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**RELATIONSHIP QUALITY, SERVICE QUALITY ON  
INTERNET ADVERTISING  
EFFECTIVENESS  
: KNOWLEDGE MANAGEMENT AS  
A MODERATOR**



**UUM**  
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Universiti Utara Malaysia

**DOCTOR OF BUSINESS ADMINISTRATION  
UNIVERSITI UTARA MALAYSIA**

**August 2017**

**RELATIONSHIP QUALITY, SERVICE QUALITY ON INTERNET  
ADVERTISING EFFECTIVENESS  
: KNOWLEDGE MANAGEMENT  
AS A MODERATOR**



**By**  
**KIEW LECK MIN**

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**Universiti Utara Malaysia**

**Dissertation Submitted to  
Othman Yeop Abdullah Graduate School of Business,  
Universiti Utara Malaysia  
in Partial Fulfillment of the Requirement for the Doctor of Business  
Administration**



OTHMAN YEOP ABDULLAH GRADUATE SCHOOL OF BUSINESS  
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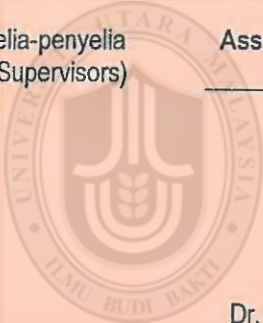
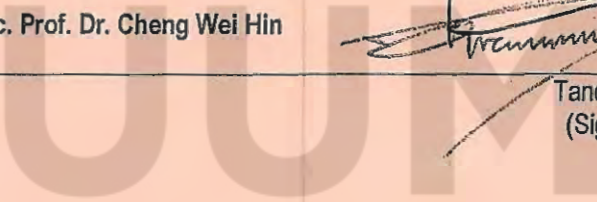
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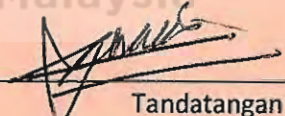
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## ABSTRACT

The importance of effective internet advertising is substantial. According to the various scholars, relationship quality, service quality and knowledge management are among important constructs to ensure internet advertising effectiveness. However, ineffective internet advertising creates superfluous spending and meaningless effort. Thus, the effort to investigate the circumstance is deemed appropriate. Consequently, this study examined the influence of two constructs namely relationship quality and service quality on internet advertising effectiveness in Malaysia. Besides, the study also examined the moderating role of knowledge management construct on the relationship between relationship quality, service quality, and internet advertising effectiveness. The cross-sectional survey approach was used. Data were collected from 322 CEOs/Managers from the advertising agency firms. The data was analysed via SPSS software. Various statistical analyses were used to analyze the data such as descriptive analysis, correlation analysis, and hierarchical regression analysis. Based on the results, it was revealed that four of the hypothesized relationships were supported. The findings showed significant relation of two service quality dimensions, namely, tangibility and responsiveness with internet advertising effectiveness. Meanwhile knowledge management significantly moderated the relationship between the relationship quality dimensions namely tangibility and responsiveness on internet advertising effectiveness. In general, findings of this study showed the importance of the advertising firms in Malaysia to ensure impeccable service quality which will in turn lead to the effectiveness of their internet advertising. This will guarantee their client-agency relationship quality and the subsequent survival-cum competitive advantage. Improving service quality through an effective and efficient knowledge management system will enhance the effectiveness of internet advertising in Malaysia.

**Keywords:** internet advertising effectiveness, relationship quality, service quality, knowledge management, advertising agency.

## ABSTRAK

Kepentingan pengiklanan internet yang berkesan adalah besar. Berdasarkan kepada kajian-kajian lepas, kualiti hubungan, kualiti perkhidmatan dan pengetahuan perkhidmatan adalah antara konstruk yang penting untuk memastikan pengiklanan internet yang berkesan. Namun demikian, pengiklanan internet yang tidak berkesan akan menyebabkan perbelanjaan yang berlebihan dan usaha yang sia-sia. Oleh yang demikian, mengkaji permasalahan tersebut adalah dikira munasabah. Sehubungan itu, kajian ini mengkaji pengaruh dua konstruk iaitu kualiti hubungan dan kualiti perkhidmatan ke atas keberkesanan pengiklanan internet di Malaysia. Malahan, kajian juga telah menyelidik peranan pengurusan pengetahuan sebagai konstruk penyederhana ke atas hubungan di antara kualiti hubungan, kualiti perkhidmatan dan keberkesanan pengiklanan internet. Pendekatan kajian tinjauan secara keratan rentas telah digunakan. Data telah dikutip dari 322 orang CEO/Pengurus dari syarikat agensi pengiklanan. Data juga telah dianalisis menggunakan perisian SPSS. Beberapa analisis statistik telah digunakan untuk menganalisis data iaitu analisis deskriptif, analisis korelasi, dan analisis regresi hierarki. Berdasarkan kepada dapatan kajian, empat hipotesis hubungan telah disokong. Dapatan juga telah menunjukkan hubungan yang signifikan untuk dua dimensi kualiti perkhidmatan, iaitu ketara dan responsif dengan keberkesanan pengiklanan internet. Manakala pengurusan pengetahuan pula adalah penyederhana yang signifikan ke atas hubungan di antara dua dimensi kualiti hubungan iaitu ketara dan responsif dengan keberkesanan pengiklanan internet. Secara umumnya, kajian telah berjaya menunjukkan kepentingan syarikat pengiklanan di Malaysia dalam memastikan kualiti perkhidmatan yang sempurna supaya dapat meningkatkan keberkesanan pengiklanan internet. Ini sudah tentu akan menjamin kualiti perhubungan pelanggan-agensi dan memastikan kelangsungan serta mengalakkan persaingan. Menambahbaik kualiti perkhidmatan menerusi sistem pengurusan pengetahuan yang efektif dan efisien dapat meningkatkan keberkesanan pengiklanan internet di Malaysia.

**Kata kunci:** keberkesanan pengiklanan internet, kualiti hubungan, kualiti perkhidmatan, pengurusan pengetahuan, agensi pengiklanan.



