



Research Article

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Trending Personalized Advertisements: The Changing Dynamics of Advertising in Digital Era

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ABSTRACT

In the contemporary landscape of global commerce, advertising stands as the linchpin connecting businesses with consumers, orchestrating a symphony of messages and images to capture the attention of an increasingly discerning audience. The digital age has ushered in an unprecedented era of connectivity, transforming the dynamics of advertising and propelling it into a realm where personalization is not merely an option but a strategic imperative. Advertising has indeed undergone a captivating evolutionary journey, progressing from the era of mass broadcasting to the contemporary epoch of hyper-targeted messaging. The advent of digital platforms and the widespread availability of the Internet have been instrumental in reshaping the very essence of advertising. This transformation has transcended geographical constraints, giving rise to a global marketplace wherein ideas and products traverse borders effortlessly. The democratization of access to information in the digital era has empowered consumers and equipped advertisers with a diverse array of tools to comprehend and engage with their audience in unprecedented ways. The present study highlights the paradigm shift in the advertising world and sheds light on personalized advertisements and consumer trends. A descriptive research design has been adopted to carry forward this research and survey has been taken as a research method. A self-constructed structured questionnaire as a tool has been adopted to carry the research study. The findings of this study indicates that a large number of respondents 64.1% often or sometimes like personalized advertisements and 33.3% often add product (shown in ad) to their cart. About 36.9% of respondents agreed that they will be happy to see more personalized ads and 40.8% agreed that they respond positively to personalized ads. The analysis of survey indicates that personalized advertising is trending among young and middle-aged adults. Finally, the research throws light on the reasons behind the popularity of personalized advertisements and summarizes suggestions made by analysing the survey to enrich the advertising industry database.:

INTRODUCTION

The process of communication globally has shown a big paradigm shift from the classical mass media model to the new media paradigm. Hand-written letters by individuals, oral transmission, and a limited number of printed magazines were the primary means by which people disseminated their messages. Due to the fact that these conventional methods of communication frequently relied on time and geographical limits, the process of information transmission was both difficult and complicated. In 80's with the invention of satellite and cable technologies

the broadcast media has become able to deliver content and communicate to a segmented target audience which evolved narrowcasting from broadcasting. Traditionally marketers played with two levers to communicate and influence buyers, first they tried to reach as much as customers as possible and secondly, they tried to be as relevant to their needs. To achieve reach, they used mass mediums with maximum reach – traditionally TV, newspaper and radio. And relevance in traditional media was largely achieved by matching it with the content (Nesamoney, D. 2015). In the 90's, the Internet opened up

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a whole new way to communicate and led the world to the next step of pointcasting from narrowcasting. On the other hand, the introduction of digital media has brought about a substantial change in the character of communication patterns. Not only has technology had a profound impact on the manner in which information is transmitted, but it has also brought about a significant shift in the strategies that marketers employ. Thanks to the advent of digital media, People can now communicate with an audience that spans the globe more expedient and uncomplicated manner than ever before.

The Shifting Paradigm of Advertising

Digital media presents immense opportunities to make significant and functional advertisements and Smart Advertisements that understand consumers' interests and tailor advertising and messaging directly to their needs (Nesamoney, D. 2015). Online advertising is unprecedented for its current size and its recent growth. It's also exceptional because the internet drastically differs from any other medium of communication used by advertisers. Among its many distinctions, it has spawned an exponential proliferation of publishers, liberated viewers from fixed schedule for getting content, and empowered its audience in ways that traditional media never has (Smith, M. (2020).

Print Era: Birth of Mass Communication.

Brands connect with consumers through the written word in publications such as newspapers and magazines during the early stages of advertising, which are referred to as the Print Era. This era was essential in the development of the concept of branding, as it was during this time that firms endeavored to establish unique identities that would remain in the minds of customers.

Golden Age of Radio and Television: Theatrical Storytelling

The transformational phase that occurred during the Golden Age of Radio and Television was characterized by the transformation of advertising into a theatrical experience. Through the use of jingles, slogans, and visual tales, brands brought their products to life and communicated their messages to a large number of people. It is a testament to the continuing influence of this period that iconic brand mascots and memorable catchphrases from this era continue to be ingrained in the collective memory.

