet advertising was studied.

Table 4

Personalized Ad Types Experienced

Brands of online stores	Software Services	Apparels and Cosmetics	Digital Electronics	Automobile	Corporate brands	Household products
27	25	24	27	30	14	63

Table 5 shows the descriptive statistics on various enquires. The results revealed that people frequently saw Ads on internet personalized to them. However, the attention they paid is only mild but they were somehow attentive while experiencing the content of the Ads. When people were exposed to digital Ads on

Table 6

Feeling after Going through the Personalized Ad

	Mean	Deviation	Skewness	Std. Result
Feeling of Happiness	2.57	0.94	0.00	Very Little
Become Touched	2.79	0.98	-0.24	Very Little
Become Sympathized	2.94	0.98	-0.51	Very Little
Been Emotional	3.08	0.99	-0.66	Not at all

Table 7

Skewness and Kurtosis of the Constructs

	Attitude	Entertainment	Informativeness	Credibility	Irritation	Interactivity	Personalized Ads
S. D	.77	.81	.72	.83	.81	.77	.77
Skewness	-1.13	-.55	-.73	-.36	-.09	-.15	-.34
S. E	.15	.15	.15	.15	.15	.15	.15
Kurtosis	1.46	.05	.84	-.20	-.20	-.29	-.28
S. E	.31	.31	.31	.31	.31	.31	.31
Min	1.00	1.00	1.00	1.00	1.00	1.33	1.00
Max	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Skewness and kurtosis of the variables are shown on Table 7. The Skewness of constructs seems normal since the values between -1 and 1 are normally accepted, and are not skewed. Similarly, Kurtosis is the test of how peak or how flat the distribution is. Values between -3 and +3 are considered normal. It showed that data were normally distributed.

Table 8
Correlations between the Constructs

	1	2	3	4	5	6	7
Attitude	1						
Entertainment		.46**	1				
Informativeness			.43**	.43**	1		
Credibility				.38**	.39**	.58**	1
Irritation					-.12	-.23**	-.33**
Interactivity						-.19**	1
Personalized Ads							.24**
							.29**
							.37**
							.39**
							-.15*
							.51**
							1

Note. **. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

The values in Table 8 show that there is linear relationship between the variables. The strongest relation is between entertainment and attitude towards internet advertising, followed by informativeness. There is no significant relationship between irritation and attitude towards internet advertising, however the relationship is negative.

Multicollinearity test was conducted to examine whether variables were highly correlated or not. Results in Table 9 show that there were no problems of multicollinearity since the VIF values are less than 10. Variance Inflation Factor is reciprocal of Tolerance. This shows that constructs in the model are not varied. They are consistent and proven to fit in the model.

Table 9

Test of Collinearity and Variation Inflation Factors

Variables	Tolerance	VIF
Entertainment	.763	1.310
Informativeness	.540	1.853
Credibility	.627	1.595
Irritation	.870	1.149
Interactivity	.733	1.364

Note. Dependent variable: Attitude towards internet advertising

The purpose of Levene test is to test for equality of variances of Age, Gender and Occupation in the study. In other words, it is a test of homogeneity of variances.

It shows whether the assumption of equal variances is valid or not. Equal variances across sample are called homogeneity of variance. The analysis of variance assumes that variances are equal across groups. The Levene statistic can be used to verify this.

Table 10 shows output of the test. The values suggest that the means of each constructs are homogeneous in case of age and occupation, however, there is no homogeneity based on gender among constructs: informativeness, credibility and interactivity. It means that, the responses towards these constructs are significantly heterogenous. For the remaining constructs, the assumption that variances are equal or there is no significant difference in variances between the constructs is true.

Therefore, it is inferred that there exists heteroscedasticity under group of Age and Occupation.

Table 10

Test of Homogeneity of Variances

Constructs	LS (Age)	Sig.	LS (Gender)	Sig.	LS (Occupation)	Sig.
Entertainment	0.460	.710	2.14	0.14	0.63	0.53
Informativeness	1.692	.169	6.16	0.01	1.65	0.19
Credibility	0.221	.882	4.52	0.03	1.27	0.28
Irritation	0.331	.803	0.01	0.94	1.09	0.34
Interactivity	0.93	.427	4.71	0.03	0.04	0.97
Attitude	0.572	.634	1.60	0.21	0.36	0.70
Personalized Ads	0.250	.861	1.42	0.23	2.23	0.11

Table 11 illustrates the descriptive statistics of Age as Independent Groups.

The table includes the mean, standard deviation and minimum and maximum values of the respondents. Higher the mean values in the table more they do agree with the given constructs. For example, people belonging to age group 21 to 30 years of age feel that Ads exposed to them are highly personalized.

Table 11

Descriptive Statistics of Age Group as Independent Groups

Constructs	Age Group (N)	Mean	Std. Dev	Min	Max
Entertainment	16-20 (99)	3.46	0.78	1.00	5.00
	21-30 (124)	3.30	0.82	1.00	5.00
	31-40 (21)	3.51	0.81	2.00	4.67
Informativeness	16-20 (99)	3.65	0.77	1.00	5.00
	21-30 (124)	3.57	0.65	1.00	5.00
	31-40 (21)	3.63	0.84	2.33	5.00
Credibility	16-20 (99)	3.30	0.85	1.00	5.00
	21-30 (124)	3.21	0.80	1.00	5.00
	31-40 (21)	2.88	0.89	1.00	4.50
Irritation	16-20 (99)	3.02	0.84	1.00	5.00
	21-30 (124)	3.17	0.78	1.00	5.00
	31-40 (21)	3.13	0.84	1.00	4.33
Interactivity	16-20 (99)	3.16	0.74	1.33	4.67
	21-30 (124)	3.23	0.78	1.33	5.00
	31-40 (21)	2.97	0.87	1.67	4.67
Attitude	16-20 (99)	3.89	0.78	1.00	5.00
	21-30 (124)	3.74	0.77	1.50	5.00
	31-40 (21)	3.90	0.62	2.50	4.50
Personalized Ads	16-20 (99)	3.29	0.74	1.50	4.50
	21-30 (124)	3.32	0.77	1.00	5.00
	31-40 (21)	3.07	0.87	1.50	4.50

Table 12

Descriptive Statistics Gender as Independent Variable

Constructs		Std.			
		Mean	Deviation	Minimum	Maximum
Entertainment	Female	3.61	.74	1.67	5.00
	Male	3.25	.81	1.00	5.00
	Total	3.38	.81	1.00	5.00
Informativeness	Female	3.64	.61	1.67	5.00
	Male	3.59	.78	1.00	5.00
	Total	3.61	.72	1.00	5.00
Credibility	Female	3.28	.75	1.00	5.00
	Male	3.17	.87	1.00	5.00
	Total	3.21	.83	1.00	5.00
Irritation	Female	2.88	.79	1.00	5.00
	Male	3.23	.80	1.00	5.00
	Total	3.10	.81	1.00	5.00
Interactivity	Female	3.21	.70	1.33	5.00
	Male	3.15	.81	1.33	5.00
	Total	3.17	.77	1.33	5.00
Attitude	Female	3.78	.85	1.00	5.00
	Male	3.83	.72	1.50	5.00
	Total	3.81	.77	1.00	5.00
Personalized Ads	Female	3.31	.73	1.50	5.00
	Male	3.28	.79	1.00	5.00
	Total	3.29	.77	1.00	5.00

The values in Table 12 illustrate that Female group's personalized Ad exposure effects more towards perceived entertainment, perceived informativeness, perceived credibility and perceived interactivity. Whereas, Male group's perceived Irritation and Attitude are high. Table 13 illustrates the description based on occupation.