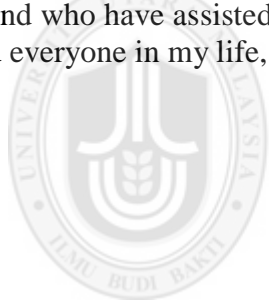
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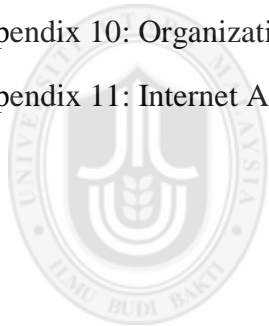


## LIST OF ABBREVIATIONS

4 A's	Association of Accredited Advertising Agencies
Ad	Advertising
Adex	Advertising Expenditure
CAGR	Compound Annual Growth Rate
CEO	Chief Executive Official
CRM	Customer Relationship Management
DV	Dependence Variable
EFA	Exploratory Factor Analysis
IAB	Internet Advertising Bureau
IT	Information Technology
IV	Independence Variable
KM	Knowledge Management
KMO	Kaiser-Meyer-Olkin
MAA	Malaysian Advertisers Association
MV	Moderator Variable
PCA	Principal Component Analysis
RAM	Rating Agency Malaysia
RBT	Resource Based Theory
RQ	Relationship Quality
SERVQUAL	Service Quality
SKMM	Suruhanjaya Komunikasi Dan Multimedia Malaysia
SPSS	Statistical Package for Social Sciences
SQ	Service Quality
UUM	Universiti Utara Malaysia
WWW	World Wide Web

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## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Introduction**

In the modern commercial world, internet advertising are advancing in speed, and there has been rapid development of internet advertising medias quality, via the speediness of 4G broadband and smart mobile technology through the effectiveness of wireless network. The World Wide Web has become the fastest growing advertising medium in this decade (Louisa, 2008). Due to the effective utilization of advertising budget, marketing experts are continually looking for effective internet advertising strategies and channels. Internet advertising is illustrated as a significant fastest growing market and have a relatively high internet spends (Paten & Neil, 2011; Kumar & Reinartz, 2012). Schorlar, Pandey, Singh, and Dalla's (2017) revised attitude is formed towards the ad help in influencing consumer's attitudes toward internet purchase. Internet advertising has become one of the most striking channels for its rich content, strong interactivity, precise targeting, and low operating cost.

Few research are studying on declined in click-through rates, and loophole in advertising industry which is connected to online advertising ineffectiveness and its constructs have warranted this study, (Tuten, Bosnjak, & Bandilla, 2000; Eric, 2012). In addition, there is little study in the scope of online advertising effectiveness in the

aspect of attitudinal emotion as pointed in Rossoter and Percy (1997) and subsequently supported in Tan and Piron (2002), and further reviewed that ad practitioners are skeptical of effectiveness of online advertising and there is lack experience and expertise in Internet ad (Tan & Piron, 2003). Moreover, in Tutaj and Eva's (2012) illustrate where the researcher conceptualized that knowledge plays an essential role in the appreciation and prominent of online advertisement. Consequently, scholar, Chang, Lee and Lai (2012) research expands on previous studies by examining the effects of internet service quality and relationship quality on dealer satisfaction with channel power as a moderator. In further support of this finding, Kumar and Reinartz's (2012) illustrates the changes in the marketplace force implement flexible strategy in customer relationship management (CRM) by improving the customer retention through communication. In addition, Dennis and Eugene (2012) were studied based on judgement of advertising agencies senior executives' point of view to survey on the future of advertising. The latest studied by McDuff's (2017) illustrates on affective responses of advertising attitude and brand was evident of digital advertising effectiveness.

Consequently, this study seeks to investigate the relationship between relationship and service quality and its influence on online advertising effectiveness, in the perspective of attitude with importing knowledge management as a moderator. This also study expanding the scope of effectiveness and conceptualized knowledge to the scope of internet advertising research, by adapting the concept of conventional relationship

quality to online world, and the concept of services quality to the invisible internet business environment.

## **1.2 Background of the Study**

Advertising is a marketing strategy through which consumers' support has enhanced. Numerous internet advertising media are providing interesting advertising packages of services as summary in Hadadi and Almsafir (2015). A flow-chart was inserted in Appendix 11 in this study to show the internet advertisement communication channel and internet advertising services provided in online business.

Internet advertising of marketing communications and the creation of advertising consists of five steps, which is comprising 'who'-meaning the spokesperson, 'what'-referring to advertising message, 'to whom'-meaning the target audience, 'how' denoting the media channel, and 'with what effect' meaning desired outcome.

Beside, measurement of Internet is now an ever-increasing for acquisition and use of information and the numbers of people using it are escalating (Cheung 2006; Ogutu, R., Ogutu, M. & Njanja, 2014; Peng, Zhang, G. Zhang, S. Dai, & Li, 2014). In fact, scholars Peng et al. (2014), recognized online advertising is loaded with rich content, strong interactivity, precise targeting, and low operating cost, and this makes it the most attractive medium for acquisition and use of information to advertise. Recently, internet has gained vast importance as an advertising medium as asserted in Brettel

and Spilker-Attig (2010), and study has illustrates internet advertising is a main channels of marketing communication (Rzemieniak & Iannuli, 2015).

The first banner advertisement have initiated on the online magazine through Hotwired Website in 1994 (Kaye & Medoff, 2001). Since over a decade, the dealings between the customers and the advertisers are getting easier and faster with the aid of advanced information and communication technologies such as World Wide Web [WEB] (Pavlou & Steward, 2000; Lavrakas, 2010). Research findings indicated a mushrooming trend in the interactive advertising industry; and the marketers, academicians, and professionals are paying close attention to the effectiveness of internet advertising effectiveness (Yang, 1996; Digital Direction, 2011; Peltier, Schibrowsky, & Schultz, 2003).