Digital Revolution: Hyperconnectivity and Interactivity

A seismic shift was brought about through the advent of the digital revolution, which standardized access to information and redefined the parameters of advertising. The internet went from being a novelty to becoming a widespread force, providing advertising with a worldwide

Table 1: Demographic Representation of Respondents

S. No.	Category (s), Frequency (%)			
1.	Gender	Male	Female	
		316 (50.1%)	315 (49.9%)	
2.	Age	Young adults	Middle age adults	Elder adults
		250 (39.6%)	200 (31.7%)	181 (28.7%)
3.	Place	Indore	Bhopal	
		435 (68.9%)	196 (31.1%)	

reach that was previously unattainable. As a result of the proliferation of banner ads, pop-ups, and interactive websites, fresh channels for involvement have become the standard online.

The Rise of Personalized Advertising

The previous focus of targeting the whole market or segments with impersonal offerings has changed to focus on designing individual offerings for each customer, which is called personalized advertising or customized advertising (Simonson. 2005). Estrada-Jiminez *et al.* (2016) define personalized advertising as offers designed to each specific customer presented together with the content on the website so the offer seems to be part of the website the customer is visiting. Sometimes, consumers receive personalized advertising online, for instance, when the consumer has been visiting a website or specific products to purchase online. If the advertisement shows a product or a few choices of products that is aimed to the specific consumer and product search history, it is called personalized ads. Personalized ads are a way of retargeting the consumers and are generally based on previous search, profile data and already conducted purchases (Lockett, E. 2016). New technologies have improved and simplified the way of collecting customer data. As a result, personalized advertising is the most effective and profitable promotion technique today, where companies spend an extensive amount of their budget on it (Estrada-Jiminez *et al.* 2016). It is reported that online advertising that passes the marketing message to customers through the World Wide Web and the Internet provides as much revenue as traditional advertising channels such as television, radio and newspapers (Ozcivan, A. B. 2015).

REVIEW OF LITERATURE

Bleier, A. & Eisenbeiss, M. (2015) investigate the effectiveness of personalization in banner advertising by taking into account its interplay with timing and placement factors in the course of two large-scale field experiments with a major fashion and sporting goods retailer. Field experiment 1 examines the interplay between ad content personalization and the two nested timing factors of a consumer's current state. Field experiment 2 examines

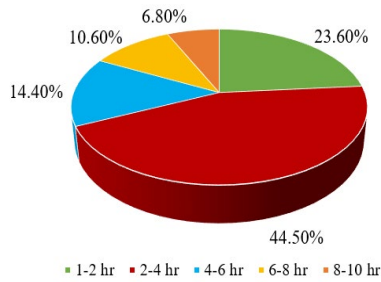


Figure 1: Total time spent online in a day

the interplay between ad content personalization and motive congruence between a banner and its display website as an important factor in online advertising. Its findings show that the click-through rate of personalized and non-personalized banners is unaffected by motive congruence. Overall, this research shows that ad personalization through retargeting can substantially enhance banner effectiveness; yet its impact hinges on timing and placement factors.

Bright, L. F. & Daugherty, T. (2012) explore how customization impacts advertising effectiveness through their study. This research aims to expand the theoretical understanding of online marketing by testing a consumer's desire for control relative to the ability to customize media content while experiencing advertising within these types of environments. Specifically, this study examines the effect of customization, a consumer's desire for control, and type of advertising on an attitude towards advertising, content recognition, and behavioral intention for interacting with advertising. For executing this study, 2 x 2 x 3 factorial design has been adopted with type of customization priming. The result indicates that subjects who thought they were exposed to a customized media environment had greater behavioral intention for interacting with advertising. Hence, customized environments create a sense of engagement for consumers.

Pahlman, K. & Waldenskiold, E. (2013) investigate how consumers perceive personalized marketing in purchasing situations online when it is used as a customer relationship management tool. The study focuses on consumers' perceptions, responses, and sense-making when exposed to customized marketing. Primary data for the study has been collected through interviews and secondary data through peer-reviewed academic articles. The study's findings highlight that it is highly important to assemble personalized communication accurately according to the consumers' preferences. The perception of personalized communication is in other words more positive for consumers who are engaged in relationships.

