

To What Extent Does Online Advertising Influence Consumer Purchases?

Chenyan Wang

Yali High School International Division, 428 Laodong West Road, Changsha

yv1b6mff@outlook.com

Abstract. This research is to evaluate the extent to which online advertisements influence consumer purchases. With the popularization of the Internet, online advertising has become increasingly rich and diverse. First of all, this research analyzed the history of advertising and how advertising works, explored all the different types of advertising. Then, based on the existing research content and practical situation, three representative types of influential advertisements were selected from various types of online advertising for research. These three representative types of advertisements are: paid search advertising, social media advertising, and video advertising. The study conducted an in-depth analysis of the operational models of three types of online advertising, their impact on consumers, and the similarities and differences among the three types of advertising. Based on comparative research, draw research conclusions. Online advertising can have a certain degree of impact on consumer behavior, and compared to social media advertising and video advertising, paid search advertising has a greater impact. Finally, based on the analysis of the impact of online advertising on consumer purchases, the role and economic benefits of online advertising in the entire purchasing process were further summarized. This will be more helpful for production enterprises, advertisers, and consumers to make better decisions and facilitate the efficient operation of the market economy.

Keywords: online advertising, consumer purchases, market economy

1. Introduction

According to the MasterClass [1], advertising is a tool used by companies and organizations to attract new customers to buy their products and services. The main function of advertisements is to promote purchases by affecting to people's psychology. There are certain memories and ideas in the minds of the consumers, and advertisements are accessing and using these memories and ideas to promote purchases. [2]

The first advertisement printed in English appeared in the Imperial Intelligencer in March, 1648. [3] Indeed, until around 1887, advertising can be said to have been in its infancy. The number of publications has increased significantly around 1904, in addition to the amount of advertising pages in each individual publication. In recent years, digital technology that reaches people through Internet platforms and smartphone applications is transforming modern advertising. [4]

As a result, advertising is becoming more and more popular in business, and many people choose to spend a lot of money on advertising to get what they need. But what really directly affects consumer purchases is the effectiveness of advertising. According to Kristian Astre [5], we can measure advertising effectiveness to determine whether a brand's marketing is hitting the target customer group, and whether it is getting the best return, by measuring the strengths, weaknesses and return on investment of advertising rate, allowing brands to adjust accordingly.

There have been studies on how to increase the effectiveness, for example, Reinartz and Saffert [6] concluded that the effectiveness can be increased through increasing creativity, with dimensions of creativity being Originality, Flexibility, Elaboration, Synthesis and Artistic value.

To take one of these dimensions separately as an example: in terms of the artistic value of advertising, highly artistically creative advertisements contain 'aesthetically appealing verbal, visual, or sound elements', which are usually of high quality and expressive, often in the form of original color schemes, or memorable music.

Consumers are usually especially fond of seeing such ads, if people like to or willing to see ads, the effectiveness of advertising increases, the greater the impact of advertising on consumers' purchases.

With the increase of advertising is bound to influence consumers' purchase, therefore, the objectives are to identify various types of online adverts first, and find the differences between these various types of adverts. Secondly, we need to know what people think when they see the adverts and what positive and negative influence these adverts have on people's purchases. Finally, it is important to know what kind of position and role advertising has and how much economic benefit it brings in the whole purchase process.

2. Research Review

2.1. Types of Adverts

There are various types of advertisements, both online and offline. Maryville University [4] identifies these 6 types of adverts: paid search advertising, social media advertising, display advertising, native advertising, print advertising and broadcast advertising. Additionally, there are also video adverts online. [1]

This dissertation will include paid search advertising, social media advertising and video advertising and introduce those.

The reason why we need to focus this research on social media advertising, paid search advertising and video advertising is that due to the development of technology, these three types of advertising are the most familiar and seen by people today, according to Kukulka [7], the future of advertising is inconspicuous technology that complies with the most recent privacy regulations and offers a superior user experience. Every consumer has the option to share information. How much of that information is shared will depend on the value that businesses offer? So offline advertising and display advertising, native advertising, print advertising and broadcast advertising cannot exactly answer the future-looking needs of advertising, because fewer and fewer people are paying attention to them.

According to Statista Research Department [8], in 2022, internet ad spends in the U.S. amounted to an estimated 165.5 billion U.S. dollars, and according to the latest projections, this figure will surpass 200 billion by 2025. The largest share of revenue is generated via search advertising, which has been the leading digital ad format in the U.S. for many years. In 2021, search accounted for around 41 percent of online ad revenue, but while it spearheads the industry, other formats also gather speed.

Social media advertising also continues to grow, it has developed into one of the most important digital advertising formats in the United States as a result of the quick uptake of mobile devices. Social media ad spending in the U.S. is increasing at a similar rate to the growth in social network and photo-sharing platform users, and is expected to hit 81 billion dollars in 2022. Spending on social network video ads has been steadily increasing, and between 2021 and 2023, its worth is anticipated to double. In 2021, the expected cost of social network video advertising in the US is 20.28 billion dollars. Statista predict that in 2022 and 2023, advertising spending will further increase, reaching 24.35 billion US dollars in 2022 and 28.21 billion US dollars in 2023.