Furthermore, the ultimate goal of online advertising is to maximize profits and the achievement of this goal is with the meeting and the satisfaction of the customers' needs (Yozgat, Demirbag, & Sahin, 2013). However, the effectiveness of online advertising is determined by the companies' total readiness to apply technology, adopted web-based marketing practices into their business, to customers and competitors', as well as a need for the government's support (Omar, Ramayah, Lin, Mohamad, & Marimuthu, 2011; Yamoah, 2014).

The online advertising seeks to convince customers to purchase a particular product or service. Therefore, this study shows that online advertisement is an alternative means

of well-known traditional methods of advertising. Customer knowledge of this alternative means of disseminating advertising messages is an increase every day and gaining recognition extensively. The current trends in the online advertising realms have encouraged the advertising agents to involve in internet advertising services. In their bid to fend for this favorable new online market, advertisers demonstrated much interest in developing their horizons to incorporate online advertising.

Moreover, online advertising is at a rapid tempo. There has been a swift increase in annual revenues in the world. For example, in the United States, internet advertising revenues amounted \$23.1 billion for the first and the second quarter of the year 2014, and with the earlier accounting for approximately \$11.4 billion and the latest quarterly accounting for approximately 411.7 billion as show (IAB/PwC Internet Ad Revenue Report, HY 2014). (Refer to figure 1.1). These have shown the importance of internet advertising effectiveness to the organization and country economy development.

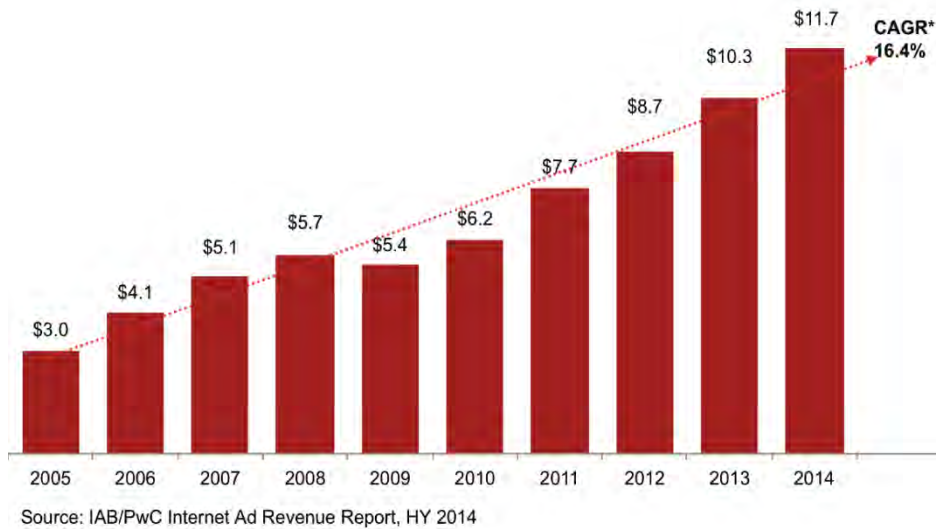


Figure 1.1  
 Second-quarter revenue 2005-2014 (\$ billions) in the US  
 Source: IAB/PwC Internet Ad Revenue Report, HY 2014.

In fact, there is an aggressive growth recorded in the electronic advertisement industry in the year 2014. The revenues are on the rise year-in-year out. The highest improvement on the record was that of 2014 second quarter, with the CAGR (Compound Annual Growth Rate) of 13.8% over those few years for the trailing of the last 10 years to 16.4% for the last 9 years of 2005-2014 as show (IAB/PwC Internet Ad Revenue Report, HY 2014). (Refer to figure 1.2) on the next page.



	Revenue (in mil)	Q/Q Growth	Y/Y Growth		Revenue (in mil)	Q/Q Growth	Y/Y Growth
Q1 2003	\$1,632	3%	7%	Q1 2009	\$5,468	-10%	-5%
Q2 2003	\$1,660	2%	14%	Q2 2009	\$5,432	-1%	-5%
Q3 2003	\$1,793	8%	24%	Q3 2009	\$5,500	1%	-6%
Q4 2003	\$2,182	22%	38%	Q4 2009	\$6,261	14%	3%
<b>Total 2003</b>	<b>\$7,267</b>		<b>21%</b>	<b>Total 2009</b>	<b>\$22,661</b>		<b>-3%</b>
Q1 2004	\$2,230	2%	37%	Q1 2010	\$5,942	-5%	9%
Q2 2004	\$2,369	6%	43%	Q2 2010	\$6,185	4%	14%
Q3 2004	\$2,333	-2%	30%	Q3 2010	\$6,465	5%	18%
Q4 2004	\$2,694	15%	24%	Q4 2010	\$7,449	15%	19%
<b>Total 2004</b>	<b>\$9,626</b>		<b>33%</b>	<b>Total 2010</b>	<b>\$26,041</b>		<b>15%</b>
Q1 2005	\$2,802	4%	25%	Q1 2011	\$7,264	-2%	22%
Q2 2005	\$2,985	7%	26%	Q2 2011	\$7,678	6%	24%
Q3 2005	\$3,147	5%	35%	Q3 2011	\$7,824	2%	21%
Q4 2005	\$3,608	15%	34%	Q4 2011	\$8,970	15%	20%
<b>Total 2005</b>	<b>\$12,542</b>		<b>30%</b>	<b>Total 2011</b>	<b>\$31,735</b>		<b>22%</b>
Q1 2006	\$3,848	7%	37%	Q1 2012	\$8,307	-7%	14%
Q2 2006	\$4,061	6%	36%	Q2 2012	\$8,722	5%	14%
Q3 2006	\$4,186	3%	33%	Q3 2012	\$9,236	6%	18%
Q4 2006	\$4,784	14%	33%	Q4 2012	\$10,307	12%	15%
<b>Total 2006</b>	<b>\$16,879</b>		<b>35%</b>	<b>Total 2012</b>	<b>\$36,570</b>		<b>15%</b>
Q1 2007	\$4,899	2%	27%	Q1 2013	\$9,806	-5%	18%
Q2 2007	\$5,094	4%	25%	Q2 2013	\$10,260	5%	18%
Q3 2007	\$5,267	3%	26%	Q3 2013	\$10,609	3%	15%
Q4 2007	\$5,946	13%	24%	Q4 2013	\$12,106	14%	17%
<b>Total 2007</b>	<b>\$21,206</b>		<b>26%</b>	<b>Total 2013</b>	<b>\$42,781</b>		<b>17%</b>
Q1 2008	\$5,765	-3%	18%	Q1 2014	\$11,414	-6%	16%
Q2 2008	\$5,745	0%	13%	Q2 2014	\$11,678	2%	14%
Q3 2008	\$5,838	2%	11%				
Q4 2008	\$6,100	4%	2%				
<b>Total 2008</b>	<b>\$23,448</b>		<b>11%</b>				

