

Chapter 6

Global Media Changes and Digital Advertising: Impact of Digital Advertising on Consumer Behavior

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ABSTRACT

This study aims to review digital advertising literature, to identify and define different aspects of ‘digital advertising’ role in consumers’ behavior. Researchers investigated the role of digital advertising on consumers’ behavior while online shopping, exposed to digital ads. Research showed that although new digital advertising legislation, rules, regulations, and self-regulations by voluntary initiatives came into force, it could not stop unethical practices in digital advertising. Mainly, due to controlling difficulties in digital world and advised policy makers and governmental bodies to develop new control techniques and applications of digital ads control along with supporting media literacy and family education about effects of digital ads. In conclusion, as the digital world is constantly changing, policy makers and governments must adopt to changes, and must revise legislation and using new controlling techniques without delay. Developing countries must also implement related protective rules of digital advertising and changes which are in force in developed countries.

INTRODUCTION

Digital advertising or display advertising subject itself is novel because the definition of ‘digital advertising or display advertising’ is defined by Marketing Accountability Standards Board in 2018 (MASB, 2018) as advertising or other marketing communications which are visually based via websites. It can have different formats like video, text, image, audio, movement, of which digital advertising is delivered to whom visit the website. If the website is the retail website, digital advertising purpose is to influence the customer for shopping stage. Online behavioral advertising and interest-based advertising is using data from a specific computer/device to find out internet user’s interests/preferences via users’ internet viewing behavior, to send ads to that computer/device based on the data from previous interest/

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preferences (Interactive Advertising Bureau, 2011). Although Marketing Accountability Standards Board has used the term ‘digital advertising’ and ‘display advertising’ at the same time, ‘digital advertising’ term will be used throughout the text.

Internet users have reached 5,1 billion and in parallel to this increase, digital advertising and digital advertising revenue has also increased. Pandemic has speeded up digitalization and digital consumption via online shopping. Digital advertising revenue is 601,8 billion in 2023 with 9.5% percent increase. According to Internet Advertising Bureau (IAB) report digital advertising revenue has increased 35,4 percent to 189,3 billion dollars in 2021 from 139,8 billion dollars in 2020, with pandemic effect in digitalization, which was 8,09 billion dollars only in 2000 in US.

Digital marketing is growing because life has changed from offline to online. Internet users which were 2,3 billion in 2012 increased to 5,1 billion users in 2022, of whom 4,7 billion are at the same time use social media in July 2022 (Statista.com, 2022). Digital advertisement revenues increased accordingly. In parallel with increase in online, traditional advertising has been taken over by digital advertising. Total (digital and traditional) advertising media revenue which was 759 billion revenue and total digital advertising was 522,5 billion dollars in 2021. Digital advertising is expected to be 681 billion dollars in 2023 (Statista.com, 2023). It is expected to exceed one trillion dollars by 2026 (Guttmann, 2022).

There are different forecasts about amount of digital advertising revenue. Digital marketing expenditure is increasing because it is cheaper compared to TV ads however more affective via digital, mobile, and social media. Faria (2022) suggested that digital advertising total expenditure worldwide in 2021 was 455 billion dollars and expected to exceed 645 billion dollars within three years, stating that only Google’s digital advertising revenue was 146 billion dollars in 2020. The maximum increase rate is expected to be in mobile internet advertising from approximately 288 billion dollars in 2021 to be increased to 412 billion dollars in 2024, and 69 percent of digital advertising will be affected via mobile within five years, by 2027. Consistently leading digital companies’ revenues have increased as for only Meta platforms (Facebook, Instagram, WhatsApp, and Messenger) to nearly 118 billion dollars, Microsoft Corp to 11,5 billion dollars from global search advertising and TikTok to 38,6 billion dollars advertising revenue for the year 2021 (Weibo.com, 2022).

BACKGROUND

This review is about digital advertising and the role of digital advertising which has entered into our lives via internet which is an integral part of our daily internet life, in digitalization era which is accelerated by pandemic, digital advertising is in our pockets with our mobile internet accessed phones, while in social media, online games, online news, online tv, even while searching anything we are all exposed to digital ads at the same time.

This chapter covers role of digital advertising in consumers’ behavior literature review, followed with digital advertisement rules, voluntary self-regulations about digital ads and unethical practice of digital advertisement. Literature review is followed with discussion, recommendation and finally conclusion.

Digital Advertising Effects on Consumer Behavior summary results in Table 1 followed with Rules, Regulations, and Voluntary Initiatives Self-Regulations in Digital Advertising (Table 2) and Unethical Practices in Digital Advertising (Table 3) and Recommendations of Institutions/Specialists (Table 4) can be found in Appendix.

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