2.1.1. Paid Search Advertisements

The marketing mode of paid search advertising is that companies pay search engines to place their advertisement on search engine results pages. The exact process is, for example, someone types a specific search term into some search engine (like Google), and the results will be a mixture of results that the search engine considers most relevant to the search term and paid advertisements which usually appear in a box at the top of the results page and are categorized as advertisements. [4]

For paid search ads for the main group of users, according to Black, Northco and Tadelis [9] generally speaking, the majority of consumers who choose pay-per-click search ads are loyal customers of the company or already know the company. In paid search advertising, advertisers pay only when a user clicks on the paid search ad, implying that ad expenses are only incurred for users who respond to the advertisement. Furthermore, it has been asserted that these "position auctions" align advertiser motivations with consumer preferences because businesses pay when a consumer clicks on their advertisement and because they must bid higher in order to appear more conspicuously above other paid listings. Namely, higher-quality businesses will submit higher bids and receive higher positions in anticipation of more satisfied users who will convert their clicks to purchases, while lower-quality businesses will not bid for positions in anticipation of clicks on their advertisements not converting.

2.1.2. Social Media Advertisements

According to MasterClass [1], Social media platforms can collect information about population statistics, which allows advertisers to aim at specific audiences and create beneficial advertising activities. At the same time, social media advertisements can also attract people's attention through Internet celebrities or celebrity advertisements.

Social media advertisements are one of the most common methods for enhancing advertising exposure. In order to perform them, marketing practitioners put brand content on social networking sites (SNS). The advantage of enterprises using social media advertising is that it is everywhere, and it is a proactive, open visible and real-time social network [10].

Therefore, social media advertising can spread brand information by using the network connections in addition to increasing product purchases by offering persuading messages [11].

2.1.3. Video Advertising

By posting on apps like TikTok and paying influencers to produce interesting videos, video advertisements can connect with viewers on social media sites or streaming services. To ensure a specific number of views for each ad, some video sites force users to watch video advertisements before watching or interacting with other content. [1] Online video has grown in popularity as a result of advancements in computer technology and is now one of the most widely used network services. Internet video, in particular, has seen genuinely massive growth as the practice of watching videos online has transitioned from a niche activity to the mainstream. [12]

In 2022, online video ad spending was estimated to be close to 75 billion dollars, or close to 30 percent of the total display ad spend globally, predicts Michele Majidi [13]. The majority of this expanding income came from online video advertising. Videos are excellent for conveying stories, to engage your viewers, try out different background music, camera angles, and dialogue. As a result, consumers are more likely to recall what they see and, even better, the advertisers' brand. Also, videos quickly and effectively communicate a lot of information. A photo can convey 1,000 words, but a film can convey 100,000. Videos can tell a lot of a narrative by combining visuals, narration, music, and/or on-screen captions. A 10-second clip can be just as effective as a 10-minute product demo film in terms of information. [14]

2.2. Drawbacks and Benefits of Online Advertising

2.2.1. Drawbacks

2.2.1.1. Consumers Disregard Ads

Consumers have grown to dislike all forms of advertising because they are so accustomed to seeing it on television, hearing it on the radio, and flipping through it in periodicals. This is also true of online advertising, where users can choose not to click on banner ads, skip ads in online videos they watch, and immediately dismiss pop-up ads that appear on their screens. Customers decide which advertisements they want to focus on and react to. [15]

2.2.1.2. Technical Challenges

Pop-up blockers can frequently stop ads from being delivered as they were meant by the advertisers because pop-ups are intrusive by nature and make up a large portion of display advertising. Most browsers today prevent pop-up windows.

Additionally, Firefox browser extensions like Adblock Plus are accessible to block Online advertisements. Consumers who are technologically astute are increasingly using these techniques to reduce the amount of ads they see. [16]

2.2.1.3. Declining Ads

People are becoming less susceptible to internet advertisements as time goes on. The click-through rate gradually declines and lacks the customary allure for consumers. People gradually develop a stronger allergy to online ads as a result of deliberately blocking them with browser add-ons. That's not all, though. Advertising is now largely ignored by customers. In fact, a lot of ad layouts are annoying. They appear out of nowhere in unimportant events, which deters potential customers, no one wants to be interrupted while enjoying quality video material.[17]

2.2.2. Benefits

2.2.2.1. Online Advertising is Cheap by Contrast

The cost of traditional promotion was high. It includes printing flyers, employing people to distribute them, purchasing airtime for the commercials, which were just a few of the companies' advertising strategies and so on. Even though a lot of time, effort, and money has gone into these productions, there is no assurance that the intended audience will see them. This is the reason why the emergence of digital marketing shocked the world. It was a new, reasonably priced approach that could reach customers anywhere. Because of the internet, it is now significantly less expensive to distribute promotional materials like posters, videos, and other media to consumers. [18] Business owners can reach a sizable population and make the most of their marketing dollars even on a tight budget.

