

Web as New Advertising Media among the Net Generation:

A Study on University Students in Malaysia

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Globalization drives a number of opportunities for small to medium sized enterprises. Just as the opportunities are great, too are the risks involved if firms fail to take into account the pitfalls and hazards that are associated with e-business practices today. The purpose of this study is to provide a comprehensive overview of the perspective of NetGeneration towards internet advertising, and the ways internet be used as a platform to improve the marketing efforts amongst the NetGeneration.

Field of Research: Marketing Analytics, E-Marketing, Entrepreneurship

1. Introduction

E-businesses have reached the point where they are attempting to move beyond the traditional view of their customers to engage in more robust and profitable customer relationships (Ragins, Johnson and Greco, 2003). Indeed, across the board, an increasing number of small and medium-sized enterprises (SMEs) are adopting Internet based business solutions to improve their performance and profitability (Johnston, Wade and McClean, 2007).

2. Literature Review

2.1. The Growth of Internet in Malaysia

The Malaysia Institute of Microelectronic System (MIMOS) was the first who initiates and introduce the Internet in Malaysia, which was a government granted project. The first Internet Service Provider (ISP) – Joint Advanced Research Networking (JARING) was set up by MIMOS in year 1992. In order to cater to the needs of a rapidly growing user base,.

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Telekom Malaysia Berhad introduced the second ISP – TMNet in year 1996. According to a report by Malaysian Communication and Multimedia Commission, the rate of internet user's growth in Malaysia has been increasing rapidly from 3.5million users in the early year of 2000 to 14.7million users in 2008, at a rate of 10.3% rise per annum

The statistics report from the Commission also indicated that every household has about 2.51 average Internet users. Even though there are many internet service providers in Malaysia the usage of internet amongst the Malaysian population has been increasing on the whole. Malaysia is ranked 25th in the world in terms of percentage of population using the Internet and ranked 7th in Asia with more than 50% which means a total of 16 million out of 26.7 million population as reported by International Telecommunication Union in 2009.

2.2. Advertising on the Internet : Perspective of Net Generation

Richards and Curran (2002) attempted to define advertising as paid and mediated form of communication from an identifiable source, intended to persuade the receiver to take some action now or in the future. The logical explanation that would define Internet advertising as any form of communication that meets the definition of advertising and can be found on the Internet that tends to be multifaceted phenomenon. Internet is one of the most therapeutic of all mass media developed until today. Advertising being the spine of marketing has evolved into the next level by combining together with internet. Interactivity is a Two-dimensional approach, being the sole of the internet advertising. The approaches being attitudinal and behavioral approach, attitudinal is where the advertizing in the internet makes an impact in the user's perception in a long-term approach and behavioral is a cross functional approach where the advertising makes an instant impact at the moment the user encounters an advertisement. Net Generation has the influence to transform the ways goods and services are sold and purchased, they are enormously powerful segment of consumers. Net generation as the name states; go online to dissect a product in terms of its price and its features before actually buying the product.

2.3. Why internet Advertising?

Referring to the Commission there are twelve good reasons for advertisers to allocate their media budget for advertising on the Internet. The reasons are; to create a 24-hours on demand service and sales force, to establish a global presence, to open international markets, to supplement existing marketing materials, to make pictures, sound and video files available, to sell things, to allow feedback from customers, to network, to make changing information available quickly, to make

business information available, to reach a highly desirable demographic market, and to gather market intelligence.

3. Methodology

The primary objective of the study is to investigate the Net generation's perspective of advertising and the ways it can be manipulated to obtain successful marketing based on the interest from the NetGeneration. In addition, to identify the ways internet can make a healthier advertising environment to influence the business via the click internet advertising. The secondary objective of the study is to investigate the characteristics of the NetGeneration in the internet and to conduct a descriptive study on the internet as a platform towards various advertising media.

The study of the adoption level will refer to the Innovation Adoption Process model i.e. awareness, interest, evaluation, trial and adoption focusing on Net Generation in Malaysia. So, why Net Generation? This generation i.e. those who born between the year 1977 – 1997, is a generation who were born and grew up in a digital world (Tapscott, 1998) and soon they will be concurring the workplace, and grow up to be the big spenders of the near future. Their demographics strength itself is also enough to justify its importance to advertisers. In Malaysia, the Net Generation is made up of 56.9% of total Malaysian population.

A total 250 questionnaires was distributed to the student population in the private universities in Malaysia, the student population was the major focus of the research because the student population coincides with the Net generation, out of which there 246 valid student responses were obtained from the target population for the research analysis. The questionnaire designed for the Net-generation advertising study is a close-ended questionnaire, with 16 primary questions with 28 sub divided questions to measure the advertising amongst the Net Generation. The questionnaire is divided into 4 sections with each section designed to measure the variables and factors involved in the research. Being a close-ended questionnaire, a 5-point Likert scale as '1' = Strongly Disagree to '5' = Strongly Agree is used to measure the questionnaire.