Table 13

Descriptive Statistics According to Occupation

Constructs	Occupation	Number	Mean	Std. Dev	Min	Max
Entertainment	Business	5	3.40	0.83	2.33	4.00
	Employee	29	3.53	0.68	2.00	5.00
	Students	214	3.36	0.82	1.00	5.00
	Total	248	3.38	0.81	1.00	5.00
Informativeness	Business	5	3.80	0.73	2.67	4.67
	Employee	29	3.55	0.92	1.00	5.00
	Students	214	3.61	0.69	1.00	5.00
	Total	248	3.61	0.72	1.00	5.00
Credibility	Business	5	3.40	0.55	2.50	4.00
	Employee	29	3.29	0.88	1.50	5.00
	Students	214	3.20	0.83	1.00	5.00
	Total	248	3.21	0.83	1.00	5.00
Irritation	Business	5	3.60	0.60	2.67	4.00
	Employee	29	3.05	0.72	1.67	5.00
	Students	214	3.10	0.83	1.00	5.00
	Total	248	3.10	0.81	1.00	5.00
Interactivity	Business	5	3.27	0.80	2.00	4.00
	Employee	29	2.90	0.81	1.33	5.00
	Students	214	3.21	0.76	1.33	5.00
	Total	248	3.17	0.77	1.33	5.00
Attitude	Business	5	4.10	0.74	3.00	5.00
	Employee	29	3.88	0.68	2.00	5.00
	Students	214	3.79	0.79	1.00	5.00
	Total	248	3.81	0.77	1.00	5.00
Personalized Ads	Business	5	3.30	0.57	2.50	4.00
	Employee	29	3.36	0.90	2.00	5.00
	Students	214	3.28	0.75	1.00	5.00
	Total	248	3.29	0.77	1.00	5.00

Table 14

One Way ANOVA Test Results

Constructs	Age		Gender		Occupation	
	F	Sig.	F	Sig.	F	Sig.
Entertainment	.89	.47	12.04	.00	.53	.59
Informativeness	.66	.62	.37	.54	.27	.77
Credibility	1.48	.21	1.05	.30	.30	.74
Irritation	.73	.57	11.37	.00	1.01	.37
Interactivity	.66	.62	.38	.53	2.17	.12
Attitude	1.69	.15	.22	.63	.53	.59
Personalized Ads	.74	.57	.10	.74	.14	.87

Even though there is a difference between men and women on the category of perceived informativeness, this difference would have been fifty-four percentages. However, entertainment and irritation are only the constructs that are significantly different gender wise. Therefore, the rest are not different except for the gender in two constructs. No effects of control variables are noticed.

Confirmatory Factor Analysis of the Construct Items

The measurement model fit demonstrated acceptable values: $\chi^2=252.582$ df=131 $\chi^2/df = 1.928$, p value=0.000, GFI=0.904, AGFI=0.861, IFI=0.911, TLI=0.880, CFI=0.908, RMSEA=0.061. This indicates that the model is fit for further analysis to estimate the parameters under simultaneous regressions equations under structural equation modeling.

Table 15

Confirmatory Factor Analysis Statistics of Construct Items

Construct	Items	Standardized factor loading	CR	AVE	Cronbach's Alpha
Entertainment	1	0.796			
	2	0.763	0.579	0.579	0.805
	3	0.732			
Informativeness	1	0.492			
	2	0.572	0.599	0.335	0.590
	3	0.663			
Credibility	1	0.676			
	2	0.656	0.684	0.419	0.717
	3	0.482			
Irritation	1	0.822			
	2	0.592	0.705	0.451	0.690
	3	0.570			
Interactivity	2	0.481			
	3	0.640	0.577	0.316	0.605
	4	0.555			
ATIA	1	0.623			
	2	0.855	0.711	0.557	0.694
Personalized Ads		0.748			
	1		0.601	0.436	0.582
	3	0.550			

Note. Fit Indices $\chi^2=252.582$ df=131 $\chi^2/df = 1.928$, p value=0.000, GFI=0.904, AGFI=0.861,

IFI=0.911, TLI=0.880, CFI=0.908, RMSEA=0.061. In order to obtain model fit item 1 of interactivity and item 2 of Personalized Ads was omitted

The basic difference between convergent and discriminant validity is that convergent validity tests whether constructs that should be related, are related or not. Discriminant validity tests whether believed unrelated constructs are, in fact, unrelated or not. Convergent validity is also considered as alternative to Cronbach's

alpha test. Convergent validity is assessed using three criteria: reliability of the measurement items, composite reliability (CR) of measurement items, and average variance extracted (AVE) for each construct. Standardized factor loading coefficients for measurement items are greater than recommended except for three items of informativeness, credibility and interactivity respectively. All loadings were significant at 0.000 (Hair Jr, Black, Babin, & Anderson, 2003). Composite reliability was acceptable with the recommended value for perceived irritation and attitude towards internet advertising. Whereas average variance extracted were acceptable for perceived entertainment and attitude towards internet advertising. In general guidelines, the Cronbach's alpha values that exceed 0.6 are considered acceptable and that exceed 0.7 are highly acceptable (Peterson, 1994). The result shows that constructs' values are above 0.6 which are considered reliable and within the range of acceptance except for Personalized Ads (0.58). Since, Personalized Ads is an important construct the value as being close to 0.6, was taken into consideration for further analysis.

The results of discriminant validity analysis are shown in Table 16. Diagonal elements represent the square root of AVEs and the off-diagonal elements are the correlations among the constructs. If the correlations among the constructs are lower than square root of AVEs, than the discriminant validity is acceptable (Farrell & Rudd, 2009). All the constructs were found to be significant with minimum significant value of 0.240 and the maximum significant value of 0.580, except for irritation with attitude towards internet advertising. It indicates that there is no association between these constructs. Correlation refers to any of a broad class of statistical relationships involving dependence. The most common is the Pearson correlation coefficient, which is sensitive only to a linear relationship between two

variables. For example, informativeness and credibility are highly positively correlated. It means that advertisements that are informative are credible.

Table 16

Discriminant Validity of the Constructs

	1	2	3	4	5	6	7	
Attitude		.746						
Entertainment		.466**	.761					
Informativeness		.434**	.429**	.579				
Credibility		.381**	.390**	.580**	.648			
Irritation		-.118	.229**	.334**	.193**	.671		
Interactivity		.315**	.341**	.472**	.389**	.250**	.562	
Personalized Ads		.240**	.294**	.378**	.399**	-.156*	.517**	.660

Note. **. Correlation is significant at the 0.01 level (2-tailed). *. Correlation is significant at the 0.05 level (2-tailed).

The Structural Model

The model shown below includes the latent variables and their relationships in the study. The first stage of the model includes Personalized Ads as the construct. Second stage includes five constructs; entertainment, informativeness, credibility, irritation and interactivity. The model here is the schematic diagram of proposed regression model. Here, all regression equations are computed simultaneously and coefficients are predicted based on structured equation model, a statistical model of analysis. The numbers on the arrows are the values of the coefficients. One-way arrows in the figure are the regression lines whereas double headed arrows are the covariance between the constructs. To make the model a better fit, residual or the error terms are also connected. This was done to improve the goodness of fit of the model. Variables that are connected with residuals indicate that there are common

causes associated with residual for both the constructs, and hence it can be assumed that there is an existence of unmeasured variable in the proposed model. In this study residuals of informativeness and credibility are connected. It means that there exist variables that are yet to measure. The correlation of the residuals between informativeness and irritation is indicating the missing variable and informativeness with interactivity also indicates another variable in the model. No correlation between residuals means that they are distinct with no association.

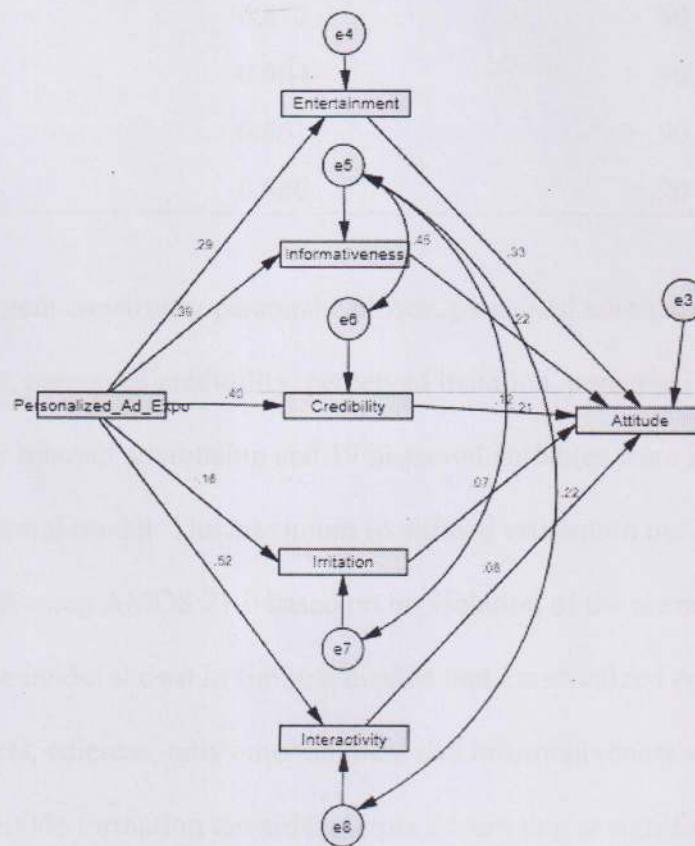


Figure 6. The proposed model with estimates

The proposed model fit indicators are shown in Table 17. The result shows that the root mean square error of approximation is at acceptable range which shows the adjustment of the sample size. Only (NFI) Normed fit index is not within the recommended range. Remaining all fit indices are within acceptable range. It shows that the proposed model has acceptable goodness of fit.