2.2.2.2. *Online advancements have global reach*

Online promotion is now essential for every business because there are millions of users of the internet every day. Back then, airing commercials on international channels required a hefty fee. If companies want to target radio stations, newspapers, and magazines for their product and service advertising, they would need to spend even more. They needed to be prepared for the expenses if they desired more leads and sales. Today, however, it only takes a small crew to distribute companies' advertising materials to the most remote regions of the globe. With the internet connecting all kinds of individuals, they also get access to these connections. This makes it simple to use online advertising to reach the target population. [18]

2.2.2.3. *Measurable results from online marketing*

Online advertising makes it simple to track the results. KPIs, or Key Performance Indicators, are measurable goals that let companies track and evaluate their success in online marketing. Designing a short- and long-term goals in such an evolving marketing context, including today's contemporary development of technological upheaval, is more important than ever. KPIs can be used by digital marketers to establish goals and show that their work is having a positive effect on the world. The performance of web marketing initiatives may appear difficult to outsiders, but this is not the truth. In actuality, monitoring the success of a digital campaign is much easier than monitoring the progress of an offline endeavor. [19]

2.3. Consumer Psychology

The Chicago School [20] identifies these psychological principles that are used in advertising:

- **Consensus:** When there is demonstrable evidence that other customers have made purchases from a company and placed their trust in it, people are more apt to do the same.
- **Authority:** When a company is recognized as an industry leader, people tend to give closer attention.
- **Linking:** A person is more likely to purchase from a business if they like it first.
- **Scarcity:** When something is scarce, people scramble to obtain it.

What's more, according to University of Southern California [21], advertising appeals to both thinking and emotion. Feeling, though, seems to come in first.

According to the effectiveness of advertising campaigns, 31% of the ads with an emotional pull were successful compared to 16% of the ads with a rational emphasis. Ads that evoke emotions use a variety of subjects to do so. The strongest emotions, however, are pride, love, success, man's empathy, friendships, loneliness, or recollections. An advertisement's emotional impact has a greater impact on consumer purchase intentions than the advertisement's real content. The most reliable indicator of whether a commercial will boost a brand's sales is likeability.

University of Southern California also mentioned that empathy and creativity are one of the factors that affect customer psychology. When someone has an empathetic reaction to an advertisement, they identify with the brand or sense a connection to it. This is accomplished by using pictures of kids, dogs, cats, and infants in advertisements. And creative response occurs when a person perceives

Company as innovative or imaginative—in a league of its own. The voice-over's tone, casting, location, plot, and even background music must all be right for this to happen.

Afshan Kirmani [22] gives another opinion that the flow of energy is accomplished by interaction. Depending on the context and content of the advertisement, it then guides customers in the correct direction. Customers want a reason to continue when companies offer them interactive material.

3. Discussion / Development

3.1. Method

This study will first confirm how profitable the advertising model is and find data on the average profit, which should indicate that the advertising is persuading customers to buy the product when the company running the advertisement reaps a higher profit, and therefore can prove the impact of the advertisement. As well as the past and present advertising volume and total investment growth to calculate the effectiveness of advertising, if the advertising volume and total investment growth increase, it can be shown that advertising has a positive impact on consumer purchases.

The average click-through percentage can also be used to measure whether an ad is engaging enough customers, which can indicate what percentage of people in a search engine click on the ad. The increase in click-through rate is a very effective sign of advertising, which means that many people are engaged. What's more, John Hall suggests to use data about start with historical metrics [23], this is a benchmark that help to show the increasing return of the products after pose advertising. the difference between the number of goods sold before and following the placement of the advertising, it can be used to see if the

company have retained previous customers, or whether the company have made old customers lose interest, if the differences decreased, so that the ads can still engage old customers. Count the number of clicks on a web advertisement or video link to the purchase page could help to learn more about how much the ad is engaging with customers, and when the click-through rate increases, the purchase rate will increase accordingly. Revenue is also a very important point, it can be divided into two types, the revenue to the host of ads and the revenue generated for a company through its advertising when we want to measure the influence of advertising, it is better to measure the increasing in profits for companies that deliver advertising, because the purpose of advertising is to increase consumer purchases, we can infer an increase in the number of purchases made by consumers from the increase in a company's revenue, so we know that advertising has an impact on increasing consumer purchases. Also, information from search engines, such as how long customers stay on the ad page and whether to place an order and some economic theories can be used to measure whether an ad has an impact on the purchase and find the differences.

Meanwhile, the study will use comparative analysis methods to identify the strengths and weaknesses of each of these three ads, which can be used as arguments and evidence for my argument for the impact of advertising, help measure the effectiveness of an ad, and also use it to compare which ad has the greatest impact.