Sample is selected based on convenience sampling method. This method is chosen because the people that researchers need and fits in the profile of the target respondents are easily available within the study environment of the researchers. The researchers' main reason of using survey is because of its ability to investigate the research problem in realistic settings. The respondents' view on the Internet, media habits, and Internet behavior patterns, and adoption level can be examined directly to whom it is happening, i.e. the NetGeneration. It is also found that, using this method, large amount of data regarding the research problem was

collected with relative ease from the respondents. The hypotheses for the research include the testing of the following(1) Net generation influenced by the internet has a positive effect on click internet advertising,(2) Internet involvement has a significant influence on the ways advertising be structured in the future,(3) Internet as the platform for NetGeneration increases advertising habits. These hypotheses would be tested corresponding to the data gathered for the study.

4. Findings

For the constructs that this study focused on, it is necessary to measure internal reliability of each construct with its different number of items. To test the internal reliability, the constructs portraying the Net Generation and the internet advertising was taken for the reliability analysis. As shown in Table 1.0, it is necessary to measure the Reliability of the constructs. For constructs more than 0.7 is highly reliable for the study.

Table 1.0: Reliability Analysis for constructs portraying NetGeneration

Constructs	Cronbach Alpha	Number of Items
Perception of internet	0.717	6
Awareness of internet	0.704	5
Internet of the future	0.715	4
Advertising in the internet	0.751	2

Nowadays, many studies point out that the number of consumers clicking on the Web is on the higher end. However, those studies accept the fact that there are gaps between corporate experiences and web. As Korganonkart, Pardeep and Wolin (1999) established one danger posed with Internet advertising are the unethical web publishers who employ a person to sit back and click on a particular ad banner while creating a false impression of impressive click-through rate. Hence, in order to find out the real potential of Internet as an advertising media, the researchers focused on exploring the adoption of internet as new advertising media in the new millennium, and whether the media habits and internet behaviors of the Net Generation make them click on Internet advertising.

Table 2.0: Demographics of the study

Variable	Mean	Std Deviation	Parameters	Respondent	
				Frequency	Percent (%)
Gender	1.44	0.498	male	137	55.7
			female	109	44.3
			Total	246	100
Age	1.65	0.755	Below 25yrs	122	49.6

			26 to 30yrs old	91	37.0
			31 to 40yrs old	30	12.2
			41 to 50 yrs	2	.8
			Above 51yrs	1	.4
			Total	246	100
Internet Users	3.54	0.748	Less than 6months	2	.8
			7 – 11 month	26	10.6
			1 – 3 yrs	62	25.2
			4 – 6 yrs	150	61.0
			More than 6 yrs	6	2.4
			Total	246	100
Hours of Usage	3.50	0.685	Less than 1 hour	2	.8
			1 – 2 hrs	15	6.1
			3 – 4 hrs	82	33.3
			5 – 6 hrs	141	57.3
			Greater than 6 hrs	6	2.4
			Total	246	100

Table 2.0 indicates the main focus on the NetGeneration (i.e.) the demographics with 49% of the respondents are below 25yrs of age. Moreover, 61% of the users have been involved with the internet for about 4 – 6 yrs and 57% of the student respondents use the internet for 5 to 6hours per day. The EFA being used to establish the number of factors comprise in the original 54 NetGeneration items and to recognize items that were reduced factor indicators, an exploratory factor analysis (EFA). With the EFA 5 to 9-factor solution were determined to derive the optimal number of factors as well as to remove the items that were not very well correlated with one another in the factors. The factors loadings (>0.30) or that loaded on more than one factor. At the end of EFA there were a total of 4 constructs that was used in this study.

The relationship between the users Experience and Knowledge of the internet

The chi square test conducted on the respondent's years of usage and the features of advertising on the internet was tested in the analysis and the result indicated that the Pearson chi square test is significant at the 1%level; this indicates the strong persisting relationship between the constructs.

Table 3.0. Pearson Chi Square Test for Internet knowledge and NetGeneration

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	59.414 ^a	16	.000
Likelihood Ratio	21.407	16	.163
Linear-by-Linear Association	.670	1	.413
N of Valid Cases	246		

a. 18 cells (72.0%) have expected count less than 5. The minimum expected count is .03.

The results shows that higher the years of internet usage higher the respondents awareness of the features and structure of advertising surrounding the web advertising in Malaysia at 69.7%.

The respondent's knowledge of the internet and the advertisement behavior

One-way ANOVA test conducted between the respondents awareness of the internet and the preference to use internet advertising, the findings indicated that there is a significant relationship between the variables with Sig = 0.000(f = 2.683) indicates that the students with awareness of the internet are more likely they are willing to look through the internet advertising. Based on students' perception in Table 3.0, the NetGeneration is the most prominent users of the internet and internet awareness shows the strong positive relationship between NetGeneration and Internet Advertising.

