ICIMTR 2013

International Conference on Innovation, Management and Technology Research, Malaysia, 22 – 23 September, 2013

The Impact of online Advertising on Proton Sales among expatriates in Malaysia

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Abstract

Advertising is one of the marketing strategies to promote products to consumers. Many online advertising are available offering interesting advertising packages. Media plays a significant role in displaying the positive and negative features of products to the audience. The emergence of new technologies and the demand from audience result in to producing local media in international level. This paper focuses on the impact of the different online advertising on proton sales. Also other researches in the effects of online advertising on people will be studied. The key objective of this study is to explore which kind of online advertising is more effective on proton sales. Data which is used in this research is primary data. Data were collected by distributing questioner among forty foreigners in Malaysia whom having proton cars. Dataset includes all type of online advertising as a short-term investment in Proton Company. The result of the research shows that customers’ are more influenced by proton website followed by social media advertising, search engine advertising and email advertising. The findings suggested some significant of implications which will help advertisers to create better local advertisements and provides some solutions to prevent our values and cultures from being undermined by foreign media programs.

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Keywords: online advertising; local media; social media advertising; search engine advertising; email advertising; proton website; proton sales

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1. Introduction

1.1. Background

Lindstädt and Budzinski (2012) identified that regional markets offer a logistical advantage of proximity, as well as a familiarity of the range of products that Oregon produces. Moving into national markets offers larger population centers and the efficiencies related to the economies of scale. Advertising has always impact on human’s culture (Walker, 2009). Nowadays, world finally achieve the Communication enhancement. Clow and Baak (2007) stated that advertisements can be placed in any type of media; printed, electronic or web. With Internet, demolition of customary mass media (TV, radio and newspapers) didn’t happen, as some specialist thought it would. Web and digital media has more opportunity to grow and more visitors than traditional ones (Miller, 2012). Hazel (2006) mentioned that Proton had spent huge amount on R&D projects and activities to increase their selling ratios. Also he mentioned that Proton made decision to doubling its total sales volume in 2010.

Proton needed to reach previous popularity among Malaysian people to encourage them to purchase from national market instead of buying from global market. Advertising on proton cars has some noticeable problems. The most important problem is that it is not obvious which kind of online advertising is effecting on which kind of proton cars. On the other hand, it’s very important for proton to know which kind of online advertising is inefficient way of advertising about proton. The main objective of this research is to investigate that if the online advertising is significantly impacting on proton sales.

Usually advertising is so expensive. For Some companies advertising is a kind of investment and for others is a kind of expense. Proton is trying to reduce advertising budget. Recently proton don’t have good popularity between Malaysian people and proton is trying to make better decision to improve quality and services, perhaps creative online advertising can attract more customer to buy proton’s cars. This research would be helpful for Proton Company to find out which kind of online advertising is most effective on proton sales. There is not any paper about this title and this is an advantage of this paper. As advertising budget is so limited and cannot support all kind of online advertising, if proton knows which one is most effective on which type of products, then they can invest on that type to reach better results.

2. Literature review

2.1. Effect of media advertising on business

Terui, Ban and Allen (2009) found that commercials can be sited on a selection of media. Television, radio, magazines and newspapers conquered the advertising globe all over the 20th century; however the Internet has continued to attain status between advertisers since its main fast growth in the 1990s. According to Vandic, Nibbering and Frasincar (2013) the most effective marketing approach is one that uses social media and traditional marketing in series. Business owners have shaped out that social media marketing has a very helpful effect on the attainment of business and this is a method that takes small amount of capital to attain an excellent result. Frost (2011) stated that online advertising is effective on businesses. Companies apply advertising to attain dissimilar goals and objectives. Stelzner (2011) claimed that the effect of online advertising on businesses is commonly persistent. On the other hand, companies can only reach positive effects by arranging their advertisements budgets wisely.
2.2. Proton sales

Lim (2012) stated that Malaysia is the biggest automobile customer market in South-East Asia. The main objective of the automotive industry promotion in Malaysia is constituted the restriction of imports, reducing expenses in foreign exchange, the creation of employment and the development of the industrial sector. Barroso and Liobet (2011) suggested that in auto manufacturer companies although the effect of advertising is positive, this effect is negative in the first three years of the creation in the market, since originally a car model is greatly advertised but sales need to grow over time. Also they found that approximately 50% of the effect of advertising on sales can be recognized to this active factor. Erben and Celik (2011) found that in automobile advertisements, when the meaning and association of brand are estimated, it was recognized that some features like security, superiority, knowledge and innovativeness have important role. Hazel (2006) mentioned that Malaysia government used high tariff to protect its domestic automakers to control the majority of the local market. Recently the tax deductions and cash rebates for the individuals on purchasing first new national cars are no longer in practice; it shows that the impact of the local demand on national car has been declined. Also, Hazel (2006) stated that Managers should pay attention to the quality of product as goods or services and implement the high service performance to value customers.