Ozcivan, A. B. (2015) examines the effectiveness of Online Customized Advertising. In their study, the effects of online customized ads are investigated in light of Regulatory Focus Theory to evaluate the psychological state of the consumers' ad perception. The data was

Table 2: Presence of Online Advertisements

Options	Frequency	Percentage
Always	244	38.7%
Very Frequently	244	38.7%
Occasionally	123	19.5%
Rarely	15	2.4%
Never	5	0.8%
Total	631	100.0%

collected from 409 respondents through a scenario-based online survey and analyzed using Structural Equation Modeling (SEM). The results show that attitudinal and behavioral outcomes are directly affected by several UGT constructs, which are predicted by promotion focus level and security risk. Furthermore, attitude toward the ad is found to be affected positively by informativeness and entertainment, and negatively by irritation. The findings suggest that marketers who use online customized advertising should consider individual level characteristics and UGT constructs.

RESEARCH OBJECTIVES

- To develop an insight into the shifting paradigm of advertising in the present context
- Analyzing trends of personalized advertisements among digital consumers of different age groups

RESEARCH METHODOLOGY

Research Design

Understanding the objectives and aim of this research, present study will be a descriptive research study. The descriptive research design systematically describes a situation, phenomenon, information, perception and attitude towards an issue. According to C.R. Kothari, descriptive research studies are those studies that are concerned with describing the characteristics of a particular individual or group. The study will systematically describe the changing dynamics of advertising in digital era.

Research Method

Survey Method is adopted to gain an understanding on the proposed research area, identify solution and offer possible suggestions.

Universe of the Study

The Universe of the study is Bhopal and Indore City of Madhya Pradesh State.

Sample Size

A survey was conducted among 631 digital consumers (respondents).

Sampling Technique

A non-probability sampling technique i.e. purposive sampling method is adopted for the sample selection.

Data Collection

The study will analyze primary and secondary data. The primary data will be collected fresh from the respondents with the help of a structured questionnaire. Secondary data will consist of related literature comprising books and articles.

Tools for Research

A well-structured, self-constructed questionnaire was used as a survey tool.

Data Analysis And Interpretation

The researcher organizes and analyzes the survey data gathered for this study. SPSS is used for analysis and frequency test is applied to present the result of the study.

The data in Table 1 and Figure 1 shows an approximately equal gender distribution among respondents. About 50.1% of respondents were male and 49.9% were female. The response age distribution is notable, the researcher has tried to take an almost equal number of respondents from each age group. About 39.6% of respondents are “young adults”, 31.7% are “middle-aged adults” and 28.7% are “elderly adults” are the smallest group.

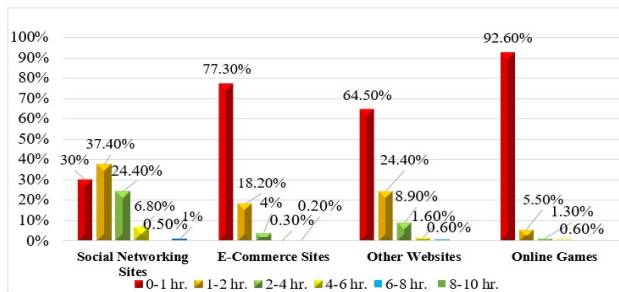


Figure 2: Internet Surfing Time

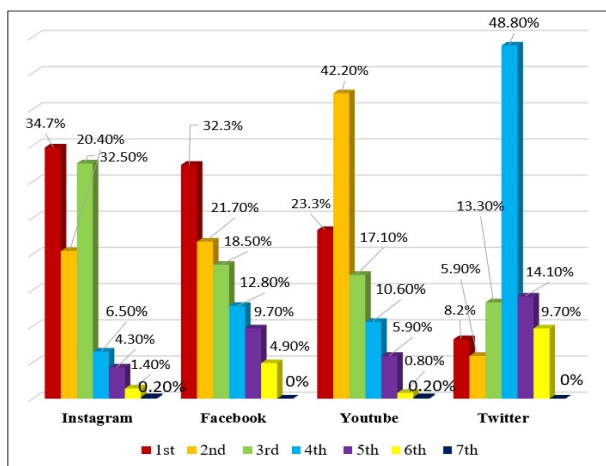


Figure 3: Ranking of SNS

Daily how much time do you spend online

The data in figure 2 indicates that a notable number of participants dedicate a considerable portion of their daily schedule for engaging in online activities. The bulk of participants, comprising 44.5%, indicated that they spend a daily average of 2-4 hours online. Additionally, 23.6% of the participants reported dedicating 1-2 hours to online activities.