Table 17

Measurement of Goodness of Fit of Proposed Model

Goodness-of-fit Statistics	The proposed model	Desired values for Good Fit
χ^2/df	252.582/131=1.982	< 5.00
RMSEA	0.061	< .08
NFI	0.831	> .90
CFI	0.908	> .90
IFI	0.911	> .90
PNFI	0.637	> .50
GFI	0.904	> .90
AGFI	0.861	> .90
TLI	0.880	> .90

Seven latent constructs: personalized Ads, perceived entertainment, perceived informativeness, perceived credibility, perceived irritation, perceived interactivity and attitude towards internet advertising and 19 observed variables were included for testing the structural model. The maximum likelihood estimation method was applied to test the model using AMOS 21.0 based on no violation of the normality assumption. The model shown in figure 6 depicts that Personalized Ads has effect on all five constructs, whereas, only entertainment and informativeness were found to contribute in attitude formation towards internet advertising at significance level of 1 percentage. However, credibility is significant at 10 percentage level of significance. Details of estimated standardized coefficients are shown in Table 18.

Hypothesis Testing

The path relationships of latent constructs: personalized Ads, perceived entertainment, perceived informativeness, perceived credibility, perceived irritation, perceived interactivity and Attitude towards Internet Advertising with ten hypotheses

from H1a to H1e and H2a to H2e were examined to find out significant relationships. Results after statistical estimation of the hypothesized paths are presented in Table 18.

Table 18

Path Analysis of Estimated Model

Path			Regression Weights	Standardized Weights	S.E.	p
Entertainment	<---	Personalized Ads	0.310	0.294	0.064	***
Informativeness	<---	Personalized Ads	0.354	0.392	0.053	***
Credibility	<---	Personalized Ads	0.432	0.399	0.063	***
Irritation	<---	Personalized Ads	-0.166	-0.156	0.067	0.013
Interactivity	<---	Personalized Ads	0.520	0.517	0.055	***
Attitude	<---	Credibility	0.106	0.119	0.058	0.071
Attitude	<---	Entertainment	0.303	0.329	0.051	***
Attitude	<---	Informativeness	0.234	0.218	0.076	0.002
Attitude	<---	Irritation	0.065	0.071	0.053	0.212
Attitude	<---	Interactivity	0.077	0.080	0.057	0.184

Note: *** significantly different from zero at .01 level (two tailed)

Table 18 illustrates that perceived entertainment, perceived informativeness, perceived credibility and perceived interactivity depend on personalized Ads and are statistically significant. It suggests that Ads that are personalized contributes to effect on Ad attributing factors. However, personalized Ads that create irritation show negative relationship significantly. It means personalized Ads also create irritation to consumers. Not all attributing factors contribute in attitude formation towards internet advertising. Entertainment and informativeness are the one to contribute more on attitude formation, however, credibility of the Ads also contributes on attitude towards internet advertising.

CHAPTER V

SUMMARY DISCUSSIONS AND IMPLICATIONS

This chapter is divided into four sections: Summary of findings, Discussion, Implications and Critique of the study. The first section summarizes the empirical research findings. The second section discusses the findings according to the objectives of the study. Based on these findings, the theoretical and managerial implications are presented in the third section followed by critic of the study.

Summary of Findings

This research is conducted with an objective to find out the effects of personalized Ads on perceived entertainment, perceived informativeness, perceived interactivity, perceived irritation, perceived credibility and their effects on attitude formation towards internet advertising. Reliability and validity of the questionnaire was established, survey was conducted, analysis was done and structured equation modeling was followed to estimate the regression coefficients of the paths in the model.

It was found that consumers' attitude towards internet advertising depends on perceived entertainment, perceived informativeness and perceived credibility of personalized Ads. The most prominent cognitive factors that affect in attitude formation of consumers towards internet advertising are entertainment and informativeness, however, irritation and interactivity were not effective. The theoretical model of attitude towards Ad by Edell and Bruke was assessed and was found that consumers receive advertisements on internet channels personalized to them and start judging the Ads. Entertaining, informative and credible personalized

Ads were found impactful in attitude formation. Even though, the personalized messages experienced by consumers on internet channels are interactive and irritating, they do not contribute in attitude formation towards internet advertising. Personalized ads create irritation, however irritation's effect on attitude towards internet advertising is not known. Table 19 illustrates the summary of the hypothesized constructs.

Table 19

Summary of Hypotheses Test

Hypotheses	Finding	Standarized Estimates
H1a Perceived entertainment of internet advertisements positively depends on impact of personalized Ads	Supported	$\gamma = 0.294$, $p = 0.000$
H1b Perceived Informativeness of internet advertisements positively depends on impact of personalized Ads	Supported	$\gamma = 0.392$, $p = 0.000$
H1c Perceived credibility of internet advertisements positively depends on impact of personalized Ads	Supported	$\gamma = 0.399$ $p = 0.000$
H1d Perceived irritation of unwanted internet advertisements negatively depends on impact of personalized Ads	Supported	$\gamma = -0.156$, $p = 0.013$
H1e Perceived interactivity of internet advertisements positively depends on impact of personalized Ads	Supported	$\gamma = 0.517$, $p = 0.000$
H2a Perceived entertainment has positive effect on attitude towards internet advertisement	Supported	$\gamma = 0.329$, $p = 0.000$
H2b Perceived informativeness has positive effect on attitude towards internet advertisement	Supported	$\gamma = 0.218$, $p = 0.002$
H2c Perceived credibility has positive effect on attitude towards internet advertisement	Supported	$\gamma = 0.119$, $p = 0.071$
H2d Perceived irritation has negative effect on attitude towards internet advertisement	Not Supported	$\gamma = 0.071$, $p = 0.212$
H2e Perceived interactivity has positive effect on attitude towards internet advertisements	Not Supported	$\gamma = 0.080$, $p = 0.184$

It shows that perceived informativeness of Ad contributed more in attitude formation than did perceived entertainment and perceived credibility; however, all of them were statistically significant. Perceived entertainment, perceived informativeness and perceived credibility were found to enhance attitude towards internet advertising significantly (Unal, Ercis, & Keser, 2011), which was consistent with the findings of this research. Findings of similar studies on factors contributing to attitude formation are consistent with Usta (2009), Unal (2011), Tsang (2004), Luna (2013), Wong (2010), Lee (2010), and Mir (2011).

The findings proposed that personalized Ads enhance interactivity and credibility the most. Ads on internet can be made concise and enjoyable by personalizing Ads according to customers' interests, needs, preferences and contexts. Therefore, personalizing internet Ads is a creative and crucial technique. The study found that personalized Ads can reduce irritation, annoyance, and disturbances caused by a number of misleading and diverting advertisements. These can be reduced if Ads are designed considering customer's needs, preferences, and context.

The most pertinent factors to consider while designing personalized Ads are entertainment and informativeness that contribute in attitude formation towards internet advertising. The results also suggested that there was no significant difference between men and women on attitude towards internet advertising. However, men were found to get more affected in attitude formation than women.

Discussion

People subscribe to internet services for definite purpose. Whenever they go online, they see advertisement while browsing sites or surfing web portals impulsively. Advertisements might irritate consumers or may be entertaining as well. Besides that, advertisements could be informative, credible or may be personalized.

These Ads of various kinds affect consumer's perception leading to attitude formation. It is hard to predict to what extent these Ads are perceived and contribute in attitude formation in different context, environment and geographical location. Therefore, the study was carried out to make aware of the effectiveness of Ad attributing factors.