3.2. Evaluation of the Influence of Three Kinds of Advertising on Consumer Purchase

3.2.1. Paid Search Advertising

In paid search advertising, advertising dollars are only used for people who click on the sponsored search ad, which means that marketers only get paid when a user does.[24]

Due to the nature of paid search ads, we can measure the impact of paid search ads in terms of the change of revenue of the companies that delivers the advertising. Psychologically, a lot of people think that paid search advertising is very easy to use, more than 77% of consumers feel confident in their ability to identify sponsored search adverts. 75% of individuals claim that sponsored search advertising makes it simpler for them to discover the information they're looking for on a website or search engine. 33% of consumers click on a sponsored search ad, because it immediately responds to their search query. [25]

There are some positives of paid search ads are particularly targeted, and the advertising is based on the keywords people enter, which can hit people's needs more directly. So that companies can set the keywords for their products or services, which can increase the effectiveness of advertising. As a result, customers will be more willing to buy because of the high effectiveness of advertising. Users who specifically seek for a company's goods or services see the paid search advertisements, indicating that they don't just have a passing or irrelevant interest. They are prepared to buy, or at the very least to learn more and then buy, this kind of customer generally requires a quick understanding of the role and characteristics of a product. Therefore, paid search advertising could provide a more convenient and faster search environment that can hit the consumer's demand for advertising and to influence the purchase.

In fact, studies show that paid search advertising receive 65% of clicks for queries with strong buy intent. Search engines like Google, Yahoo, and Bing offer free real-time data and analytics to those using their advertising platforms.[26] Companies can discover a lot about folks who click on the advertisement using this data. For example, it will show how long people stay on this page, whether they end up placing an order, etc. [26] If the company can tell how many people made an order based on this ad, it gives them very valuable data and it can make it really easy to see whether consumers are influenced by this advertisement. paid search ads are billed by the number of clicks, each click is paid for for paid search ads. The number of clicks on an ad can be easily recorded, which can be used to analyze the effectiveness of paid search ads. According to Push-Pull [27], of all customers who click on PPC advertisements, 52% give the company a call right away after seeing the website.

But also, some negative of paid search advertising. Advertising agencies and advertising companies usually add all keywords that match or do not fit with bad reviews into the ad in order to increase exposure and traffic, which will make paid search ads not work well and may make consumers lose confidence in paid search ads and reduce the number of clicks on paid search ads, therefore, consumers will buy less through paid search ads.

Therefore, through the data and information above. Since consumers are mostly already looking for products to buy, people often choose to buy that particular product when a paid search ad-led website meets the consumer's expectations or goals. People don't get much information from the ads themselves, so the effectiveness and impact of paid search ads may depend more on the website itself or the characteristics and attractiveness of the product itself to consumers (such as price, product appearance, reviews, etc.). So paid search advertising is an ad that can promote the purchase of those buyers who already have a clear need for the product.

3.2.2. Social Media Advertising

Social media advertising usually appears on the app, due to the popularity of mobile phones, more and more people start using social media like Instagram, the number of clicks per post is also not to be underestimated. Advertising on social media potential customers can be found on a large scale or can be accurately found one-on-one.

About people think, the protagonists who appear in social media ads are usually some famous internet celebrities. People think they are more similar to influencers than celebrities, so the influencers are better ads. Influencer identification is based on both actual and perceived similarity, or how much one believes they have in common with another person, as well as desired identification, or the desire to resemble the other person [28]. Therefore, when people think they have many in common with an influencer or celebrity and desired identification, they might be more willing to buy the products that this influencer or celebrity recommended.

Credibility is a very important factor that influences consumer purchases. Credibility is made up of two elements: trustworthiness and expertise. [29]. While trustworthiness refers to impressions of an endorser's honesty, integrity, and believability, expertise relates to the relevant information, abilities, or experience the endorser is thought to possess. (Erdogan, 1999) As a result, influencers on social media can play an important role in the effectiveness of social media ads to attract potential users and induce purchases. Therefore, when people see influencers or celebrities recommend some products or services that are in the same demand as consumers themselves, they might tend to buy these kinds of products because of their trustworthiness and expertise.

Here are some positives of social media advertising. Advertisements that are mostly highly attractive to buyers are usually sourced from influencers. So companies can sometimes minimize costs without making advertising much less effective and increase the number of advertising freely. Social media advertising gives advertisers and advertising companies a lot of space to create creatives. If a company needs an influencer on social media to endorse their product, that influencer is usually selected. The company can measure the influence of an Internet celebrity through the number of fans, the number of likes per video and other publicly available information, and can also determine whether the company's products or services can be well promoted by a person through the personal style of the Internet celebrity. According to Lindsay Dodgson [32], the relationship that develops between an online celebrity and their following is sometimes referred to as a parasocial relationship because the influencer's feigned familiarity in sharing their life on camera creates the perception of trust between the topic and viewer. Therefore, fans who follow an Internet celebrity usually have the same points as the Internet celebrity, whether it is personality or style, these fans usually trust the Internet celebrity and are willing to buy the products recommended by the Internet celebrity.

About the negatives. Almost everyone can post social media ads, so there are few restrictions, and some ads may be false. If a consumer always buys an unsatisfactory product due to false advertising, consumers will increasingly distrust the advertisement, so the advertisement will be useless. Negative reviews and tarnished brand reputation. Due to the ease of access to the internet, some people constantly seek to harm someone's reputation. Attack probabilities are higher if the company's line of business is new or just getting off the ground. due to how simple it is to comment or interact, anyone may easily publish negative things about your business.

