



Dual System Approach to Understand Impact of In-app Advertising On Purchase Behaviour

Dhruvin Chauhan¹, Khushboo Yadav², Ashish Singh³

1. Assistant Professor, Faculty of Management Studies (MBA), Parul University, Vadodara 391760, India

2. Student, PIET (MBA), Parul University, Vadodara 391760, India

3. Student, PIET (MBA), Parul University, Vadodara 391760, India

ABSTRACT

Mobile apps show a heavy usage pattern and compelling growth figures. This study seeks to examine consumers attitudes toward in-app advertisements and how it influences their buying behavior. India has shown a sudden growth in terms of mobile usage in past few years which has led to increase in usage of apps. Apps have proved popular because, while most of them are free to download, they are easily accessible around the clock, and gratify a range of specific consumer needs. This popularity transforms into a usage pattern that brings apps to the forefront of consumers media spending. In the last few years, as smartphone technology has continued to progress, the app market has experienced exponential growth in terms of both the number of apps available and usage patterns, and in-app advertisers have had time to positively influence attitudes toward in-app advertisements. In this study we have used theory of dual system approach in order to understand the purchase behavior of the consumer of different age groups in India. The study identifies different factors and the role they play in influencing consumer decisions. The paper has important implications for academics and marketers interested in understanding how consumers make purchase decisions under the influence of in-app advertisements.

Keywords: In-app advertisement, growth, influence, usage, technology, behavior

Introduction

Coming towards the end of 2021, the expected population of earth is 7.75 billion, Out of this population the supposed smartphone users are 4.88 billion which is about 61.90% (O'Neill, 2021). The market size of smartphones users by 2026 is projected to be nearly about the total count of population today i.e. 7.5 billion users (Menon, 2017). Smartphones as an innovation has drastically changed presumptions of users from the electronic media. In addition to transmitting purpose of conversation and extending point of contacts, Smartphones give easy access to millions of applications leading to innumerable features on finger tips and single taps. With this enhanced usage experience smartphones have been able to attract enormous masses (Trivedi, 2015) Mobile applications are made available on the smartphones as an inbuilt application or can be downloaded from given application platforms depending upon the type of operating system. By August 2021 a total of 3.48 million and 2.22 million were available applications on the two largest applications platforms, Google play and Apple app stores respectively (Loesche, 2018). These applications are available in the form of free applications which do not ban advertisement as by large of (by July 2021) 97% and the rest being paid applications which ban advertisements (Thomala, 2020). Out of which 98% of the revenue is generated only from free applications (Statista, 2021). This can help us form a perspective that the majority would be willing to watch advertisements instead of paying in against of it (Ajax Persuade, 2012). The trend of globalization has caused the digital media to grow to a higher pitch for digital marketing as well. This shift is going to exceed the mobile marketing and specifically in app advertising depending upon the advertisement budgets. According to a study, 88% of the mobile time is spent upon various applications from various categories such as gaming, business, lifestyle, educational, entertainment, social media, productivity mobile applications and others (Buildfire, 2021). This has created considerable scope for the advertisement segment for gaining the customers base as these applications give tremendous exposure to the purpose. 10 In-app advertisements of numerous types focus upon different aspects. The specific utilization of the application and syncing with the advertisement can be understood by the anticipating different fundamentals. The dual system approach of decision making will help recognizing and formulating a framework of the cognitive due course of actions (Keith Frankish, 2010). Dual system approach bifurcates the actions being taken up into two major types defining the tentative state of mind with respects to the given presumptions and theories. Dual system approach is capable of giving evidence of a customer's judgments and perceptions which were or could be influenced by any specific community action, subconscious brain memory or stereotypes (Rustichini, 2008). The study will be in context with the focal point to be the purchase intentions of a consumer based upon the Dual system approach as the particular event is very complicated. It has an influence of multitudinous factors and has various aspects as its constituent. These factors which could be implied in the consumption process of an in-app advertisement and the purchase intentions and decisions being made will

be discussed in depth. The study will examine the effectiveness as well as the credibility of the in-app advertisements. A quantitative and open to consideration suggestion for this specified area of mobile marketing.

ReviewPapers

[1] Varsha Jain(2013) A dual-system approach to understanding “generation Y” decision making-This exploratory work has highlighted some of the factors that play an influential role in the daily life of a an individual. A dual-system approach seems appropriate to study decision making by this segment given the different roles that these factors play.