Figure 1.2

*Historical Data Finding: Annual and Quarterly Revenue Growth in the US.* Source: IAB/PwC Internet Ad Revenue Report, HY 2014.

This scenario of swift increased in annual revenues indicates the durability of the flourishing online advertising and as well as the willingness to invest huge money in it. There have been many businesses that have been striving to build their online advertisements by extensively applying some online advertising systems, such as large sizes, animations and 3-D, to each single product/brand, without clearly defined their

online advertising presence and goals, or even without evaluation of whether they are getting a return on their investment (Shansi, 2007). Therefore, research to analyze the influence of internet advertising and its effect to the market is needed.

In Malaysia, there is a growing internet audience every year according to Suruhanjaya Komunikasi Dan Multimedia Malaysia (2009) (SKMM), the Government body reported that online advertising has evolved progressively as it has moved from its old-fashioned media forms to the emergence new media advertising but still at an emerging stage. The new media advertising has potentials for development as it enriches the content digitization on web applications, and this is evident from a total sum of RM14.9 million worth of advertisements was spent on internet medium in the first half of 2008. In further support of this, scholar, David and Quang (2013) have analyses the relationship between knowledge management practices and the firm performance.

Given the above exposition, there is a growing internet audience in Malaysia; it has become imperative for the marketers grasp this opportunity to share the market opportunity for the growing audience (SKMM, 2009). It equally becomes imperative for the players in the e-advertising industry to realize that they need to grow and develop in terms of creativity and innovation to be able to maintain the existing challenges and to maximize the available opportunities in the industry (SKMM, 2009).

Moreover, a number of studies have established that high service quality enhances online channel usage (Devaraj, Fan, & Kohli, (2002), it improves users` activities to

the websites (Gefen, 2002). As well, as create website customer satisfaction (DeLone & McLean 2003).

Internet advertising is an efficient marketing communication tool, the researchers and the marketing experts seek to understand how to take full advantage and maximizing the value of this online advertisement as a communication medium as illustrate in Rodgers, Wang, Rettie, and Alpert (2007). Moreover, systematic research is essential to determine the true value of internet commerce on the net, particularly on its role as the advertising medium or tool (Berthon et al., 1996; Bezjian-Avery et al., 1998).

Parasuraman et al. (1985, 1988) asserted Internet is a communication tools that consists of service quality, that used to determine by evaluations and judgments based on customers' point of views. The provision of service rendered identified as to the customer service life cycles rendered (Cenfetelli et al., 2008; Ives & Mason 1990; Piccoli et al., 2001). In Kumar and Reinartz (2012) p. 38 "The term customer is applied broadly, where it is depending on the industry and company, a customer can be an individual account, one or several segments within a market, or an entire market". Customers suggest by the author to include not only end users, but also intermediaries, such as distributors, retailers, and so on. The researcher further elaborated firms are moving away from single, all-purpose solutions with better targeted products, services, and communication propositions.

Organizations can create their competence by enhancing knowledge management, and improving relationship quality and service quality. Further, analyzing its abilities and create its personnel can outdo its competitors (Kotler, 2000).

Besides, scholar has shown some trouble of declines in the online advertising effectiveness, which is associated with certain unclear factors, and there is less trustworthy of click-through rates and client fear is increasing after having some bad experience through online purchase (Nikhashemi, Paim, & fard, 2013; Ha, 2012; Kim Y. K, Kim. Y. B & Lee, 2011). Thus, there were numerous issues have not been addressed in online advertising research to date (Brettel & Spilker-Attig, 2009). Further, there are very few study examined what can enhance online advertising effectiveness in the perspective of attitude in connecting to online advertising effectiveness as an outcome to which certain construct contribute.

### **1.2.1 Evolution of Internet and Electronic Advertising (Online Advertising)**

Online advertising generally follows the same principles as traditional advertising. Internet, as a unique information and communication channel has demonstrated the vast differences between online and traditional advertising. For instance, due to the introduction of digital Web, online advertising becomes interactive-orientated. Online ads can activate promptly, which is a form of interaction, a kind of user response that provides evidence for the novel role of addressees. Online advertising regarded as less invasive, because the Web is not a push medium, but a pull. This implies that the

advertising message is available to consumers who are willing to reach for and pull it out (Sterne, 2002). However, traditional advertising is typically entrenched within the program content (Alvandi, Fazli, & Amiri, 2014).

The online advertising remains unique, whilst an advertisement placed internet; Internet is accessible, for 24 hours a day, 7 days a week regardless of geographic location. In addition, Internet advertising offers advertisers the opportunity of precisely targeting an audience and measuring responses instantly (Shansi, 2008). The technologies such as cookies programs have unobtrusively kept track of a visitor's previous activity on a site.

Early in 1993, the public becomes knowing of internet. The introduction of the World Wide Web with the acronym of “www” has made the usage of internet friendlier for the users than it had been in the 70s and 80s when only the researchers and scientists dominated it. In the mid. 90s, many businesses and consumers began to adopt this technology and both the advertising practitioners and researchers had begun to observe the usefulness of internet as a medium of advertising (Leiner, Vinton, David, Robert, Leonard, Daniel, Jon, Lawrence, & Stephen, 2000; Ogutu et al., 2014).