On average how much time do you spend surfing social networking sites and other websites in a day?

Figure 3 shows that digital consumers are spending a maximum of time on social networking sites as; 30% of total consumers are spending 0 to 1 hour, 37.4% are spending 1 to 2 hour, 24.4% are spending 2 to 4 hours, 6.8% are spending 4 to 6 hours and 1% are spending 8 to 10 hours on SNS. On second position stands other websites on which digital consumers are spending their online time as; 64.5% of total consumers are spending 0-1 hrs, 24.4% are spending 1-2 hrs, 8.9% are spending 2-4 hrs and only 1.6% are spending 4-6 hrs. On third position stands e-commerce sites on which digital consumers are spending their time as; 77.2% of total consumers are spending 0-1 hrs, 18.2% are spending 1-2 hrs and 4% are spending 2 to 4 hours.

Rank following Social Networking Sites according to the time you spend surfing them daily. (Figure 3)

According to the survey's findings, 34.7% (219) participants indicated that they spend the most time each day on Instagram and given it first rank. The second most popular site among the respondents is Facebook as

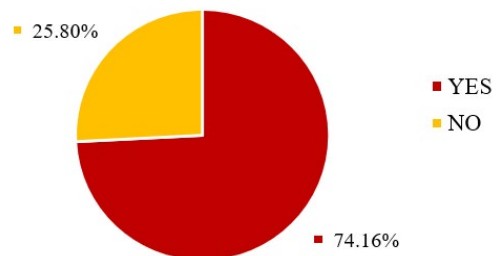


Figure 4 :Awareness among respondents about personalized ads

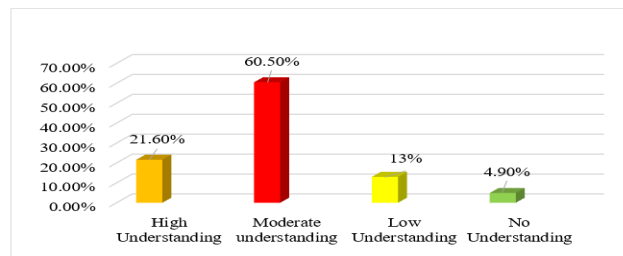


Figure 5: Level of Understanding towards personalized ads

32.3% (204) given it first rank. YouTube was ranked third among the respondents, with 23.3% (147) respondents giving it first rank.

While surfing how often do you see Online Advertisements? (Table 2)

The majority, comprising 78%, reported seeing online advertisements either “always” or “very frequently.” The frequent appearance of online advertisements during internet browsing may indicate the widespread prevalence of such ads.

Have you ever heard about Personalized Advertisements? (Figure 4)

According to the findings of the frequency test, it proved that 74.16% of the participants surveyed has reported being aware of personalized advertisements, whereas the remaining 25.8% indicated a lack of familiarity with this concept.

What level of understanding do you have about Personalized Advertisements? (Figure 5)

A high number of respondents, specifically 60.5%, has a moderate degree of comprehension, suggesting a fundamental level of understanding. A total of 21.6% of respondents exhibit a high level of understanding. In contrast, a minority of respondents, specifically 13%, exhibit a lower level of comprehension, indicating a restricted understanding.

What are Personalized Advertisements in your view? (Figure 6)

Most respondents, 90.7% of total respondents either strongly agreed or agreed that Personalised advertisements are Ads customized to users based on their demographics,

interest and online behaviour. 88.6% of total respondents either strongly agreed or agreed that personalized advertisements are ads that are retargeted based on customers' previous searches and purchase history. 78.3% of total respondents either strongly agreed or agreed that personalized advertisements are Tailored advertising that messages directly to their needs. The data indicates that “Personalized advertisements are ads customised to users based on their demographics, interest, previous searches, online behaviour and caters to their need”.