2.3. Proton International sales

Andrey (2008) found that Malaysia’s cars are currently exported to over 50 countries in Europe, Asia and South America including Australia, Turkey, Russia, India, Laos, Egypt and Argentina. Hazel (2006) said that proton exports presentation had significant improvement. Proton have new plans to improve company and hopes to sell about 4,000 units a month and it will be selling for both local and foreign markets, such as exporting to countries like Indonesia, Thailand, China, Iran and Australia which are already in progress. However, it will not be easy for Proton to compete both at home and in the global market because of the unreasonable competition with powerful global companies such as Toyota, Nissan, Honda and many other more (Lim, 2012).

2.4. Online advertising

Miller (2012) presented some of the implications that online advertising is a best way because it has different types with different technologies and recently has enhanced a lot and people are encouraged using network more than before. Creativity can make a huge difference. According to Gibs (2010), buying social media is different than buying standard online media. It’s critical that people understand advertising not just in terms of paid media, but also in terms of how earned media and social support contribute to campaigns. Calvert (2008) found that the trend toward increased online advertising makes family more susceptible to marketing. According to Lindstädt and Budzinski (2012) a lot of firms have extended their marketing expenses to online advertising. On the other hand, online advertising compare to other kinds of media advertising, aim a selection of advantages for advertising firms. Berman, Battino, Shipnuck and Neus (2011) found that recently companies prefer to purchase online advertising due to online advertising has some advantages such as better stock management, enhanced pricing clearness, efficient buying/selling procedures, and better analysis and coverage qualifications. According to Pham, Connolly, Cotter and Dmitrieva (2007) online advertising can be fairly cheap to upload and has exclusive global medium with prospective for very broad reach. According to Idris (2007) in online advertising information can distribute in a great quantity to customers at a low cost. Sissors and Baron (2010) suggested that online advertising can be effective for high cost products such as automobiles, travel services, electronic systems and monetary services.
Stuart (2008) found that online media categories include portals, content, search engines, social media, video, blogs, email and newsletters, ecommerce, RSS, ad networks. Types of online advertising are the network and different options. Creativity is the most important factor to achieve success. Ratliff and Rubinfeld (2010) found that Google began its AdWords service which placed advertisements on search-results pages on google.com. According to Bajpai, Pandey and Shriwas (2012) online advertising has different types. One of the most popular ways for online advertising is using social network which means that consumers and shareholders are partaker more than audiences. Babu, Kumar, Sriram and Sivanath (2010) analyzed that advertising on social networks is moderately inexpensive compared to other Traditional media; generally it has a lower cost. And advertisers have access to a lot of information about users and their interests, allowing them to modify and goal their advertisements to a level not yet seen in any other advertising medium. Mcpheat (2011) suggested that one of the great ways to make advantage in online advertising is using social media as a selling tool. Four significant explanations to apply social media are including communication, education, collaboration and entertainment. Babu, Kumar, Sriram and Sivanath (2010) stated that people are spending amounts of time online, especially on social networking websites, at the expense of traditional advertising media such as television and newspapers. But advertisers must spend much more creativity to access a good level of satisfaction. According to Sissors and Baron (2010) online advertisers have to know consumer manners in social networks where consumers post their suggestions.

Mcpheat (2011) suggested that the internet is not a good place to print documents on a websites to show viewers. According to Consterdine (2005) online advertising has emerged and take print advertising popularity. Advertisers are trying to use email advertising to send their messages to their specific customers. Email advertising is one of the most popular kinds of online advertising. However, most of internet users know email advertising as a spam and don’t like to waste their time on it.

3. Methodology

This paper will explore the relationship between different online advertising and selling ratios with in proton company context. The key objective of this study is to find which kind of online advertising is more significantly related with proton sales. According to literature review, it’s obvious there are several types of online advertising which effect on consumer behaviour. Due to that, the following hypotheses have been developed:

- H1: online advertising has an impact on proton sales.
- H1a: proton website has an impact on proton sales.
- H1b: social media advertising has an impact on proton sales.
- H1c: search engine advertising has an impact on proton sales.
- H1d: email advertising has an impact on proton sales.

After this, to examine these hypotheses, this research adopts a fully survey questionnaire and quantitative approach. The study depends on non-probability sample. According to the research objective, the study needed to obtain information from specific target group of people who can present the desire information within short time, thus, and the best type of sample fits this study is the purposive sampling approach. Sample of this paper combines forty expatriates whom are living in Malaysia and having proton cars. The research scope combines three condominiums: Aman Height, East Lake and Cahaya Permai.
4. Findings

4.1 Reliability

At the first stage the reliability was investigated through Cronbach’s Alpha technique, analysis for the PS, OA, PW, SA, SE and EA was carried out respectively. The results of Cronbach's Alpha for all variables respectively are: 0.759, 0.699, 0.827, 0.745, 0.738 and 0.717. The results are normally within acceptable limit for social studies (Skewed, 2012).

A simple regression analysis revealed an affects at all variables between independent variables (OA, PW, SA, SE and EA) and Dependent Variable proton sales. The overall effects between the variables was R Square= 0.550, which mean just 55% of dependent variable explained by independent ones. The figure number and caption should be typed below the illustration and left justified.