Ever since that period, the medium has transcended from a small-scale technology used mostly by those that are literate in technology to a tool by more than two-thirds of Americans. Companies around the world are embracing online marketing system (Omar, Ramayah, Lin, Mohamad, & Marimuthu, 2011). Electronic advertising is an

act of releasing business-oriented information through internet by creating a relationship between the sender (company seeking buyers) and the buyers. It also aims at reinforcing certain brand`s position in the market (brand strengthening) or an attempt to gain direct response from consumers.

Over time different information and communication channels has arisen. Previously, it was the Messenger than Viber in the current form of Facebook, We-Chat, WhatsApp, Line, Telegram and Instagram. Today these could apply through the app for an intelligent phone through 3G and 4G wireless internet accessed everywhere. It holds alliance between computer and phone through internet access via interactive app, as well as extremely convenient for advertisement through social media, and enabled user to facilitate editing, transferring of short message, photo, video, and graphics freely (Stewart, 2004; Radzeviciute & Sliburyte, 2005; Ogutu et al., 2014).

This type of advertising has great advantages over the ever-known traditional means of advertising such as; radio, television that do not support bi-directional transaction and communication. In addition, electronic advertising regarded as a form of business-oriented messages that placed and accessed through internet and designed by a company for informing consumers about a particular goods (products), or services (Schlosser et al., 2011).

Mostly, the common way of placing advertisement on internet referred to as “brochure-ware” which means the used of the official website of company to showcase

its goods, services and other related business activities. Through the brochure-ware, sites of yesteryear and used as stepping-stones to robust interactive website in order to enhance the effectiveness of the advertisement.

The presence research is vastly diverse and inconsistency connotes effectiveness of advertising online and offline, interactivity in advertisements, advertising processes, comparisons between online and traditional media, and attitude toward web sites, ads and brands (Ha, 2012; Kim, Y. K Kim, Y. B & Lee, 2011). Some studies treated online advertising effectiveness as a process, which means an antecedent that impact organizational outcome.

There are inconsistencies in the findings of the existing body of research on internet advertising effectiveness. Numerous studies such as Goldfarb and Tucker (2011) claim that there is ineffectiveness of online effectiveness continue and so the value of digital advertisements decreases. Celebi's (2015) research advertisers and companies, as it refers to the tendency of ignorance or avoidance of banner ads, especially by heavy internet's users have stressed the ineffectiveness of internet advertising. On the other hand, numerous researches such as Aidi, Zaino, and Kamaruzaman (2015), studied on game based advertising in mobile technology, and Lim and Lau (2011) have established the effectiveness on other perception of online advertising but in totally different field and constructs. Today's the evolution of internet advertising remains as unique kinds of information and communication channel, and medium has transcended from a small-scale technology.

Internet rationalizes employment of service, relationship quality and knowledge management as factors that can enhance the advertising effectiveness. Since all these factors have established in the present research to have positive impacts on many organizational outcomes, including customers' satisfaction via online shopping (Kettinger et al., 1994; Cenfetelli et al., 2008; Bojei & Alwie, 2010; Evert, 2012; Kumar & Reinartz, 2012), therefore, an investigation is necessary to clarify further.

Despite the economic recession, internet advertising is becoming very essential to all level of organization this is due to its virtues of being transparent, innovative, accountable and flexible. Besides, the economic slump has adversely affected nearly every level of advertising market, advertising format was the only one that was not affected, as reported in Internet Advertising Bureau-Europe, 2010 (IAB-Europe, 2010). Internet advertising worldwide made up \$12.6 million in 2003; while, by 2012, and is estimated to rise up to \$120.4 million.

This study analyze that internet is a way of placing advertisement effectively, and the evolution of advertising changes from the traditional means to invisible online advertisement. Throughout this, internet advertising has earned much attention with great changes over the time, and there were an effective way of creating online wealth by enhancing the emerging changes of internet advertising effectiveness.



### 1.3 Problem Statement

Malaysia Advertising (Ad) expenditure for 2015 falls to RM13.6bil, based on the online research business news reported by Nielsen (2016) on advertising expenditure (adex) for the full-year 2015 fell by 3% to RM13.63bil from the previous year, despite the lower adex recorded, ad spends by cinema, radio, and in-store media, were among mediums that contributed to the growth (Nielsen, 2017). According to data released on a month-on-month basis, adex fell 1.2% to RM1.24 billion in December 2015 in compared with RM1.25bil on December 2014, by Nielsen (2017).

Nielsen's (2017) reported, advertisers spent RM14.06 billion in 2014 on domestic media space/airtime (excluding internet and outdoor media), in supported to this Rating Agency Malaysia (2016) (RAM) which is one of the accredited rating listed company in Malaysia, also estimates, overall real adex (TV and newspaper) contracted 7% year-on-year in 2015. The contraction in adex has resulted declined in the newspaper and free-to-air TV segments moving forward, and adex is expected to continue facing challenges this year, given the persistent weakness in consumer sentiment, the rating agency expect real adex to remain pressured, with a 3%-5% decline. The Media Specialists Association (Malaysia, 2016) reported that traditionally, Ad spend will grow in the second half of the year, but a weak economy, continued to low consumer and business sentiment that influence adex. Besides economic slowdown and low consumer sentiment, the factor of brain drain, lack of

talent, lack of knowledge in digital talents to cope with the internet advertising industry are some of the challenges in the ad and media industry in the year of 2016.

In addition, Malaysian Advertisers Association, (2016) (MAA) stated the consumer market appears to be softer, revenue realignments will most likely be re-looked among key brands and adex may be one of the things that have caused the impact.