Therefore, in social media advertising, celebrities or influencers play an important role in the purchase of consumers, they promote consumers' purchases to a certain extent, and people either pay because of their trust in the celebrity or influencer, and some pay because of their love for the celebrity or influencer. However, when some false advertising or vicious competition occurs, social media advertising also has the potential to make consumers buy less. In general, social media advertising has more advantages and possibilities to increase consumer purchases, and fewer possibilities to reduce the disadvantages of consumer purchases.

3.2.3. Video Advertising

Cisco predicts that 55% of all consumer Internet bandwidth will be made up of online video traffic (2020). So, video ads can improve the effectiveness of video ads in persuading people to buy through various beatifications. It can make product introductions particularly accurate.

On the psychological side, video advertising has a strong plasticity, length, typesetting, shooting techniques, etc. can be designed by the company itself, which gives the company a great opportunity for innovation and more opportunities to describe a product. The ease with which humor may be inserted in short-form entertainment is one of its most appealing features. People enjoy seeing humorous videos.

Here are some positives, video ads help people remember and get to know the brand. The main advantage of establishing these brand associations is building brand recognition and loyalty. When a message is presented visually, viewers recall 95% of it, compared to 10% when it is presented verbally. This indicates that people recall what they see more so than things they read. [33] So when people want to buy a variety of products, they are likely to immediately recall the video ads they have seen, learn more about a product, and finally place an order.

Video ads engages a variety of senses, they may convey a story in greater detail than just sights or words alone. Video engages a variety of senses and may convey a story in greater detail than just sights or words alone. Video conveys a more expressive, memorable tale than any other media since it is both visual and audio. Additionally, utilizing these senses to the utmost extent—for example, by employing highly particular, vivid colors or related dialogue—can subtly impact a user's behavior by arousing nostalgia or terror, curiosity or memory. It is this emotional response from your viewers that feeds their fervor and strengthens their connection to the brand or products.[33]

Also, some negatives, according to Tom More, consumers have an 8.25-second attention span on average for videos. [34] So video ads can't be too long, but they have to be informative and creative, which is hard to do. Sometimes in order to ensure that

the advertising is highly effective, the company must hire advertisers to design the advertisement at a large price, which is very costly.

There is a drawbacks that 'When the audience is completely distracted.' In some situations, trying to hold an audience's attention can be futile since it will be so fragmented.[35]For example, if a video ad appears at the beginning of a movie or TV series and people have to watch it, the audience will become bored and impatient and will not focus on the ad. Therefore, the timing and platform of video advertising delivery is a very important point, and companies must do certain research to ensure that video advertising is effective, which sometimes consumes a lot of human resources and money, so some companies are not willing to spend money on improving video advertising, this will worsen the quality of video advertisements, consumers will be more and more annoy when they see an video advertising, therefore, the influences of video advertising will decrease.

Therefore, people are more likely to be attracted to a video ad and learn about a product or a brand as a result. At the same time, due to the characteristics of video advertising, consumers are more likely to remember the video ads they have seen in the past when looking for similar products in the future, so we can say that video advertising has a long-term impact on consumer purchases, which may increase the probability of consumers making purchases. However, it is difficult to know the optimal duration of a video ad, and when the duration of a video ad becomes long, consumers will lose patience with the ad, and the video ad will become ineffective. And because it generally costs a lot of money to create video ads, many companies are reluctant to spend time and energy on video ads, which will lead to lower and lower consumer confidence in video ads, resulting in fewer purchases.

3.3. Comparison

From various previous and predicted data, paid search ads have the most usage and the greatest recognition. About paid search ads, the projected increase in global revenue from US\$616 billion in 2022 to US\$1,005 billion by 2027, according to Statista [8] The social media advertising market is the second-largest market in digital advertising. The projected increase in global revenue from \$226 billion in 2022 to \$385 billion in 2027. The market for video advertising is the third-largest market for digital advertising, The projected increase in global revenue from US\$81 billion in 2022 to US\$148 billion in 2027. We can see that paid search advertisement occupied the biggest market share in the economy. When global revenue increases, it can be concluded that these ads are growing towards an impactful trend, and it can be inferred from the above data that paid search advertising has the greatest impact on consumer purchases because it has the largest amount. And judging from the growth of data, the impact of these three types of advertising on consumer purchases is also continuing to rise.

3.3.1. From the Perspective of Operation Model

Paid search ads engage customers with precise keywords, it convinces users to click with a title, display URL, and descriptive text [24], paid search ads can bring a relatively good profit to the company, businesses receive an average profit of \$2 for every \$1 spent on paid search ads, according to Google's Economic Impact report. Additionally, \$190.5 billion is the projected amount companies will spent on search advertising globally in 2024.[8] while social media ads attract buyers through photo headlines, likes on posts, and reviews, it can be one- to-one through big data advertising relative audience, unlike the other two, social media advertising may take the form of mass exposure through display ads or one- to-one advertising utilizing permission-based and tailored messages(Adnan Veysel and Ahmad, 2019), more use of celebrity benefits to promote products and achieve the effect of increasing marketing amount. Video ads mainly promote purchases through dynamic visuals like different style of filming the video, and also the relatively clearer product introduction to make consumers know the function of the products or services.

