The Impact of Online Advertising on Generation Y's Purchase Decision in Malaysia

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Abstract: Advertising is commonly used to foster sales and reputation of an institution. It is at first the growth of print advertising that has increased the population and number of periodicals of newspaper and its circulation. The rise of Internet and online media has somehow blurred the role of media and advertising though the intention is still to reach out to audience and to increase sales. The relationship between advertising and audience on a product purchase through persuasion has been developing from print media to online media. From the changing media environment and audience, it is the concern of this research to study the impact of online advertising to such a relationship cycle. The content of online advertisements is much of text, multimedia, photo, audio and video. The messages of such content format may indeed bring impacts to its audience and its credibility. This study is therefore reflecting the effectiveness of online advertisement and its influences on generation Y in their purchasing behavior. This study uses Media Dependency Theory to analyze the relationship between the impact of online advertisement and media usage pattern of generation Y. Hierarchy of Effectiveness Model is used as a marketing communication model to study the effectiveness of advertising and further to determine the impact of online advertisement on generation Y in their purchasing decision making. This research uses online survey to reach out the sample of generation Y. The results have shown that online advertisements do not affect much on purchase decision making even though generation Y relies much on the media content including online advertisement for its information and believing in its credibility. There are few other external factors that may interrupt the effectiveness of online advertising. The very obvious influence of purchasing behavior is actually derived from the peers.

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