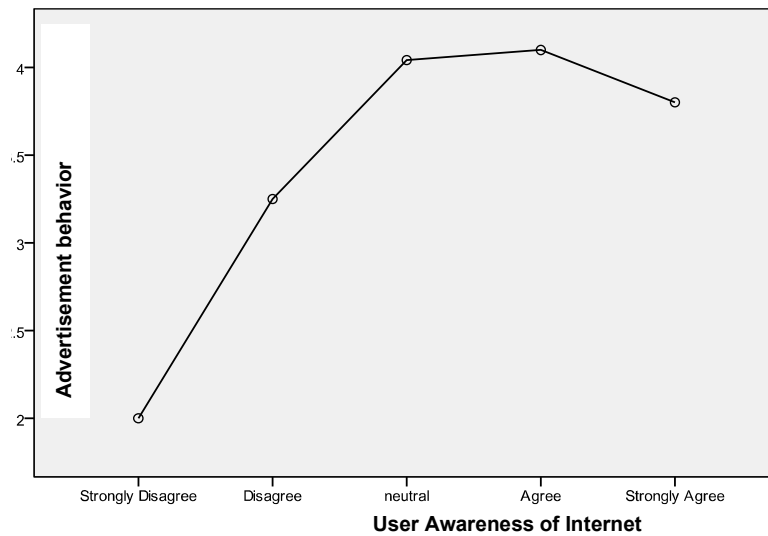
Table 4.0: ANOVAs Test for users awareness and the internet advertising

Dependent Variable: Clicking the advertising on the internet

Source	Type III Sum of Squares	df	Mean Square	F	Sig.
Corrected Model	26.946 ^a	4	6.736	2.683	.032
Intercept	548.491	1	548.491	218.476	.000
Net_Aware(Q13)	26.946	4	6.736	2.683	.032
Error	605.038	241	2.511		
Total	4552.000	246			
Corrected Total	631.984	245			

a. R Squared = .043 (Adjusted R Squared = .027)

Figure 4.1: User kowlegde and advertising behaviour



Based on Table 4.0, the student's awareness of the features of the internet derived based on advertising links, navigational capability, email usage and accessing proportions of the users, which was then summarized for the analysis.

The Relationship between NetGeneration and the future of the advertising in the Internet

Regression analysis is used to test the relationship between the NetGeneration and the internet future advertising. The findings show both constructs (Age of NetGeneration and Perception of the internet) determinant received a "beta" coefficient response of 0.574 and 0.108 and it had a t-score of 11.050 for perception and 2.083 for NetGeneration. As it regarded significance, findings revealed that a strong positive relationship does exist between age of NetGeneration and perception of the internet.

Table 5.0: Regression Test for NetGeneration and Internet Perception

Parameter	Age of NetGeneration(construct 1)	Perception of the Internet(construct 2)
R	.588	.588
R Square	.346	.346
B	.541	.104
Beta	.574	.108
t	11.055	2.083
Sig	0.000	0.000

F test shows that the overall regression is significant. R^2 of 34.60% shows a strong relationship. In addition, the Sig value of .000 shows that,

perception has a positive (+.541) significant influence (SIG =0.000) on rating of stand point of the internet in the future.

5. Implications and Conclusion

The study obtained interesting findings and making the NetGeneration as the parallel link to the internet the more they got involved the more internet advertising can be an evolving factor. The findings and analysis indicate the NetGeneration has a parallel link to internet, as more they become involved with the internet the more their life gets structured around it. Advertising being an evolving business over the internet has been a prominent part of the NetGeneration, who have the web as one of the module for their life, according to our research more than 50% of the net generation respondents come across advertising and out of which more than half them have clicked through and understand the features of advertising. It is nearly intuitive theory to believe that NetGeneration will want to use technology heavily in their day to day working environment and they certainly do in their personal lives.

Net Generation has been using technology for socializing and networking. In their personal lives, buddy lists, virtual communities, and social networks when we poll users about what they actually do with their computers, some form of social interaction always tops the list—conversation, collaboration, playing games, and so on. With that as the focus, the advertising can be carried out with all of these networking in the web where the advertising takes place virtually and in terms of networking increasing the advertising speed. Designing the advertisement on the web based on the NetGeneration emotions would certainly have a twin focus in marketing the business, they emotionally open and use the Internet as a social technology to make known their outlook, to express their views, to meet new people, and to familiarize different cultures. This can be used as an outline to capture the NetGeneration's emotion to work with the advertising to improve the business via the web advertising.

Overall, advertising on the web has been a prominent part of the internet with the rising NetGeneration structuring their life around the web. The fact remain that they do not reflect in terms of technology but they believe in terms of what technological activity enable, which is advertising. NetGeneration perceive the Internet as being an access tool, as means for sharing of resources rather than a resource with limitations and advertising as the entity that provides the guidelines for the resources to be published in the internet, making the whole of advertising, web and NetGeneration as interdependent entity for each other's successful evolvement.

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