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## **A STUDY ON EFFECTS OF ONLINE ADVERTISING IN AUTOMOBILE SALES IN VIRUDHUNAGAR**

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### **Abstract**

The aim of the current paper is to investigate the effect of online advertising in automobile industry in virudhunagar . For this purpose many empirical models were presented to judge the effects of online advertising on automobile sales. The results revealed that online advertising have significantly positive effects on automobile sales.

**key words: Online advertising, consumers' attitude, automobile industry.**

### **INTRODUCTION**

Sales Promotional activities mainly includes advertising, personal selling and publicity. Advertising is a mass communication process of persuading the prospects by motivating them to buy product or service with satisfaction to the consumers and profit to the sponsors. Marketing is the efforts of the enterprise to sell goods and services from the point of production to the point of consumption. It comprises all the stages between creation of the product and the aftermarket which follows the eventual sale. Advertising is a major tool of the marketing process. The American Marketing Association defined, "Advertising is any paid form of non-personal presentation and promotion of idea, goods and services by an identified sponsor". With updated technological advancement, enterprises expand their marketing strategy to online advertising. Online advertising, also known as online marketing, internet advertising, digital advertising or web advertising, is a form of marketing and advertising which uses the Internet to deliver promotional marketing messages to consumers. Online advertising includes email marketing, search engine marketing , social media marketing, many types of display advertising , and mobile advertising .

Several objections have been raised against advertising and some people criticise advertising as a social waste. The main points of criticism are by exploiting human sentiments, it persuades people to buy products which they do not need or cannot afford and advertising is often deceptive and misrepresents facts to consumers. Exaggerated or tall claims and flowery language are used to mislead the consumers. In order to protect the interest of the consumers, the advertisers must behave ethically due to maintain public confidence and to boost public image. Ethical advertising behaviour can protect the image of the enterprise.

The Indian automobile industry appear to come a long way as long as the first car that was manufactured in Mumbai in 1898. The automobile sector today is one of the key sectors of the country contributing majorly to the economy of India. It directly and indirectly provides employment to over 32 million people in the country. The Indian automobile industry has a well entrenched name globally being the first largest two wheeler market in the world, seventh largest commercial vehicle market in the world, and third largest automobile market in the world only behind USA and China.

The Indian automotive industry is one of the largest in the world, and is growing rapidly. As of 2023, India was the third largest automobile market in the world by sales. Market share of top automobile manufacturers in India.

Brands	Units Sold from January to September 2023	Market Shares as of September'23
Maruti Suzuki	15,65,012	41.60%
Tata Motors	7,21,091	12.30%
Mahindra & Mahindra	5,87,443	11.40%
Hyundai Motor Company	5,74,807	14.90%
Nissan	4,13,027	1%
Kia Corporation	1,95,351	5.50%
Toyota Motor Corporation	1,70,782	6.10%
Honda	73,526	2.70%
Renault	48,321	1%
MG Motor	43,200	1.40%
Skoda Auto	35,736	1.10%
Volkswagen	33,190	1%

Source: <https://www.godigit.com/motor-insurance/car-insurance/find/top-car-manufacturers-in-india#!#id1>

#### Review of literature

**Nataraj S; DR. N. Nagaraja (June 2012):** online purchase is the current trend in Indian car industry. Internet beat the key of every industry inclusive of the car industry. It produce knowledge of the vehicle and guide the buyer to purchase. Internet is trusted to have a greater effect on the sales and will surely give greater level of sales satisfaction. This paper is giving the details about online purchase, booking four wheelers. Due to increasing competition, company has to improve their plan to sell the car .

**DR. M. Prasanna Mohan Raj, (January 2013):** The diversified behaviour of consumers to the choice of many brands in a specific section can be described by the influence of various factors unrevealed their decisions and its brand equity. The objective of this study is to find out the factors that control customers' brand preferences, as well as brand equity as a function of product option.

**M.c. Vijayakanth urs, A N Santosh Kumar, A N. Hari Rao (May, 2013)** Automobile Industry has engaged in a major role in the Indian economy during the last ten years. With the Indian market opening its wings to MNC's, the competition has become severe in terms of product quality and service. This has brought forward the centre on customer satisfaction mainly at the dealer level. When the dealers are providing good services, consumers are satisfied. Consumers are a significant part, without them, the sales will not be happening in the market.

**Prof. Madhavi Dhole, (June 2013):** The automobile sector is an important player in the world and Indian economy. In this paper, the author has given details about the history of automobile sector. They also inform how the Indian market is developing & increasing financially.