Presence of Personalized Advertisements on various online platforms. (Figure 7)

Out of total respondents 79.4% said that they are always or often exposed to personalized advertisements of same and similar products after searching them online. 66.4% of total respondents always or often find them on their SNS. 65.2% of total respondents always or often found them on other websites they surf. 37.5% of total respondents rarely or never found them on online gaming portals, and only 36.2% always or often found them on gaming portals. 48.7% of total respondents always or often receive those ads on their email. 48.8% of total respondents always or often get SMS with some offering. The data indicates strong presence of Personalized advertisements on SNS as well as on other major digital platforms.

On which of the following social networking site you mostly see personalized ads? (Figure 8)

Based on the responses of 631 participants, out of total respondents 77% always or often see personalized advertisements on YouTube. 70.5% of total respondents always or often found them on Facebook. 66.9% of total respondents always or often found them on Instagram.

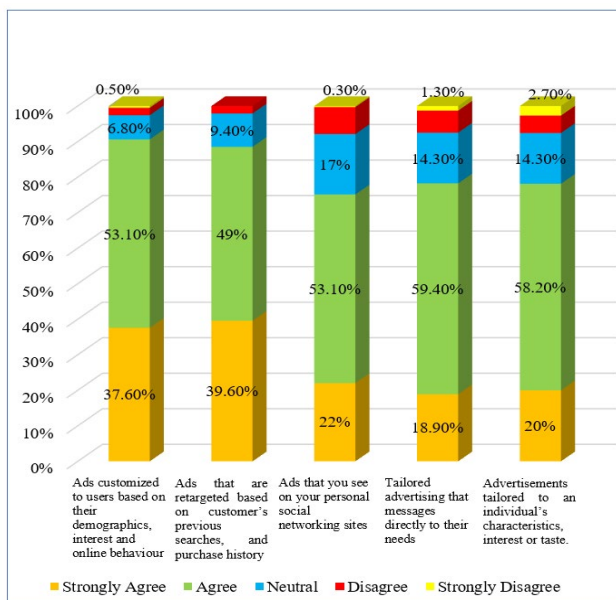


Figure 6: Defining Personalized Advertisements

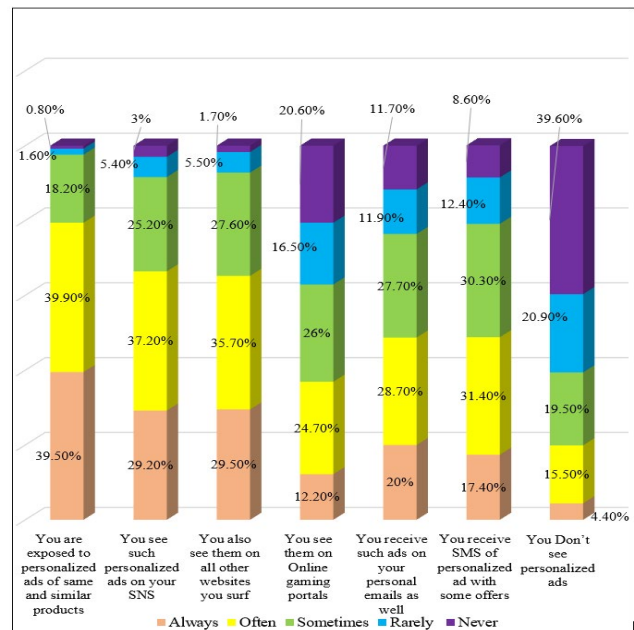


Figure 7: Presence of Personalized Ads on online platforms

Only 25.7% of total respondents always or often found them on twitter while 36.8% found them sometimes. The data indicates strong presence of Personalized Advertisements on YouTube, Facebook and Instagram.