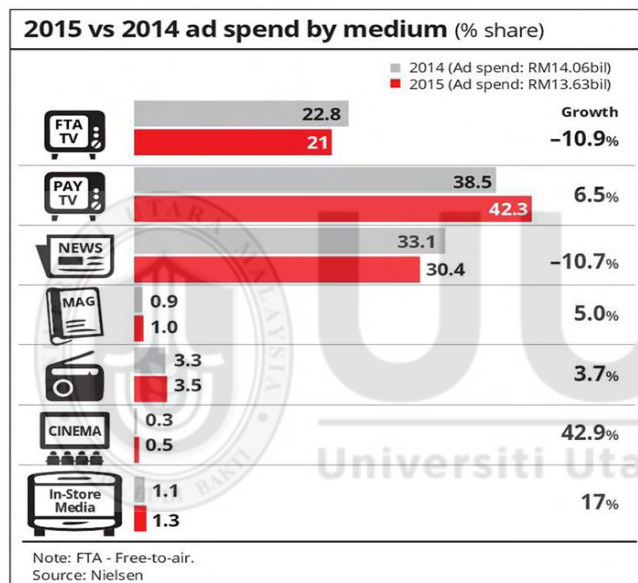


Figure 1.3

*Ad Expenditure For 2015: Ad expenditure for 2015 falls to RM13.6bil. January 2017*

Sources: Nielsen. Business News. 2017

According to the projection survey conducted by Nielsen, 2017, as shows in figure 1.3.

Indicated as above. The reports claim that despite the economic normal situation,

digital advertising Ad Expenditure in 2015 has fell to RM13.billion.

The reported continued claims that this is in unpleasant contrast to last year in which 82% of advertisers believed that the market would continue to worsen. In further support of this report to “AdSpend Projection Survey” conducted by Nielsen (2017) Adspend argument above, it is also further proven with the declined clickthrough rate as discussed in figure 1.4, below.

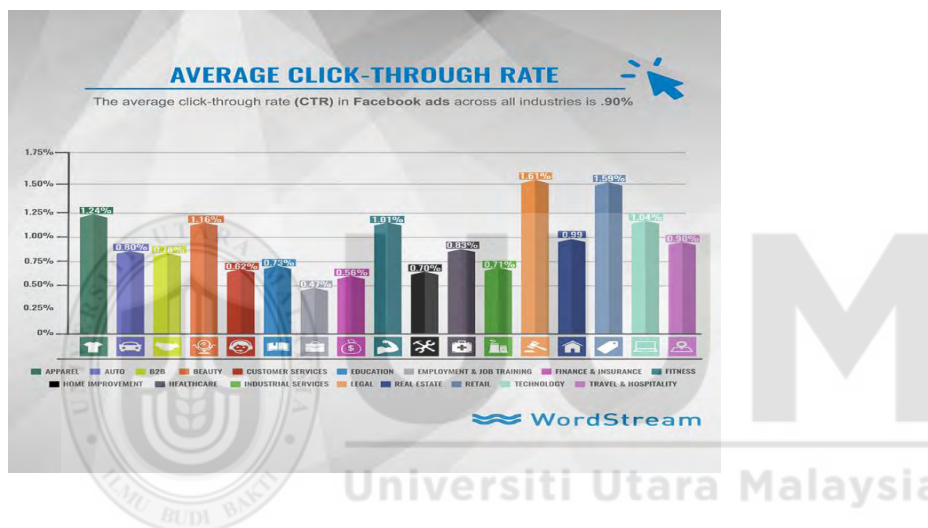


Figure 1.4  
*Digital Megatrend Marketing Reported by Facebook ad clickthrough rates all industries.*  
Sources: WordStream, 2017

With declining of digital megatrend marketing reached in organic as reported in Facebook reports, as shown in figure 1.4 reported by World Stream, (2017) as showed above, a well-known internet service provider (ISP).

Facebook ad clickthrough rates across all industries in 2017, by World Stream, (2017) seeing competition on Facebook hot up. The report announced that Facebook had passed the 4 million advertiser milestone and that was only 6 months after the 3 million milestones was passed. This new research from WordStream's Facebook advertising customers shows that across sectors clickthrough rates (CTRs) vary from around 0.5% through to 1.6%.

Robinson, Wysocka, and Hand, (2015) empirical study investigates the impact of banner ads on the effectiveness of the online advertising show that banner features such as animation, action phrase and presence of company brand or logo were ineffective in generating clickthroughs.

As the survey, also shows that advertisers are looking to increase their advertising spending in 2017 as 26% stated their budget would increase, while 48% stated their budget would remain unchanged. Advertisers are also looking to shift more focus from offline to online. It appears that 2017 will be the first time ever for online advertising spending (51%) to surpass that of offline (49%). Besides, in Malaysia, Nielsen, (2017) reported similarly anticipate more growth to come from the digital media space as many businesses are reaching more consumers using digital media.

The presence research is vastly diverse and inconsistency connotes effectiveness of advertising online and offline, interactivity in advertisements, advertising processes, comparisons between online and traditional media, and attitude toward web sites, ads

and brands (Ha, 2012; Kim et al., 2011). Some studies treated online advertising effectiveness as a process, which means an antecedent that impact organizational outcome. Numerous studies about the inconsistency of finding such as Goldfarb and Tucker's (2011) posited that online ineffectiveness have resulted on the declined of the profit, and Celebi's (2015) summary research on the tendency to ignorance and avoidance of banner ads. Further analytical of this, there were advertising journal scholar such as Aidi, Zaino, and Kamaruzaman's (2015), research the role of mobile web-based technology toward online grocery shopping in Malaysia. Besides, Lim and Lau (2011) studied on different angle of variable and moderator variable on online effectiveness.

This study noticed the advertising industry is in emerging trend and is aggressive in the online advertising industry, and it has made the marketers, academicians, and professionals to pay close attention to the effectiveness of internet advertising (Peltier, Schibrowsky, & Schultz, 2003). Researchers and the marketing experts urge to investigate how to take full advantage and maximizing the value of this communication medium (Rodgers and Thorson, 2000). Hence, the need for systematic research, which will signify the truth, value of commerce on the net, particularly its role as the advertising medium or tool (Berthon et al., 1996).