Every time a consumer is exposed with a personalized internet Ad, it leads to judgement of the Ad attributes. Attribute on the Ad acts as stimuli to affect cognition. Cognitive factors affect the attitude towards the Ad exposed to the consumer. These things develop consumer's intention and may lead them to subscribe or buy services and products. This is the fundamental theory behind Ad value model. The most attributing factors associated with personalized internet Ads are entertainment, informativeness and credibility. Sixty percent of the respondents in the study in Britain were found to open messages if the subject line was personalized (Webtrends, 2015). Personalized advertisements are associated with relevant product information that provide up-to-date information that consumers are in need of. Personalization of advertisements does not mean they are trustworthy, however consumers are satisfied with the message they perceive and sometimes they accept it to refer to make purchase decisions. Hence, it was concluded that personalized Ads are informative and informativeness contributes in attitude formation, which is consistent with previous findings. Some people may not like irritating personalized Ads since they pop up suddenly creating annoyance. Such Ads are disturbing in nature creating negative attitude formation towards internet advertising.

Excessive use of internet by consumers is becoming a fertile domain for digital marketers and personalized Ads are becoming powerful tool. Most of the respondents were found noticing the Ad and many of them were concentrating on it.

Not all digital Ads are interactive in nature and form. Interactive Ads are customized and dedicated to an individual after knowing the personal profile of theirs in depth. Most of the communications in traditional advertising are broadcast in nature and simplex in mode. However, half duplex and full duplex are the modes of communication in digital transmission that contributes in personalization creating one to one interface for interaction through multicast and unicast techniques. These mode help sender and receiver, simultaneously, to listen and react to each other and interactivity comes into existence at such mode. Besides entertainment, informativeness and credibility, interactivity is also a proven and valid construct of digital marketing communication in previous studies.

Although Interactivity is one of the factors of motive to form attitude, the finding suggested it to be statistically insignificant. It is a rare construct found used in the conceptual model in literature. From this study, it can be concluded that firms still lack information, knowledge and skill to make internet Ads interactive in nature. Consumers feel like going in depth for further details. They click on hyperlinks and are taken away from one server to the other on the same online session. This is possible only through interaction between the end user and the server providing services. Therefore, the claim that interactivity depends on personalized Ads was found statistically significant in the study, however, was not confirmed that it contributed in attitude formation.

Ads that give consumers sense of pleasure makes them feel joy are considered entertaining. Personalized Ads are fun to see and exciting too that contributes in attitude formation. Therefore, it was proven that entertainment depends on creatively designed Ads and also contributes in attitude formation towards the Ad. With development of smart phones, smart television, personal digital gadgets with internet

access facilities consumers have multiple channels and paths for marketing activities.

Firms are in dilemma to choose which means, traditional or the recent digital ones.

Choice of digital means is going to be effective to form attitude towards internet ads.

To advertise is to make consumers aware about a new product or services.

Information quality like: conciseness, forms, concurrency, frequency, timeliness are crucial factors to provide effectiveness of the advertisement. Advertisements that are relevant for product information, up-to-date and even supportive to make purchase decisions considered informative. It was found that informativeness of Ads depends on how well Ads are personalized and also perceived informativeness was statistically significant that contributes in attitude formation.

More the Ads are personalized extensively they are perceived to be credible.

Ads that are true and believable are credible. Credibility is another crucial factor to the effectiveness of internet advertising. Consumers find message content of Ad satisfactory and trustworthy and even take them as reference for purchasing if Ads are credible. Therefore, it was proven that personalized Ads are credible and perceived credibility contributes in attitude formation.

Literature suggested that personalized Ads on internet cause annoyance or discomfort and are deceptive in nature if message content is unwanted and undesirable to consumer. Feeling of annoyance may arise due to which attitude towards the Ad may get affected. Therefore, it was found that irritation caused by personalized Ads contributes negatively to attitude formation towards the Ad.

The study explored the factors of internet advertising that leads access to know insight of internet users to create brand awareness through personalized internet advertisements at low cost, targeting many to get engaged. Entertainment, informativeness, credibility and interactivity can be enhanced through personalized

Ads and are found statistically significant. However, irritating personalized Ads create intolerance and are negative in relationship with attitude.

Implications

Marketing communication have key role in placing brands correctly in the consumer's world map. Consumer's attitude can be changed by altering either cognition or affect. Marketing managers can use the internet based communication systems to build the brand of their products and services. They can also send private and personalized messages to individual customers through database marketing. Managers should utilize the availability of technological environment to facilitate internet advertising. Since customers carrying smartphones with internet access cover most of the market, managers can engage customers in location based marketing or proximity marketing.

The importance of the role of market information in terms of economic efficiency and performance as well as equity is widely acknowledged by everyone involved in business. The information obtained is helpful for organizations for marketing strategy. It is necessary for firms to consider proper marketing strategy to earn profit and find solutions to the problems like finding about need, preferences and affordability of consumers. Business models, commitment and decision support, cost-optimized deployment and rapid aggressive marketing are prominent facts in today's technology-driven world.

This study recommends academicians as well as professionals on internet advertising. Organizations can invade the market and hence increase the market penetration with the low-cost internet advertising. Extension of domestic brands and business groups within the country and abroad is possible. Hence, there is a great scope of internet advertising to increase market share.

Success stories of leading adopters of e-marketing such as Alliance and Leicester, BMW, Dell, CIPD, Diageo, E-consultancy, ING Direct, Tektronix and TUI do exist. They found e-marketing to be effective and are substantially increasing their online marketing expenditure to double-digit percentage of total marketing communications expenditure (Chhafey & Smith, 2008). To know the form of advertising and promotion type to choose, it is necessary to know consumers' attitude towards the antecedents of internet advertising experienced by internet users. At present, the Mobile Marketing Association (MMA) has recognized internet based marketing as paradigm shift in the consumer's relationship management with their internet enabled mobile devices. For marketers, their claim is that mobile positively impacts return on investment and increases the value of amount spent within media budgets.

Business firms during brand, product or service promotion wish to customize, localize, or personalize information on Ads. They can do it at low cost and in no time through digital means. This is a proven fact that marketing activities are digitally sophisticated in both consumers' and service providers' side in the developed nations. However, this can be true in rural nations like Nepal as well, since broadband sector is increasing day by day. Internet sector is one of the significant tax contributors to national economy. In this regard, the findings of the study are useful and applicable. Firms are overwhelmingly willing to provide online services although government lacks professional means of online payment systems in most of the country. If the number of web payment systems is increased, there might be increment in the number of firms adopting digital means of advertising and promotion. Furthermore, the finding of this study is going to support business firms during strategy formulation too.

Critique of the Study

Studies done before are indicating usefulness of entertainment, informativeness, credibility of messages to attract customers towards advertisements on internet, but we do not know the effect these factors had on consumer's decision to buy products or services. This limits the finding of this study. Nepal also has growing usage of internet for advertisement due to easy internet access and availability along with increasing sales rate of computers and smartphone with free apps. Furthermore, a study is required to know exact standing towards advertisements of internet throughout the country.

Internet advertisements are applicable to both practicing managers and researchers in the marketing field. For marketers, internet advertisement is effective means to attract customers towards their products and services both tangible and intangible. This study is not done from firm's perspective; however, it provides insight to them. For example, system software in digital devices supports apps where advertisements can be embedded. If marketers can maintain a database of customer's profile, they can adopt push strategy to communicate messages and information on an individual basis through personalized Ads. What factors make customers like Ads that are informative to them and make them interactive is yet to research. If Ads that customer receive are credible causing the effect, it must be identified so that value can be added through content management in the advertisements. Content management and their effects could be another study.

The foremost limitation of the study carried out is related to sampling. The data collected were obtained from two different methods, field visit and online survey. The respondents were alike; however their views towards digital Ads may be different from each other. Moreover, it was impossible to randomly select the sample among

the population; consequently the method of convenience sampling was adopted. For future studies, larger sample of larger and differing customer segments may offer superior insights. This study used validated and frequently used scales and may easily be replicated by other researchers to test for potential differences between cultures. The findings of this research can be generalized but with carefulness due to small number of sample and the lack of inclusion of demographic variables beside age, gender and occupation. Definite age group was targeted for the study, especially adults of age between 18 to 30. Assumption was that they are the vibrant section of consumers demanding internet services. They are proactive technology seekers and are drivers of techno tools. Their involvement and participation in digital domain is a subject of further exploration.