**Gupta Bhuwan, Agarwal Nisha (2013):** The Indian Automobile Industry has got a unbelievable market potential. With the increasing population and switch in their life style as a result of urbanization, there has been a fast increase in demand for Indian automobiles. The purpose of this chapter is to analyze the growth of Automobile Industry in India, their role in economic development and to bring out the profile of study area. In this paper the author has pointed out consumer preferences to their car and how they take decision to purchase car.

**Vikram Shende (February 2014):** The automobile industry today is the most profitable industry. Increase in disposable income in both rural and urban sector and accessibility of quick finance are the main drivers of high sales. In addition, competition is warming up with host of new players coming in with universal brands. In this research paper, all segments in Indian Car industry were examined. The researchers found that buyers have various priority of actions in each segment, when main driver for car purchase is disposable income.

**K.p Najeemudeen and Dr. N. Panchanatham (December 2014):** India's automobile industry is one of the primary sector for the economic growth of the country. The research paper has provided knowledge about the Indian automobile sector. This paper also analyse how it was under developed sector in the past decades and its unbelievable growth now.

#### **OBJECTIVES OF THE STUDY**

1. This research focuses on the "Effects of online advertising on automobile sales" in Virudhunagar.
2. To determine if online automobile advertisement influence consumers
3. To examine the people's view on online advertisement.

#### **RESEARCH METHODOLOGY:**

Sampling: Convenient sampling

Number of respondents: 120

Statistical tools: Percentage analysis, Chi-square test, One way ANOVA.

#### **Statement of the problem:**

Online advertising plays a vital role in marketing the products. Views of consumers regarding to purchasing of automobile products has been studied by very few in virudhunagar. Hence the study is undertaken by the researchers.

#### **Scope of the study:**

The views of customers on online advertising for automobile products is studied. The customers are classified into employed and non-employed. The study covers respondents from Virudhunagar.

**DATA ANALYSIS:**

A five-point scale is used to measure the opinion of the respondents on the influencing factors on online Advertising. The respondents are classified on the basis of the opinion scores.

**Classification of respondents on the basis of opinion scores**

Classification	Frequency
Low	20
Medium	55
High	45
<b>Total</b>	<b>120</b>

The respondents have different educational qualifications. An attempt has been made to analyse the relationship between opinion of the respondents and their educational level.

The following table shows the educational qualification and level of opinion of the respondents.

Serial Number	Educational qualification	Level of opinion			Total
		Low	Medium	High	
1	SSLC & HSC	3	6	4	13
2	UG	10	25	23	58
3	PG	5	13	10	28
4	Others	2	11	8	21
	<b>Total</b>	<b>20</b>	<b>55</b>	<b>45</b>	<b>120</b>

A hypothesis is framed for analysing the opinion of the respondents.

Ho: there is no significant relationship between the education level and opinion of the respondents on the influencing factors of online advertising.

For testing the hypothesis **chi-square** value has been calculated.

Calculated value of the chi-square = 21.8201

Total value of chi-square at 5% level of significance = 12.592.

Since the calculated value is more than the table value at 5% level of significance, the hypothesis is rejected. This shows that there is a significant relationship between the Educational level of the respondents and their opinion on the influencing factors of online advertising.

Respondents' opinion on Value for money on online advertising is tested. The following table shows the gender and value for money.

**Gender and Valuation for money on online advertising**

Gender	Excellent	Very good	good	Fair	Poor	Total
Male	45	17	8	12	3	85
Female	10	10	6	8	1	35
Total	55	27	14	20	4	120

A test of Analysis of Variation is calculated to ascertain whether there is a significant variation between Gender and opinion on value for money on online advertising.

SL.NO	Sources of Variation	Sum of squares	D.F	Mean squares
1.	Between samples	743	4	185.75
2.	Within Samples	2183	5	436.6

Calculated value = 0.425

Table value of factor at 5% level of significance = 5.19

The calculated value of  $F(0.425)$  is less than the table value (5.19) and hence it is accepted that there is no variation in the opinion of respondents regarding to value for money on online advertising.

## CONCLUSION

The prosperity of a product rely on its advertising tactics. This study discloses the effects of online advertising. An attractive online advertisement should cover factors such as quality of products, delivery time, possibility of test drive option and other needed information. Further, this paper will be the guide to the customers to be more perceptive about online advertising on automobile sales.

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