3.3.2. From the Perspective of Consumer Psychology

Nowadays, paid search ads are often used to deliver matching ads using keywords that people enter into search engines, which makes paid search ads easier to identify and makes people's purchases clearer and simpler. The first thing we do when we want to buy something is go to Google (or whichever search engine we use). 71% of buyer journeys start with a search engine, whether we have a clear idea of what we want, are looking for nearby businesses, or want to conduct more extensive research [36]. Social media advertising uses the influence of celebrities to influence consumers' psychology when making purchases, people usually see social media ads when browsing social media software, both actively searching and passively recommending ads, but they are also often attracted to copywriting and photos or favorite bloggers. Regarding video ads, people usually do not actively watch video ads, they mostly passively input ads, but they are also usually attracted to interesting videos, and when they feel that the story in the video is suspenseful, they usually stick to the ad and learn about the product. Shorter videos are easier for viewers to consume, allowing them to watch numerous videos at once without devoting a lot of time.[37] Video apps are becoming more and more popular, and many people are captured by their short, precise presentation and description. More companies tend to be creative with video ads so that consumers will be attracted and sometimes even watch the ad multiple times and share it with friends.

3.4. Overall Effect of Online Advertising on the Economy

According to ZhiTong Finance [38], with a growth rate of 24.2% from year to year, the online advertising industry reached 672.5 billion yuan in 2020. The pandemic continued to encourage online Internet users' usage patterns in 2020, which led to the online advertising industry's size continuing to rise rapidly and its share of the entire online advertising market rising to 87.7%. The online advertising industry is anticipated to expand consistently over the next three years at a compound annual growth rate that is a little bit higher than the whole internet advertising market and will reach 1,174.1 billion Chinese yuan in 2023. Online advertising plays an important promotional role in the economy. According to the China Online Advertising Annual Insight Report released by iResearch [39], the scale of China's online advertising market reached 766.6 billion yuan in 2020, with a year-on-year growth rate of 18.6%. According to Ruan Lihua and Peng Hao [40], the connection between consumers and online advertising positively affects the effectiveness of online advertising and consumer trust in websites. Online gaming, online education, live streaming e-commerce, and other high-prosperity industries will continue to increase advertising resource investment, which is expected to further open up the growth space of the industry. The growth of short video advertising is still outstanding.

Therefore, advertising plays a very important role in promoting the market, which arouses people's desire to buy and promotes consumption. To increase the role of advertising, the effectiveness of advertising and the share of advertising in the market, advertisers need to carry out scientific and reasonable placement in the selection of media and forms according to their own specific circumstances, in order to better reflect the value of advertising. People are also looking at how to maximize the impact of advertising and identify the most impactful types of advertising. In short, online advertising is a valued publicity tool that has continued since the beginning of the development of the Internet, and the investment and income of various industries in advertising are growing with considerable data, and in the future, the influence of online advertising will continue to increase.

4. Conclusion

To answer the title of my article, online advertising has a positive impact on consumer consumption. Paid search advertising, social media advertising and video advertising have different advantages and disadvantages, and by summarizing the changes in click-through rate, average click-through percentage and revenue, it can be concluded that paid search advertising is currently the largest type of advertising for consumers to buy positively. And online advertising occupies a large amount of money and market share in the factors that promote purchases, and online advertising has been an important part of the market since the popularization of the Internet.

What's more, of the three ad types, paid search ads are currently the most effective and most favored by companies and consumers through Total Revenue, followed by social media ads and video ads. Psychologically, although the characteristics of each advertisement are different, we can still conclude that consumer trust in advertising is very important, that is, because many people are confident in paid search advertising, it has become the highest type of advertising in total revenue today, and consumers want to see the most specific and attractive product information, the fastest and most effective to hit consumer demand. Furthermore, there also some common negatives and positives. The common advantage of the three types of advertising is that almost all advertisements can measure whether the advertisement achieves the expected effect of promoting purchase through the data recorded in the background, so as to improve and obtain better revenue, and they have their own characteristics that can be additionally amplified to achieve the most desired effect. The common disadvantage of the three types of advertising is that advertising is easy to make consumers bored and bored, which will make advertising lose its role, and sometimes the cost of advertising is not fixed, it may become less or more, so it is difficult to estimate the revenue that an advertisement can bring.

The significance of the research lies in analyzing the impact of different types of online advertising on consumers, so that advertisers can formulate more effective and targeted advertising and marketing strategies, maximize the positive effect of advertising, and create economic value.

To consumers, my research could tell them which type of the advertising is the most can be believed, and also the positives and the negatives of these three types of advertising to help to prevent from the advertisement's information is false, so that consumers are not deceived.

For consumers, the significance of the research lies in the analysis of the credibility of advertising, which is conducive to consumers to make better consumption decisions and also help to prevent from the advertisement's information failure, so that consumers will not be deceived.

To society and the economy, the meaning of my research is to tell the position of advertising in the economy and market, how advertisements are important.