How do you respond when you are exposed to personalized advertisement. (Figure 9)

A large percentage of respondents liked customized ads. When digital consumers are exposed to personalized advertisements, out of total respondents 27.2% always or often like them while 39.6% like them sometimes. Out of total respondents 20.6% always or often talk about them with their family and friends and 36.9% sometimes does the same, suggesting these ads could start conversations. The majority of respondents, 54.1%, rarely or never share or recommend such ads to their friends and family. The minority considered these ads “Shareable,” implying they would share them with friends and relatives. 38.35% of total respondents always or often recall the product that they have wish listed or added in cart earlier after seeing personalized ad and 24.4% respondents sometimes recall the product. Such ads may increase conversions by triggering the memory of things in the cart. Only 22.5% of total respondents always or often add the product to cart and 33.30% sometimes. Only 9.2% of total respondents always or often end up buying that product and 33.4% sometimes end up buying while 67.6% of respondents rarely or never end up shopping. The data indicates that although consumers respond positively to personalized advertisements, the conversion to sell through them happens only sometimes.

Digital Consumer’s attitude towards Personalized Advertisements. (Figure 10)

36.9% of total respondents agree that they will be happy to see more personalized advertisements while 49.5%

disagree. 40.8% of total respondents agreed that they respond positively to personalized advertisements and 44.9% disagreed to this statement. 48.7% of total respondents agreed that they appreciate the technique used to personalize advertisements while 40.7% disagreed. 38.8% of respondents agreed that they prefer to purchase through personalized advertisements, while 44.2% disagreed. The data indicates that digital consumers are having a moderate positive attitude towards personalized advertisements.

Findings As Per Objectives;

Developing an insight about shifting paradigm of advertising in present context.

The proliferation of digital platforms and the widespread accessibility of the internet have made a significant contribution to the transformation of the fundamental nature of advertising. Advertising is now more specific, dynamic, reaches easily, faster, measurable and trackable. Analyzing the history of advertising and its development over a period of time, it can be concluded that nothing much has changed in terms of advertiser’s intention and goals. They want their product and services to be sold, loved and cherished. What has changed is the way now advertisers reaching out their target consumers. Personalization is not a new concept completely, dating back in time, traders used to create special art pieces and apparels, keeping in mind likes and dislikes of king. That time they used to reach out them directly and advertise the product by direct selling approach. In present context, every customer is king. Advertisers are now taking care of specific need of consumers; they started targeting specific consumer rather than mass audience. This has been enabled with the help of advancement in technology and omnipresence of internet and mobile phones. Consumers are now reached directly and accurately through digital media platforms. “Personalized Advertising” is the latest trend in advertising world which has opened up new avenues for creativity and marketing.

Analyzing trends of personalized advertisements among

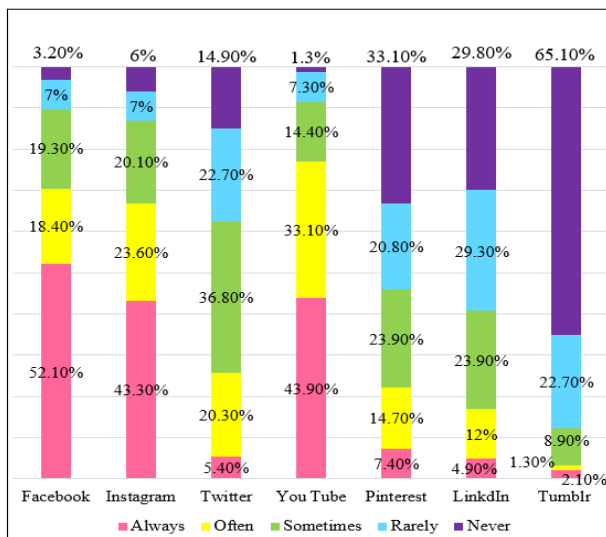


Figure 8: Presence of Personalized Ads on online platforms

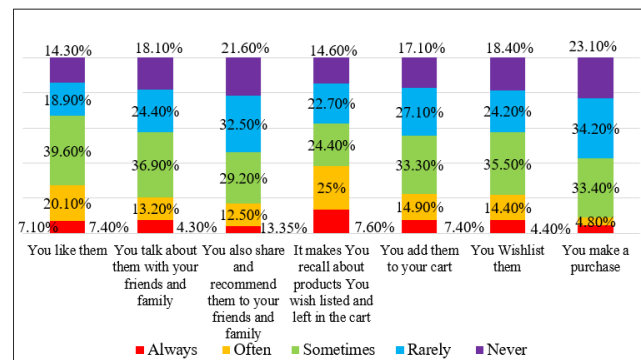


Figure 9: Digital Consumer reactance with personalized ads;