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APPENDIX I

Most of the items included in this study are taken from the research paper presented on 7th International Strategic Management Conference titled "Attitudes towards Mobile Advertising – A Research to Determine the Differences between the Attitudes of Youth and Adults by Sevtap, Unalaa Aysel, and Ercia Ercan Keserb Ataturk University, Faculty of Economics and Administrative Sciences, Erzurum, 25240, Turkey. Though the items in this paper were used for mobile advertising, most of them were found to be relevant for the study of internet advertising too, which were supported by the literature. Other than this, items were also taken from handbook of marketing scales by Gordon C Burne.

APPENDIX II

Instrument

Dear Participant,

This is for an academic purpose. Thank you for your time and consideration.

"You might know brands, products and services are advertised and promoted through internet on websites like Facebook, YouTube, Google, and Mobile Apps of different kinds. In General, commercial and non-commercial sites includes logos, text messages, audio, video and also the banner ads around the corners of their webpages. These advertisements provide messages and information of Brand, Products or Services." *Suman Dahal (Student at KUSOM)*

Age: a. 16-20 b. 21-30 c. 31-40 d. 41-50 e. 51-60

Occupation: a. Business Owner b. Employee c. Student d. Retired e. Other

Gender: a. Male b. Female c. Other

1. How often have you seen advertisements of brands, products or services on internet in recent past?

a. Frequently b. Sometimes c. Seldom d. Never

2. Please mention the advertisements related to Brand, Products, and Services or of any kind you saw on internet recently _____

Please tick the appropriate option

To a Great Extent= 1	Somewhat = 2	Very Little = 3	Not at All = 4
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1. How much attention did you pay to the advertisement on internet? 1 2 3 4

2. How much did you concentrate on the advertisement on internet? 1 2 3 4

3. How much did you notice the advertisement on internet? 1 2 3 4

4. While exposed to the advertisement on internet, how did you feel?

a. Emotional 1 2 3 4

b. Happy 1 2 3 4

c. Touched 1 2 3 4

d. Sympathetic 1 2 3 4

Almost always = 1 Often = 2 Sometimes = 3 Seldom = 4 Never = 5

5. Do you buy the goods/services advertised on internet? 1 2 3 4 5

6. Do you try the products/services advertised on internet? 1 2 3 4 5

7. Do you visit the associated website linked through advertisement 1 2 3 4 5

on internet?					
8. How often were you asked before receiving advertising messages?	1	2	3	4	5
9. Were you asked to share advertisement messages to others?	1	2	3	4	5
10. Do you get the ads from web systems you are affiliated with?	1	2	3	4	5

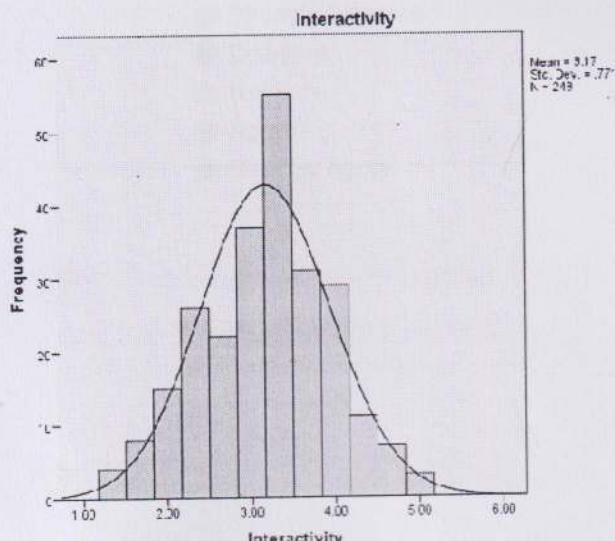
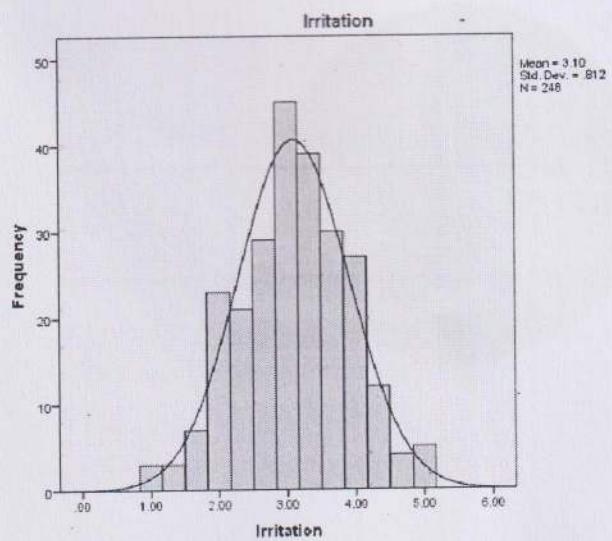
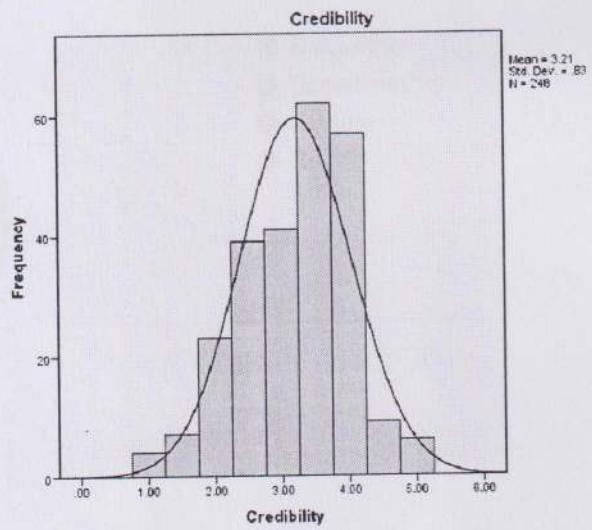
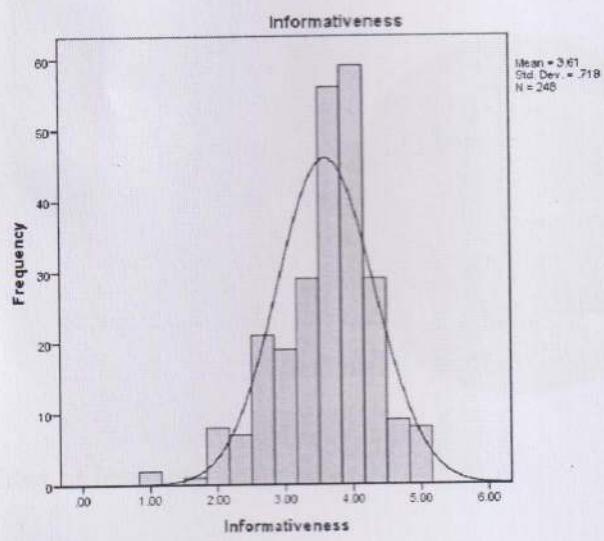
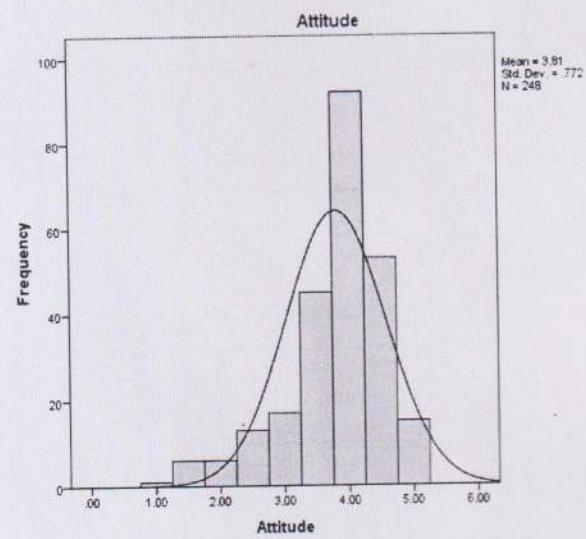
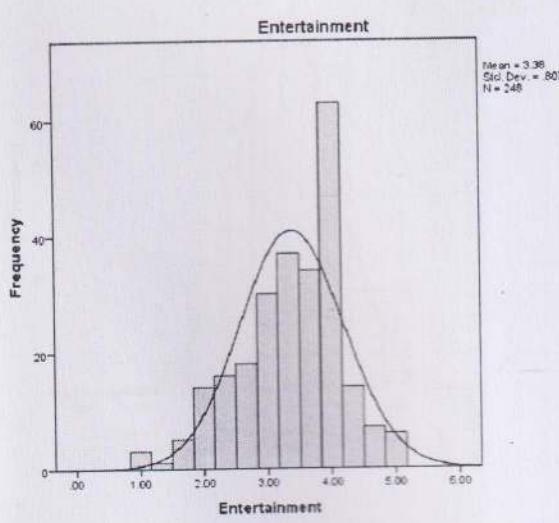
How far do you agree or disagree with the following statements?