Studied have indicated the effectiveness of online advertising for promoting products (Briggs, 2001; Dreze & Hussherr, 2003; Wakeling & Murphy, 2002; Ogutu et al., 2014). Nevertheless, nothing has investigated in advertising effectiveness based on the

perspective of attitudes collectively in an online advertisement perspective. Likewise, the measurement and achievement of online advertising effectiveness remain inadequately addressed in the research (Nikhashemi et al., 2013).

This study, which debunked online advertising effectiveness, indicates that online advertising ineffectiveness resulted in declined in click-through rates for banner ads, and reported on useful data information, and low gross domestic product (GDP) in online advertising expenses, ineffective of online, well-prepared ads, the threat and of new medium and resolve some inconsistent of the finding on advertising effectiveness. Thus, the research is urgently in the study as summary by Tuten, Bosnjak, and Bandilla (2000), and highlighted in Eric (2012). Despite that, threats to advertising in the new medium of the Internet are snowballing, and there were numbers of debates have not been resolved regarding to this gray area.

#### **1.4 Research Questions**

1. Does relationship quality influence internet advertising effectiveness?
2. Does service quality influence internet advertising effectiveness?
3. Does knowledge management moderate relationship between relationship quality, service quality and internet advertising effectiveness?

## **1.5 Research Objectives**

1. To examine the effects of relationship quality on internet advertising effectiveness.
2. To investigate the effects of service quality on internet advertising effectiveness.
3. To study the moderating effect of knowledge management on the effect of relationship quality, service quality on internet advertising effectiveness.

## **1.6 Significance of the Study**

### **1.6.1 Theoretical Perspective**

As Malaysia GDP growth slows to sub-5%, with marketing budgets under pressure, it is essential that marketers run to the ‘lower cost’, more traceable medium of digital. The current trend of the GDP is more aggressive specifically targeting via internet and habits, through location-based advertising. “Nielsen Research in Advertising Agency 2016 Trend” held that internet advertising takes a multitude form of changes to the agencies, from the traditional banner to today’s rich media ads.

There is a wide range of drop in profit in traditional form; digital adspend estimated to have reached MYR726m at 2015, with mobile accounting for almost a quarter,

according to Warc new data 2016. Ad expenditure on digital in Malaysia rose by 25% in 2015, up by almost 60% from 2014. And in 2017 it was held that almost 60% retailer were affected due to the growth of the online trade in Malaysia, and e-commerce linkages are a clear trend for 2016, according to a 2016 Warc news.

The television, radio and newspaper have transformed the media form such as Astro on the go, radio through the net and electronic newspaper in “App”. Due to the large success, internet advertising constitutes a significant marketing channel for a large number of firms, ranging from news agencies to retailers (Papadopoulos, 2009). In the previous sections, theoretical, contextual, and practical issues were identified; this study stands out in its contribution to the extant body of knowledge by addressing the identified issues.

Theoretically, this study observed the inconsistency and inconclusiveness of the findings of the extant research on internet advertising effectiveness. This study by investigating the effectiveness of internet advertising in relation to relationship quality and service quality and moderating role of knowledge management in the relationships fill the identified theoretical gap, and thus contributes to the extant body of knowledge. Ha (2012) signifies the importance of online advertising to the advertising and media industry, and urged the researchers to help the media and advertisers to capitalize on the new online impact. Tutaj, Eva, and Reijmersdal’s (2012) posit perceived advertising value and the findings shows that persuasion knowledge plays a role in the appreciation of subtle and prominent online advertising formats.



The current trend indicated rise in the service functionalities delivered from a website, which serves as a hub for electronic advertising, has brought public attention to the importance of service quality to the business. Numerous scholars (Cenfetelli et al., 2008; Kettinger et al., 1994) have quoted the significance of service quality. In addition, DeLone and McLean (2003) recognized the need to involve service quality in assessing the effectiveness of internet, which invariably determines the effectiveness of internet advertising.

Conventionally, the concept of service quality (SQ) adopted to address the information technology (IT), but the concepts have evolved the boundaries, which involved in website context. Undoubtedly, service quality is an undeniably criteria for the effectiveness of the online nature of companies (Shankar et al., 2003; Zeithaml, Rust, & Lemon, 2001). Numerous research findings have shown that high service quality boosts online channel usage (Devaraj et al., 2002). In addition, it increases users` to the websites (Gefen 2002), and to enhance customer satisfaction through online shopping (Cenfetelli et al., 2008; DeLone & McLean, 2003).

In order to enhance the organizational value be projected into the world, a new internet relationship with customers is important to organizations. Relationship quality plays an essential role in advertising service industry and the customer loyalty (Bojei & Alwie, 2010).

There is a need to bring the quality back and increase distance knowledge (Evert, 2012), Media owners need to establish real relationship quality in the mass market (Bhattacharya & Ruth, 2000). The organizational value projected into the world through a new Internet relationship with customers is of much importance to organizations. Relationship quality dimensions consist of interpersonal factors, and firm factors (commitment, trust and satisfaction.) Good implementation of relationship marketing strategy is essential in the service industry to ensure long term relationships and firm continuing competitively survived (Bojei & Alwie, 2010; Rizan, 2014).

While researchers have conducted, research on knowledge management, as either an independent variable or dependent variable, such as study on relationship between knowledge management strategy and effectiveness of the innovation process (Leal et al., 2013).

There are few studies empirically investigated the potential moderating effect of knowledge management (Ling, 2011); a comprehensive review of the early literature signifies a lack of studies in Internet advertising effectiveness (Nikhashemi et al., 2013). Hence, there is no research has done in this aspect at the time of analyzing the dissertation.

In Malaysia, there has been pitfall in the rates at which online shopping was done in the last decade (Kee-Sook, 2002), despite backing from both marketers and the Malaysia government (Haque, 2007). The pitfall attributed to shortage of confidence

and trust on the part of the consumers. The implication is that Internet advertising would adversely be affected, and there is need for setting up the real relationship quality (Bhattacharya & Ruth, 2000; Michael, 2012), given that Internet's relationship with customers is of much importance to organizations, and relationship quality plays an essential role in the advertising service industry on customer loyalty (Bojei & Alwie, 2010; Rizan, 2014). Consequently, relationship quality and service quality would enhance customer confidence and trust (Bojei & Alwie, 2010; Devaraj et al., 2002; Gefen, 2002; Rizan, 2014).