Table 1. Regression Model

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.552a</td>
<td>.550</td>
<td>.203</td>
<td>.55695</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), EAM, SAM, SEM, PWM, OAM

4.2 Testing hypothesis

H1: online advertising has an impact on proton sales.
The first hypothesis Provides of the absence of influence and this value of (t) is significant statistically at significance level of (676%), which is a function of the confidence level of (324%) thus less than the confidence level adopted in this study which is (95%), the researcher decides to accept the null hypothesis and reject the alternate.

H1a: proton website has an impact on proton sales.
The second hypothesis Provides of the absence of influence and this value of (t) is significant statistically at significance level of (1%), which is a function of the confidence level of (999%) thus more than the confidence level adopted in this study which is (95%), the researcher decides to reject the null hypothesis and accept the alternate.

H1b: social media advertising has an impact on proton sales.
The third hypothesis Provides of the absence of influence and this value of (t) is significant statistically at significance level of (29%), which is a function of the confidence level of (971%) thus more than the confidence level adopted in this study which is (95%), the researcher decides to reject the null hypothesis and accept the alternate.

H1c: search engine advertising has an impact on proton sales.
The fourth hypothesis Provides of the absence of influence and this value of (t) is significant statistically at significance level of (886%), which is a function of the confidence level of (114%) thus less than the confidence level adopted in this study which is (95%), the researcher decides to accept the null hypothesis and reject the alternate.
H$_{10}$: email advertising has an impact on proton sales.

The last hypothesis provides the absence of influence and this value of (t) is significant statistically at significance level of (180%), which is a function of the confidence level of (82%) thus less than the confidence level adopted in this study which is (95%), the researcher decides to accept the null hypothesis and reject the alternate.

Table 2. T value

<table>
<thead>
<tr>
<th>Variables</th>
<th>Beta</th>
<th>T</th>
<th>sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td>4.33</td>
<td>.000</td>
</tr>
<tr>
<td>OAM</td>
<td>-.070</td>
<td>-.421</td>
<td>.676</td>
</tr>
<tr>
<td>PWM</td>
<td>.582</td>
<td>3.503</td>
<td>.001</td>
</tr>
<tr>
<td>SAM</td>
<td>-.401</td>
<td>-</td>
<td>.029</td>
</tr>
<tr>
<td>SEM</td>
<td>-.023</td>
<td>-.145</td>
<td>.886</td>
</tr>
<tr>
<td>EAM</td>
<td>-.212</td>
<td>-</td>
<td>.180</td>
</tr>
</tbody>
</table>

Dependent Variable: PSM. At 95% confidence level.

5. Research recommendations and limitations

Recommendations stemming from this research study involve replication of the study and continuous research about online advertising. A magnitude of ideas for further investigation more particular variables to study might arise through qualitative analysis, such as focus group discussions and interviews with more expatriates in more different part of Malaysia. Additional demographic characteristics and their respective impact on expatriates may be investigated and incorporated in future research. Future research in the interaction of personality traits, qualifications, lifestyle and knowledge is needed to address the literature gap in the area of applying online advertising.

As a limitation of study, 40 distributed questionnaire not enough to investigate the impact of variables in such study, also response rate must be improved more than 70% to the same reason, in addition operate another statistics modules such as Robert module instead of Rs. Replication of this study includes a much larger sample size and different methodology might be recommended for this process. Replicating the sample population might show to be advantageous principally since the representation sample was completely focused on one small geographical part. Piloting this study to include an international sample might provide further insights into the generalizability of the results. On the other hand, social network and proton website have significant impact on proton sales. So future study concentrate more about these two variables to find creative ideas which may improve proton sells.

6. Conclusion

In spite of the limitations and propositions for future research, this research study addressed some significant considerations. The first one is finding for understanding how online advertising impact on proton sales. Particularly, how to evaluate the impact of online advertising on proton sells. Also facilitate future research to forecast for other factors might affect proton sells intention towards online advertising. There were significant strong points to this research study. Despite the scales and measurements tools used were proficient and effectual but have to develop. The support of security of condominium by
introduce the selected sample was an additional positive factor that helped in the response rate. Last of all, the present research has been conducted in three different condominiums, rather than focusing on one specific condominium. Still, with suitable adaptation in the research design and methodology, the replication of this research with dissimilar populations and variables seems simply achievable and suitable.

Based on the findings of this research, there are some key points that can be used to finish this paper. i) Foreigners in Malaysia are not fully aware of proton online advertisements and might survey items regard to online advertising (OA) aren’t reflect what it should be. ii) Proton website (PW) is one of the most factors has an influence on proton sales. iii) Social media advertisement also has playing a role in affecting proton sales. iv) Search engine advertising (SE) doesn’t have a significant influence on proton sales. v) Email advertisement (EA) doesn’t have any significant impact on proton sales. In conclusion, these two factors (PW and SA) have a significant effect on proton sales. Also these factors might not fit the aims of the study or there are another’s factors might influence on proton sales needs to be investigated.

References