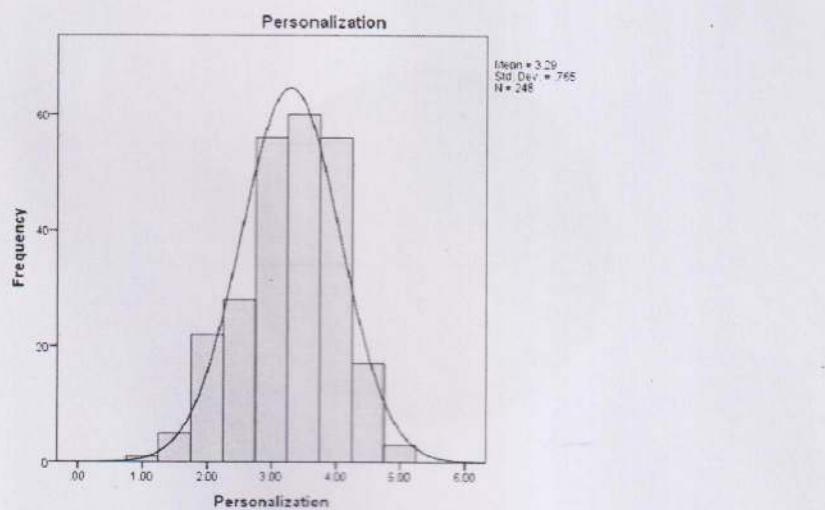
Strongly Disagree = 1 Disagree = 2 Not Sure = 3 Agree = 4 Strongly Agree = 5					
1. I liked the idea of using Internet for advertising	1	2	3	4	5
2. The advertisements through Internet were impressive to me	1	2	3	4	5
3. The advertisements on Internet were entertaining	1	2	3	4	5
4. The advertisements on Internet were fun to see	1	2	3	4	5
5. The advertisements on Internet were exciting	1	2	3	4	5
6. The advertisements on Internet are associated with relevant product information to me	1	2	3	4	5
7. The Internet Advertising was a good source of up-to-date product information to me	1	2	3	4	5
8. The advertisements provided the information I was in need of for my purchase decision	1	2	3	4	5
9. I took help of Internet advertising as a reference for purchasing	1	2	3	4	5
10. The advertisements on Internet were trustworthy for me	1	2	3	4	5
11. I am satisfied with the information perceived on internet advertisements	1	2	3	4	5
12. The advertisements on internet were annoying to me	1	2	3	4	5
13. The advertisements on internet were deceptive	1	2	3	4	5
14. The advertisements on internet were disturbing	1	2	3	4	5
15. I tempt to click into deeper links of the advertisements	1	2	3	4	5
16. I spent long time on the advertisement for further details while surfing internet	1	2	3	4	5
17. Multimedia features of the advertisements for further information was resourceful	1	2	3	4	5
18. I used to use search engines for further details of the advertised brand, product or services	1	2	3	4	5
19. The advertisements on internet stimulated my thoughts of brands,	1	2	3	4	5

products and services associated					
20. I received the personalized ads on internet	1	2	3	4	5
21. I went through the personalized advertisements on Internet	1	2	3	4	5
22. Messages I saw on the advertisements were shaped so that it was willingly acceptable	1	2	3	4	5
23. The advertisements on Internet turn Strangers into Friends and Friends into Customers	1	2	3	4	5

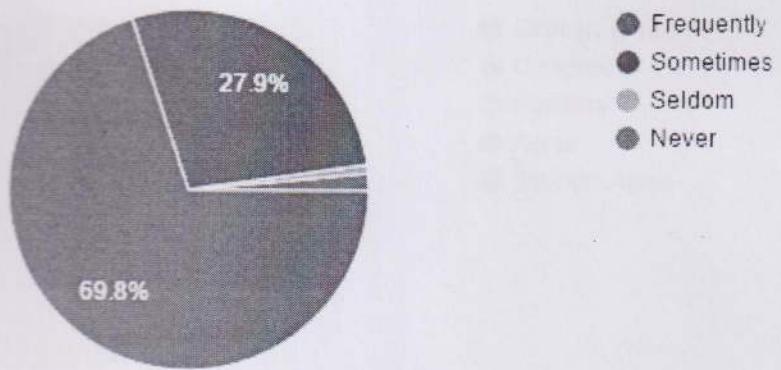
Constructs	Measurement Items	References
Entertainment	The advertisements on Internet were entertaining The advertisements on Internet were fun to see The advertisements on Internet were exciting The advertisements on Internet are associated with relevant product information to me	Wang and Sun (2010), Yang et al. (2013), Unal et al. (2011)
Informativeness	The Internet Advertising was a good source of up-to-date product information to me The advertisements provided the information I was in need of for my purchase decision I took help of Internet advertising as a reference for purchasing	Wang and Sun (2010), Liu et al (2012) Unal et al. (2011)
Credibility	The advertisements on Internet were trustworthy for me I am satisfied with the information perceived on internet advertisements	Liu et al. (2012), Yang et al. (2013), Unal et al. (2011)
Irritation	The advertisements on internet were annoying to me The advertisements on internet were deceptive The advertisements on internet were disturbing I tempt to click into deeper links of the advertisements I spent long time on the advertisement for further details while surfing internet	Varnali et al. (2012), Yang et al (2013), Unal et al. (2011)
Interactivity	Multimedia features of the advertisements for further information was resourceful I used to use search engines for further details of the advertised brand, product or services	Sukpanich (2000), Gordon (2009)
Personalization	The advertisements on internet stimulated my thoughts of brands, products and services associated I received the personalized ads on internet I went through the personalized advertisements on Internet Messages I saw on the advertisements were shaped so that it was willingly acceptable The advertisements on Internet turn Strangers into Friends and Friends into Customers	Xu et al. (2008), Unal et al. (2011)
Attitude	I liked the idea of using Internet for advertising The advertisements through Internet were impressive to me	Unal et al. (2009), Gordon (2009)

APPENDIX III

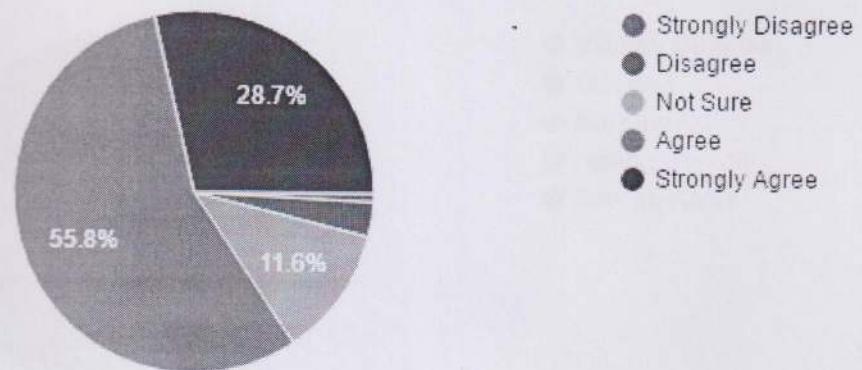




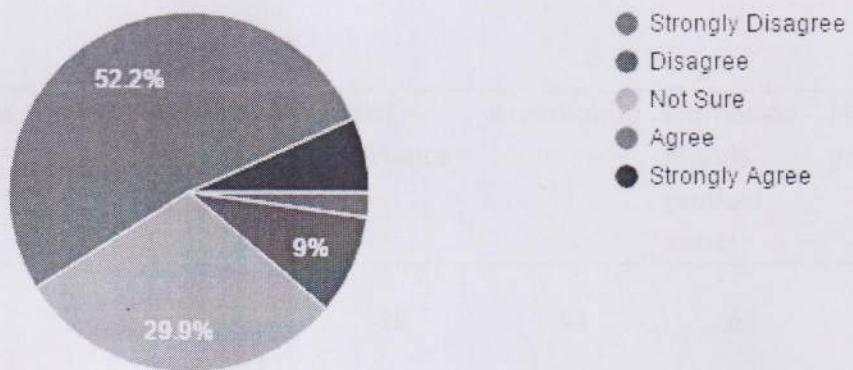
Frequency of Internet Advertisements seen