[2] Jay Trivedi(2015) Effectiveness of In-app Advertising on Gen Y’s Attitude and Purchase Intentions-This study states that mobile advertising involves merging creativity and technology in a single platform and hence managers should refrain from such gross negligence of digital media advertising and more specifically in-app mobile ads.

[3] Ashamayee Mishra (2019) Impact of in-app advertisement on Consumer Behavior This can be used to provide an overview of some of the conceptual and practical work done in the subject of consumer behaviour research, as well as references. This may help marketers better understand consumer attitudes toward in-app advertising and provide a more complete picture of how to address the issues.

Research Methodology

This study was created as a thorough analysis with the goal of uncovering fresh information and facts about purchasing decisions influenced by in-app advertisements. The process by which researchers build a road map for getting through the results. Protocol was created by using dual system theory which was bifurcated into two categories to get wide variety of insights. Several focus group discussions(FGD) were held, and the transcripts were transcribed word by word to get the ultimate result. The transcript was analysed, and final categories were developed, assisting in the determination of the impact of in-app advertising on purchasing behaviour.

Exploratory Research

A Qualitative based methodology is helpful to create a better comprehension of purchase intention. The proof for our contextual analysis begins from Focus group Discussion (FGD). FGD is a helpful procedure to acquire bits of knowledge on complex conduct and inspirations of a specific gathering of people(Varsha Jain,2013). A salient characteristic of this method is the cohesive and natural discussion that occurs between subjects in the discussion.(Varsha Jain,2013) . The essential benefit of this strategy over other conceivable approaches is that the conversation just rotates around issues that are important to the researcher.(Malhotra and Dash,2011). It gives a direct understanding into measure and a reasonable perspective on the progression of communication. Additionally, these conversations help members to react and address issues presented to them and furthermore assist the arbitrator with exemplifying unique perspectives and points of view of the members.(Christopher Holland,2014)

Sampling and Protocol

This discussion was conducted in two cities- Vadodara and Ahmedabad. Participants from age group between 18 to 45 were taken into consideration. Members are from different background and have acquired diverse education. The conversation was centered around different elements of inapp advertising that impact consumer purchase cycle. The dual-system approach states that individuals use a heuristic-based process (system 1) and/or an analytic- based process (system 2) to make decisions. Dual system theory has been the base for the investigation as the examination spins around it.

Conclusion

It is vital to remember that this is an exploratory study aimed at determining the factors that influence the purchase behavior in in-app advertisement . It is extremely vital to understand this area from a marketing standpoint because its influence in the marketplace is only going to expand. Given the major changes in society and markets over the last decade, it is logical to infer that the way this sector handles tasks and makes decisions has changed as well. This study provides a significant contribution by attempting to integrate the features of different generations with a tried-and-true psychological decision-making process and then making appropriate changes to the framework. While earlier research has concentrated on limited audience (genz or geny), this study used a qualitative research design to explore a wide range of internal and external social influences on purchase decisions. The impact of in-app advertising on purchase behaviour is measured using a set of metrics that let us understand the scope and areas of in-app advertising. In addition, the dual system used in research aids in the bifurcation of consumer decision-making processes. The study has important implications for future work.

From a Theoretical Perspective, future studies can attempt to gather data on the suggested in impact of in-app advertisement on purchase behavior. The various categories proposed in research helps to gather information for various age groups and there decision making patterns regarding in-app advertisement. Future studies can also examine this framework in the context of different categories and the effects of different systems at different stages in the purchase process.

Our proposed paradigm presents key issues from a Management Standpoint. Firms have been shifting to digital media in recent years, displacing conventional media such as television. While businesses assume that this will help them better reach their target market, it appears that they are unaware of the consequences of their decisions. As previously said, modern generation uses digital media to obtain and distribute knowledge, and it is

an important component of System 2 in dual system approach. Firms that rely heavily on their brand's "emotional appeal" to attract clients may be harmed by the shift to digital media at the expense of traditional media. They must communicate in such a way that the active heuristic-based system is activated (i.e. System 1). Communication that focuses on one key intangible attribute, using visual aids in addition to text, or using countdown game mechanics to facilitate active quick decision making are some of the ways to activate this [2,1] system, and brands should continue to allocate resources to traditional media. Also, the trust concerns that arise during decision-making might be considered in order to comprehend the in-depth difficulty that causes the consumer to make the decision. Also, the manager must decide on the frequency of advertisements broadcast so that the user's experience is not harmed.