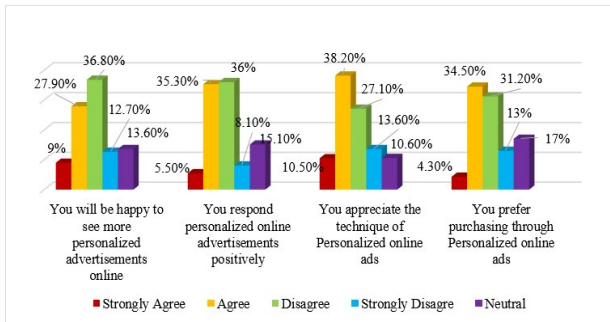


Figure 10: Digital Consumer Attitude

digital consumers of different age group

According to Statista report, trend is a pattern found in time series datasets. Trend is prevailing tendency or inclination. A general development or change in a situation or in a way that people are behaving. Digital consumers get frequent exposure of personalized advertisements on their social networking sites, emails and websites. Such ads are retargeted to digital consumers on almost all digital media platforms available. Major presence is identified on Facebook, YouTube and Instagram. Digital consumers also like them and share them. Digital consumers are very attentive towards personalized advertisements as they check other options, compare prices, and analyze reviews and ratings before purchasing. Majority of digital consumers interpret personalized advertisements in a right way and sometimes they even end up shopping. By retargeting consumers recalls the product left in cart and hence, retention of brand increases. Digital consumers are a positive attitude toward personalized advertisements. They agreed that they will be happy to see more such ads, they also appreciate the technique involved in it and they also prefer purchasing through personalized advertisement. The study results allow the researcher to make the statement that “Personalized Advertising” is trending among young digital consumers and they also have a positive attitude towards them.

CONCLUSION AND RECOMMENDATION

From time immemorial, advertising has undergone various changes to stay connected and relatable with the world. It has taken various forms and molded itself as per the nature of medium, but there is one constant thing: it's the message. Be it any form or medium, the message is the core of an advertising, it needs to be clear, crisp, strong and simple to understand without bothering consumers. In this digital era since all consumers are found mostly on digital platforms, advertising has shifted its medium and focus. Digitalization has given it an opportunity to be more specific, accurate and focused according to consumers choice. Personalization in advertising has eliminated the wastage of mass-oriented advertisements to people

who don't even need that product/services. Hence, it is the biggest shift in the advertising world in the present context. One of major and important reason behind this shift observed is changing media consumption habits of people. Consumers spend most of their time on digital media platforms to gratify their entertainment needs, connect with friends and family, acquire knowledge and information, communicate, maintain relations, and be social. People are not bound to watch their favorite tv show or movie at a fixed time or venue. Internet and mobile have allowed consumers to watch their favorite shows at their convenience and comfort. Keeping aside print, tv and radio, people are spending their maximum time on digital media platforms. And, majority of this people are young and middle age adults. So, with the changing media consumption habit of consumer advertising has also changed with time. Online digital advertising has established itself strongly in India with short span of time. Factors like real-time data, high return on investment, accurate targeting, easy access, and accurate measurement have made it the most preferred medium for promotional activities. And, in this category of online advertising, personalized advertising is gaining craze and acceptance at a faster pace.

Digital media has given businesses and advertisers immense opportunity to show their creativity and reach the right audience without any boundaries. The digital space is crowded with plenty of users, marketers, advertisers and businesses, and numbers are increasing every day. It has become need of the hour to adapt oneself in digital domain, so marketers and advertisers who haven't yet adopted the personalization tools and techniques have to pull-up their socks to survive in this cut-throat competition. By adapting tools and techniques of personalization businesses may get access to consumers' personal data, which is considered to be precious than gold in the digital world. Many businesses are working on hyper-localization and retargeting their consumers, generating good sales. But hyper-personalization techniques are adapted by few only. It provides deep insight into consumer behavior analyses, which develops understanding of their needs and desires. This ultimately let marketers create presumption-based advertising, which will be the next future of advertising worldwide.

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