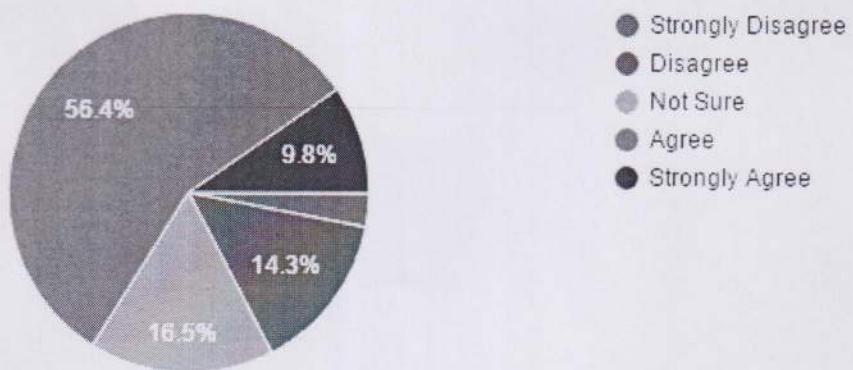
Idea of Internet Advertising



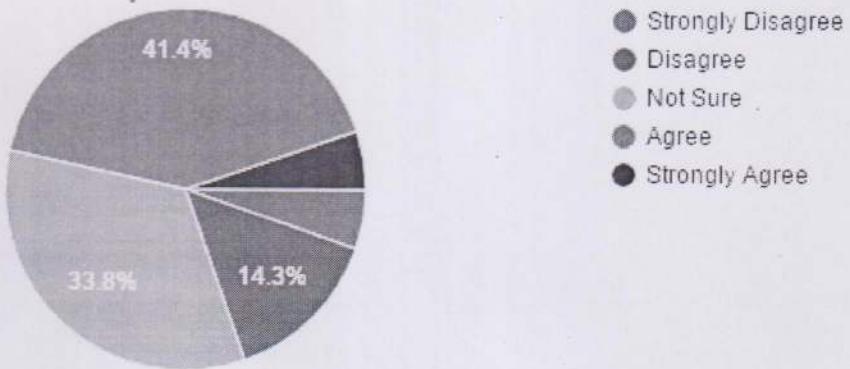
Impressive ads



Thought Simulating Ads



Willingly Acceptable



Response of the question below

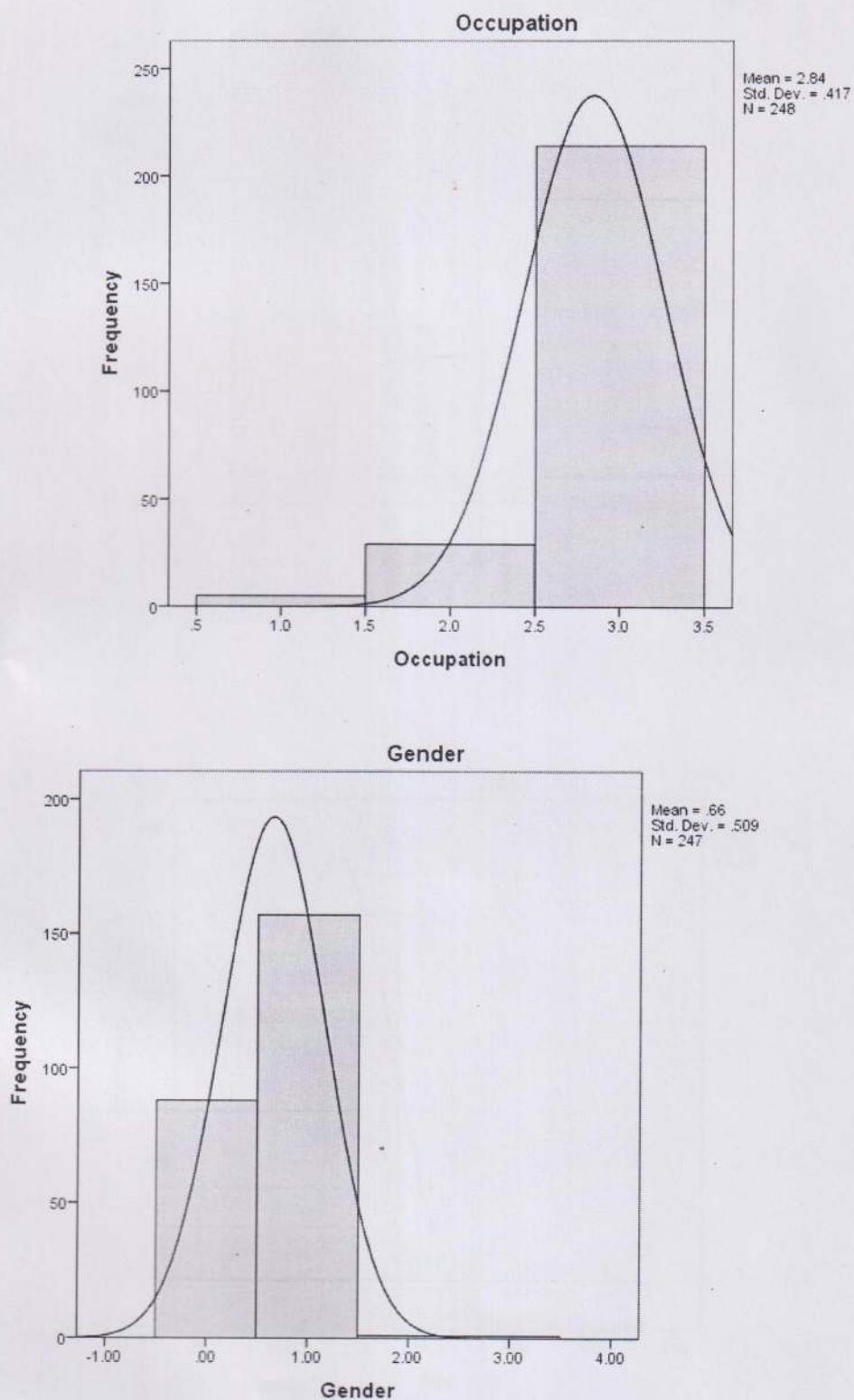
Please mention the advertisements related to Brand, Products, and Services