Results and Findings

A Qualitative based methodology is helpful to create a better comprehension of purchase intention. Content analysis of the transcripts was carried out to address the research questions. Codes and themes were developed from the content analysis and word-by-word analysis was undertaken by the authors. This concept is known as open coding and it helped the authors to develop codes for comparative analysis and classification (Strauss and Corbin, 1998). The authors first developed the themes independently and then compared and analyzed their notes together to reach a consensus. In order to integrate the identified themes with the theoretical framework, i.e. the dual-system approach to decision-making, we relied to a large extent on Kahneman's (2011) work to characterize the themes for our findings. We would like to state upfront that the themes identified are not necessarily independent and may even influence each other to some extent.

E-Commerce Growth and Potential

E-business growth in India will also help India become a major force in e-business, with an estimated growth rate approaching US \$ 100 billion by 2024. These impressive figures are due in part to the global pandemic, which has caused many consumers to prefer to shop online rather than leave their homes. One reason for India's phenomenal growth in the in-app advertisement is the increasing penetration of IT infrastructure, as well as cell phone and internet connectivity, into the country's rural areas. Aside from that, new government policies now encourage 100 percent foreign direct investment in B2B e-commerce businesses, which has also helped to propel the Indian online market. With growing E-business, in-app advertisement is also growing rapidly. As a result, potential and growth are unavoidable. It also provides a market for in-app advertising that caters to a multi-generational audience. There has been a lot of advertising on the e-commerce app or any other similar app that has been rapidly growing.

Vested Interest and Cardinal Necessities

When it comes to advertising, self-interest plays a significant role. It will not have an impact if the consumer does not feel the advertisement on a personal level. As a result, advertisements should be focused on both local demographics and personal interests. When it comes to vested interest, personalisation and localisation come into play. Knowing our personal preferences, emotional characteristics, purchase history, and personal needs can help advertisers target the target audience more effectively. The factors that influence people's purchase decisions are referred to as consumer demands. The customer, according to the idea from the discussion, wants to go straight to the website or landing page. It should not lead to any other possibilities because the consumer's need is to see individualised advertisements from which they can make a decision.

Informative and Motivative

One out of every five claims was a minimal facts claim, which exaggerated information. In both prescription (18%) and nonprescription (23%) commercials, minimal facts assertions appeared with a similar frequency. Throughout the discussion, the word "information" came up frequently. When it comes to in-app advertising decision-making, the consumer is largely reliant on the amount of information provided. Also, the advertisement should be appealing enough to keep the customer interested. According to the discussion, the content of the advertisement is the most important factor that causes people to pay attention to it. The majority of the audience was drawn to emotive and storytelling advertisements, while others were drawn to informative ads.

Trust and Awareness

Consumers place a high importance on trust when deciding which brands to buy from. Despite the fact that trust is intangible, it may be the most powerful motivator for customers when deciding whether or not to purchase something. The amount of trust that customers have in in-app marketing is the main source of concern or resistance. The consumer is 19 exposed to thousands of products and services, yet trust is crucial in making a purchasing decision. When we look at the phrases, we can see that they are intertwined since trust can only be built by a brand's level of awareness and the amount of information it provides to its customers.

Attitude and Uniqueness

Consumer attention in advertising can be piqued by creatively showing product benefits and qualities. Advertising managers use commercials and sales promotions to capture the attention of consumers. Advertising consumes a significant portion of the marketing budget. The use of digital media channels for advertising is becoming more popular. The goal of this study is to look at the impact of various media commercials on customer behaviour phases including awareness, interest, conviction, purchase, and post-purchase. It aids the customer in comprehending how the product can meet their needs, as well as determining whether it can be beneficial by establishing customer attitude through user feedback, which aids in establishing audience

trust. Also, when presenting a product via advertisement, the ad should be able to create a wow factor, which might be the product specification or pricing, which makes people think about the product and also helps to pique the audience's attention.

REFERENCES

1. Varsha Jain(2013) A dual-system approach to understanding “generation Y” decision making
2. Trivedi J (2015) Effectiveness of In-App advertising on Attitudes and Purchase Intentions of Gen Y Ushus Journal of Business Management
3. Beykoz Akademi Dergisi (2019) Determinants And Outcomes Of Mobile App Usage Intention Of Gen Z A Cross Category Assessment
4. Vijay Vishwanathan(2019) Choosing and using mobile apps a conceptual framework for Generation
5. Vladimar Sigurdsson(2017) Factors Affecting Attitudes and Behavioral Intentions Toward In-app Mobile Advertisement
6. Ravi Dhar(2013) A dual-system framework to understand preference construction processes in choice
7. Keith Frankish(2010) Dual-Process and Dual-System Theories of Reasoning