There are some suggestions for further work. Further case studies can be made, for example, by doing more detailed data monitoring and case study to find out which advertising is most influential in a certain business marketing model. Also, obtain relevant first-hand data in the form of questionnaires and analyze them to understand the degree of consumer preference for different types of advertising. At the same time, future work can also determine which kind of advertising is the most profitable for the company and the advertising company through the revenue data of different companies.

References

- [1] MasterClass (2022) *14 Types of Advertising: Effective Methods of Advertising*. Available at: <https://www.masterclass.com/articles/types-of-advertising> (Accessed: 3 March 2023).
- [2] Vakratsas, D. and Ambler, T. (1999) 'How Advertising Works: What Do We Really Know?', *Journal of Marketing*, 63(1), pp. 26-43. doi: 10.2307/1251999.
- [3] Scott, W. D. (1904) *The Psychology of Advertising*. Available at: <https://www.theatlantic.com/magazine/archive/1904/01/the-psychology-of-advertising/303465/> (Accessed: 19 January 2023).
- [4] Maryville University (no date) *Types of Advertising*. Available at: <https://online.maryville.edu/blog/types-of-advertising> (Accessed: 3 March 2023).
- [5] Astre, K. (2022) *Advertising effectiveness: everything you need to know*. Available at: <https://blog.gwi.com/marketing/advertising-effectiveness/> (Accessed: 20 January 2023).
- [6] Reinartz, W. J., and Saffert, P. (2013) 'Creativity in Advertising: When It Works and When It Doesn't', *Harvard Business Review*, June 2013. Available at: <https://hbr.org/2013/06/creativity-in-advertising-when-it-works-and-when-it-doesnt> (Accessed: 19 January 2023).
- [7] Kukulka, M. (2022) *The Future of Advertising – The biggest changes coming to online marketing in 2022*. Available at: <https://newprogrammatic.com/blog/future-of-advertising/> (Accessed: 6 March 2023).
- [8] Statista Research Department (2023) *Digital advertising formats in the U.S. - statistics & facts*. Available at: <https://www.statista.com/topics/1228/online-advertising-formats/#topicOverview> (Accessed: 19 March 2023).
- [9] Blake, T., Nosko, C., and Tadelis, S. (2014). *Consumer Heterogeneity and Paid Search Effectiveness: A Large Scale Field Experiment*. NBER Working Paper No. 20171. doi: 10.3386/w20171.
- [10] Hennig-Thurau, T., Malhotra, E. C., Frieger, C., Gensler, S., Lobschat, L., Rangaswamy, A., and Skiera, B. (2010) 'The impact of new media on customer relationships', *Journal of Service Research*, 13(3), pp. 311-330. doi: 10.1177/1094670510375460.
- [11] Huang, J., Su, S., Zhou, L., and Liu, X. (2013) 'Attitude toward the viral ad: Expanding traditional advertising models to interactive advertising', *Journal of Interactive Marketing*, 27(1), pp. 36-46. doi: 10.1016/j.intmar.2012.06.001.
- [12] Zhang, H., Cao, X., Ho, J. K. L., and Chow, T. W. S. (2017). Object-Level Video Advertising: An Optimization Framework. *IEEE Transactions on Industrial Informatics*, 13(2), 520–531. doi:10.1109/tii.2016.2605629.
- [13] Statista (2023) *Video advertising and marketing worldwide - statistics & facts* Available at: <https://www.statista.com/topics/5960/digital-video-advertising/#topicOverview> (Accessed: 22 Jun 2023).
- [14] Klood, L. (2022) *The Complete Guide to Online Video Advertising*. Available at: <https://www.outbrain.com/blog/online-video-advertising-guide/> (Accessed: 20 March 2023).
- [15] Brookins, M. (2019) *Disadvantages of Online Advertising Options*. available at: <https://smallbusiness.chron.com/disadvantages-online-advertising-options-10212.html> (Accessed: 20 March 2023).
- [16] Stokes, R. (2012) *eMarketing - The Essential Guide to Online Marketing*. Available at: https://saylordotorg.github.io/text_emarketing-the-essential-guide-to-online-marketing/ (Downloaded: 20 March 2023).
- [17] Webnode Blog (2020) *Online Advertising Advantages and Disadvantages* available at: <https://www.webnode.com/blog/pros-and-cons-of-online-advertising/> (Accessed: 8 Jun 2023).
- [18] Martin, D. (2022) *7 Benefits of Online Advertising*. available at: <https://linkdoctor.io/benefits-of-online-advertising/> (Accessed: 20 March 2023).
- [19] Notermans, M. (2022) *8 Reasons Why You Should Use Online Advertising in 2023*. available at: <https://www.thinkorion.com/blog/why-you-should-use-online-advertising> (Accessed: 20 March 2023).
- [20] The Chicago School (2020) *Understanding the Psychology of Advertising*. Available at: <https://www.thechicagoschool.edu/insight/psychology/understanding-the-psychology-of-advertising/> (Accessed: 3 March 2023).
- [21] University of Southern California (no date) *Thinking vs Feeling: The Psychology of Advertising*. Available at: <https://appliedpsychologydegree.usc.edu/blog/thinking-vs-feeling-the-psychology-of-advertising/> (Accessed: 20 March 2023).
- [22] Kirmani, A. (2009) *Online Advertising: Factors That Influence Customer Experience*. Available at: <https://www.uxmatters.com/mt/archives/2009/08/online-advertising-factors-that-influence-customer-experience.php> (Accessed: 20 March 2023).
- [23] Hall, J. (2022) *How To Measure The Success Of Your Marketing Campaigns* at: <https://www.forbes.com/sites/johnhall/2022/12/25/how-to-measure-the-success-of-your-marketing-campaigns/?sh=69122ddf6c44> (Accessed: 22 Jun 2023).
- [24] Mialki, S. (no date) *Paid Search Ads 101: Everything You Should Know* At: <https://instapage.com/blog/paid-search-ads> (Accessed: 14 July 2023).
- [25] Kemper, G. (2018) *Search Engine Marketing: Why People Click on Paid Search Ads* at: <https://clutch.co/seo-firms/resources/search-engine-marketing-why-people-click-paid-search-ads#:~:text=Our%20Findings%201%20More%20than%20three-fourths%20of%20people,it%20directly%20answers%20their%20search%20query.%20More%20items> (Accessed: 22 Jun 2023).
- [26] Heitman, S. (2021) *What Is Paid Search Advertising & Why Use It?* At: <https://localiq.com/blog/what-is-paid-search/#:~:text=Your%20paid%20search%20ads%20show%20to%20users%20who,intent%2C%20paid%20search%20ads%20get%2065%25%20of%20clicks.> (Accessed: 22 Jun 2023).
- [27] Push-Pull (2022) *65+ Pay-per-Click Statistics That May Sway Your Advertising Strategy*. At: <https://pushpullagency.com/blog/65-pay-per-click-statistics-that-may-sway-your-advertising-strategy/> (Accessed: 26 Oct 2023).
- [28] Hoffner, C., Buchanan, M. (2005) *Young Adults' Wishful Identification With Television Characters: The Role of Perceived Similarity and Character Attributes*, *Media Psychology*, 7:4, 325-351, DOI: 10.1207/S1532785XMEP0704_2.
- [29] Sternthal B., Phillips LW., Dholakia R. The persuasive effect of source credibility: a situational analysis. *Public Opin Q*, 42(3), pp. 285-314. doi: 10.1086/268454.
- [30] Schouten, A. P., Janssen, L. and Verspaget, M. (2020) 'Celebrity vs. Influencer endorsements in advertising: the role of identification, credibility, and Product-Endorser fit', *International Journal of Advertising*, 39(2), pp. 258-281. DOI: 10.1080/02650487.2019.1634898.