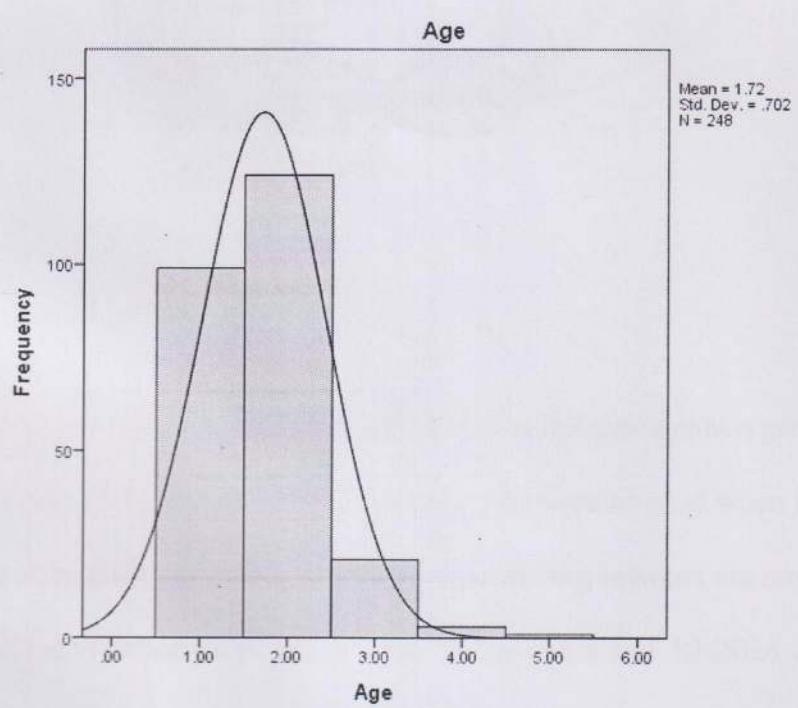
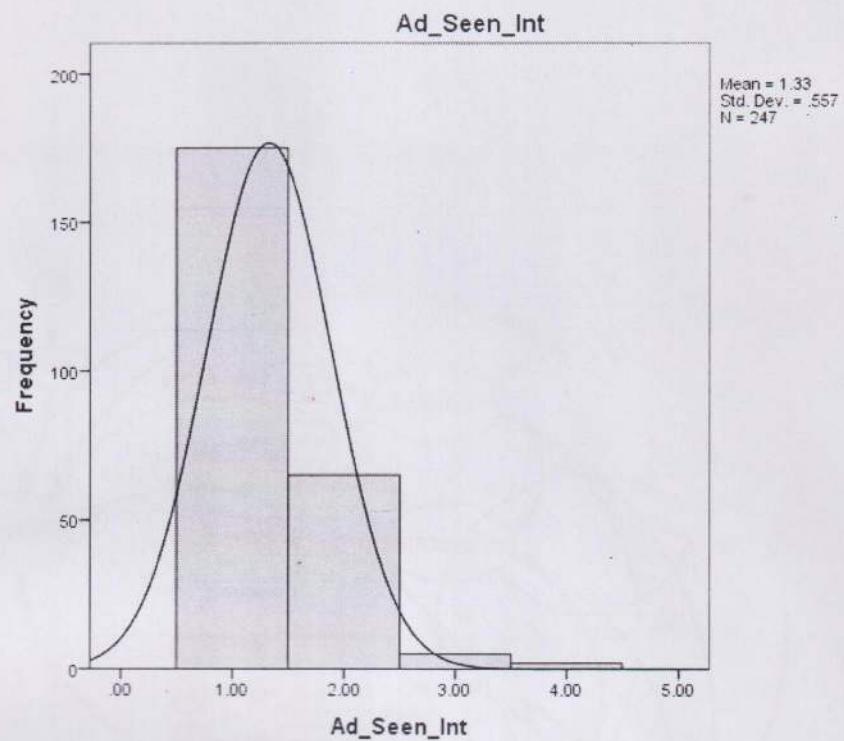
Brands of Software Services	Apparels	Digital Electronics	Automobile	Corporate brands	Household products
online stores	and Cosmetics			product variety	
27	25	24	27	30	14
					63
					29

NCELL, Broadlink,	Music Instruments, food, clothes etc	Gadgets
Bajaj	Kyamu	android applications
Ncell	Kyamu, Worldlink	Car
Toyota	kaymu, sasto deal	Kaymu
Ncell	Cheap Flight Tickets	Bike
Razor, facebook, iphone	shalimar products	Kaymu
College	Sfg	Kaymu
College	Kaymu	redbull]
Abroad studies	smart phones,mobile	Microsoft hololens
...	apps	Vianet communication
Kamyu	facebook	Nescafe
Paypal	university ad	Kaymu
clothing products,	kaymu	goldstar shoes
kaymu	Tree house	Advertisement of
Service	advertisements for IT	Haldiram's produ
Facebook	portfolio such as PHP ,	Kaymu
Consultancy	JAVA etc	Honda
Sastodeal	Philips	Kaymu
Social Media	mini militia	Usually they are help us
Promotion, Google add,	Mainly technology	alot while buying but
Seo	Survey Monkey,	the repetitive ads and
energy drink	Weight Loss product	some irrelevant make
Nescafe	upcoming events	me disappointed
Bikes	Adidas, puma, nike	Samsung note 7
cloth,	British College, Global	Nokia
Vianet	College, Samsung	hotel, ISP, shopping
Sasto deal	Mobile, iPhone, LG	clothes, mobile, vehicle
Kaymu	Electronics.	Android App
Kaymu	coca cola	kaymu.com
Khimou	Kaymu	Kaymu
Game	Bikes	advertisement of isha
	imo social sites	foundation

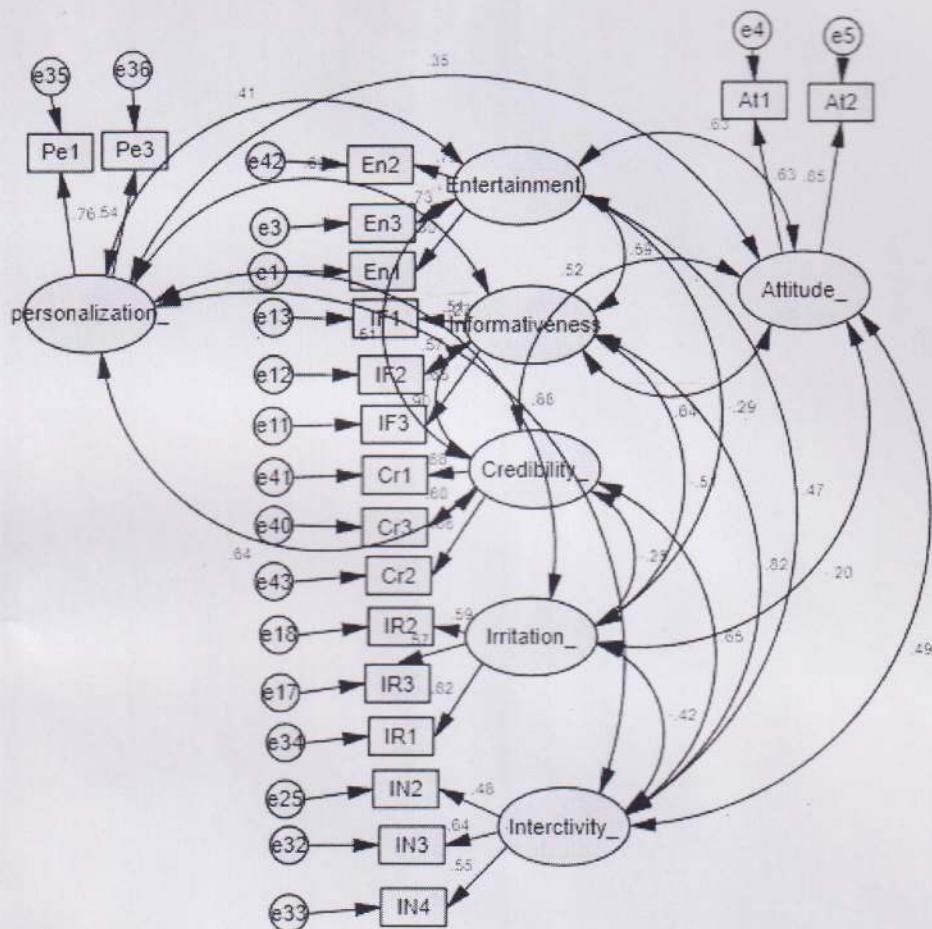
cocacola	about the RJ	cell phone
game	kyamu's online shopping	john players, peter england, harley davidson,msi,etc
clothes	Do not Remember	Dish home
clothes	many products like	Advertisement of college
game advertisement	SLIM SONA BELT,	Sears
clash royals	home appliances, fancy	oppo selfi phone
advertisement of latest	goods etc	Products listed in
mobile phones(Iphone7)	Driving app, shopping	Kaymu
pdf converter	cart, Car	
Phillips	SOMERSBY apple	
Somersby	ciders	
Cosmetics	Apparels, vehicles etc	
somersby	Team Treehouse	
mobile games ad	Hotels	
SastoDeal, Amazon,	Apple iPhone	
Samsung, etc.	Clash of Kings	
College	Hamrobazzar.com	
Kaymu	Dress	
lalafo.com	Mostly targeted ads of	
Brand:Crossfire Product	products I search on the	
:Motorbike	internet. For eg. camera	
Kaymu	gear, gloves, travel	
Mobile	websites, etc	
An advertisement of	lakme gajal	
online clothing store	domain.commytriptoNe	
online shopping	pal.com,	
Car, book, personal	Kaymu, 101 Monkey,	
consultation	Inspirational videos,	
mobile phones:	Games and	
Samsung	Applications etc.	
beauty products	Winter Jackets	
PUMA	Bank	
nescafe coffee the ad		

Demographic Histograms





Standardized Confirmatory factor analysis of the constructs



RMSEA value smaller than 0.05, it can be said to indicate a convergence fit to the analyzed data of the model while it indicates a fit close to good when it produces a value between 0.05 and 0.08. A RMSEA value falling between the range of 0.08 and 0.10 is stated to indicate a fit which is neither good nor bad. RMSEA index smaller than 0.06 would be a criterion that will suffice.