- [31] Ertemel, A. V., and Ammoura, A. (2019) The Role of Social Media Advertising in Consumer Buying Behavior. *International Journal of Commerce and Finance*, Vol. 2, Issue 1, 2016, 81-89, Available at SSRN: <https://ssrn.com/abstract=3350965>.
- [32] Dodgson, L. (2021) Relationships between influencers and their fans are inherently problematic, experts say. Available at: <https://www.insider.com/james-charles-relationship-fan-between-influencers-stark-power-dynamic-2021-3> (Accessed: 4 October 2023).
- [33] Horner, H. (2018) *The Psychology of Video: Why Video Makes People More Likely to Buy*. Available at: <https://sproutvideo.com/blog/psychology-why-video-makes-people-more-likely-buy.html> (Accessed: 4 October 2023).
- [34] More, T. (2017) *THE PSYCHOLOGY OF VIDEO ADVERTISING*. Available at: <https://adage.com/article/digitalnext/psychology-video-advertising/308160> (Accessed: 4 October 2023).
- [35] Teixeira, T. S. (2015) When People Pay Attention to Video Ads and Why. Available at: <https://hbr.org/2015/10/when-people-pay-attention-to-video-ads-and-why> (Accessed: 4 October 2023).
- [36] McCormick, K. (2023) *2021 Paid Search Advertising Benchmarks for Every Industry*. Available at: <https://www.wordstream.com/blog/ws/2021/10/13/search-advertising-benchmarks> (Accessed: 4 October 2023).
- [37] Geyser, W. (2023) *The Ultimate Guide to Short-Form Video Content*. Available at: <https://influencermarketinghub.com/short-form-video-content/#toc-1> (Accessed: 4 October 2023).
- [38] ZhiTong Finance (2021) *In 2020, the size of China's online advertising market reached 766.6 billion yuan, with a compound growth rate of 17% in the next three years*. Available at: <https://www.zhitongcaijing.com/content/detail/580786.html> (Accessed: 4 October 2023).
- [39] iResearch (2021) *2021 China Online Advertising Annual Insight Report - Industry*. Available at: <https://www.iresearch.com.cn/Detail/report?id=3844&isfree=0> (Accessed: 4 October 2023).
- [40] Lihua, R., Hao, P. (2013) 'Study on Influencing Factors about the Effect of Network Advertisement', The 8th (2013) China Management Annual Conference - Proceedings of Marketing Session, pp. 92-99.