The latest online trend in Malaysia has connected to the existence of online evolution in many industries. Online advertisement is undoubtedly creating more customers to have more control of what they interested. Interaction with, or buy as held in Nikhashemi et al. (2013), and the efficiency of Internet advertising reflects on how often the customers see, interact with, and/or buy of the advertised products, because the major purpose of internet advertising is to convince customers towards purchase a particular product or service. This can create satisfaction to the clients/producers of the advertised products and will solidify the relationship between the marketers and their clients. Hence, there is a need to examine the impacts of relationship and service quality on the effectiveness of internet advertising as illustrated in Nikhashemi et al. (2013).

Concisely, internet advertising industry is a very vibrant and generally favorable in the new markets with huge revenue in many countries (Shansi, 2007). Including Malaysia

(Nielsen, 2011) and thus worthy to explore. Unfortunately, customers who are frustrated with regards to the ads from internet advertising could sometimes obstruct the content they actually want to go through (Qaffas, Cristea, & Shi, 2013). This calls for an in-depth inquiry into how relationship quality and service quality can impact the effectiveness of internet advertising, in order to find a solution to the frustration of customers regarding internet advertising practices.

The role of knowledge management is importance in the application of knowledge management to the effectiveness of electronic advertising, previous studies have shown that numbers of consumer use internet to carry out research about products or services (Leal-R, Leal-M, Roldán, & Ortega, 2013). The current website business is not about the retail channel, but attitude, trust and reputation, adding the timing opportunity and emotional values that the seller built, instead of limiting to location or front desk services.

The globalization of economies and the transition of integral knowledge society, managing tacit knowledge are crucial to the effective management of outsourcing service relationship (Karin et al., 2012). Kumar and Reinartz (2012) posited that it is indispensable to analyze implemented knowledge in a case study on internet advertising information (Kumar & Reinartz, 2012).

In the light of the above exposition, entrenchment of service quality and relationship quality remain ultimate in business, knowledge are expected for the establishment of

effectiveness on internet advertising, which will ultimately translate to the effectiveness of the business (Kumar & Reinartz, 2012).

This study can help boost the service and relationship quality on its influences on internet advertising effectiveness through intangible measurement, such as perception of user attitude. There are no research has ever tested them against internet advertising in the perception of attitude, thus borne out of their established effect on organizational outcomes and the fact that online advertising ineffectiveness is due to low click-through rates for banner ads, lack of useful information, dullness of ads, confusing ads and this can be reversed.

Researchers may find the findings useful as service quality, relationship quality and knowledge management through online production on advertisement. Thus, these studies enrich the extant body of knowledge regarding online advertising effectiveness (Leal-R et al., 2013).

Empirical studies have stressed the importance of enhancing effective internet advertising while a few specialists have concentrated on the significance of relationship quality and service quality in achieving organizational performance, this study is one of the very few studies that examine relationship quality and service quality in relation to internet advertising effectiveness. In addition, review of literature on knowledge management in relation to relationship quality, service quality on internet advertising effectiveness, very little is known about the moderating role of

knowledge management in the relationship between relationship quality, service quality and internet advertising effectiveness, although some studies have established its moderating role in some relationships (Wu, 2006; Yuzgat et al., 2013). For example, Tsai, Li, Lee, and Tung, (2011) examined and confirmed the moderating effect of knowledge management on the link between post maintenance of ERP and business performance. Likewise, Leoz and Petter (2014) examined the moderating effect of knowledge management enablers on the relationships between knowledge sharing, knowledge application, and team performance.

Thereby, this study will encourage the literature by creating a new direction in moderation variable of knowledge management in this research scope. This discloses a mechanism by which the interaction of knowledge management in relationship quality and service quality can aid in the internet advertising effectiveness.

### **1.6.2 Managerial Perspective**

Robert, Ducoffe, Sandler, and Secunda (1996) reported the results of a survey of leading U.S. advertising executives on trends expected to shape the industry into the next online century for the advertising firm to prepare for their future planned, the data survey including senior executives from advertising agencies. This study could help to provide information on the practical routes of achieving internet advertising effectiveness as to the policy maker.

Studied by Paton and Conant (2011) on internet advertising at UK-based firms held that more than half of the firms will advertise on internet and the majority of the remainder reported planned to do so within 2 years. Further, the firms have been facing the main line problem such as high level of competition, and there is significant difference between the determinants of internet advertising and conventional advertising to encouraged further analyzing of this study.

Paton and Conant, 's (2011) further illustrate that internet as one of the most important advertising media for the firm that aim for international, and internet have produced fast-growing markets, which recently have the relatively high internet spend, and in addition, advertising and internet advertising are complementary expenditures for firms.

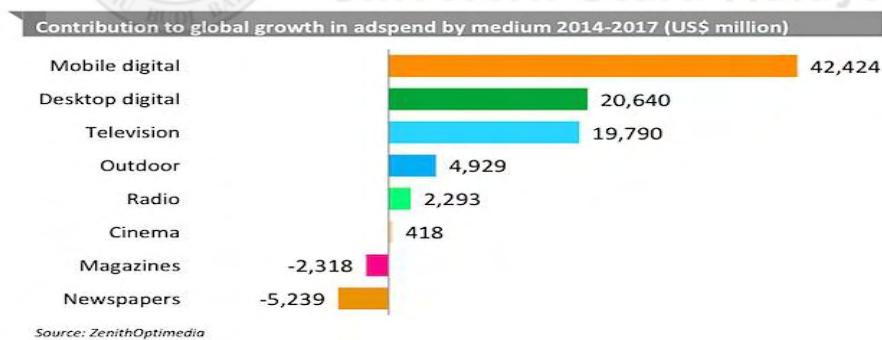


Figure 1.5  
*Contribution to global growth in adspend in by medium2014- 2017*  
 Source: IAB/PwC Source: Zenith Optimedia, 2017

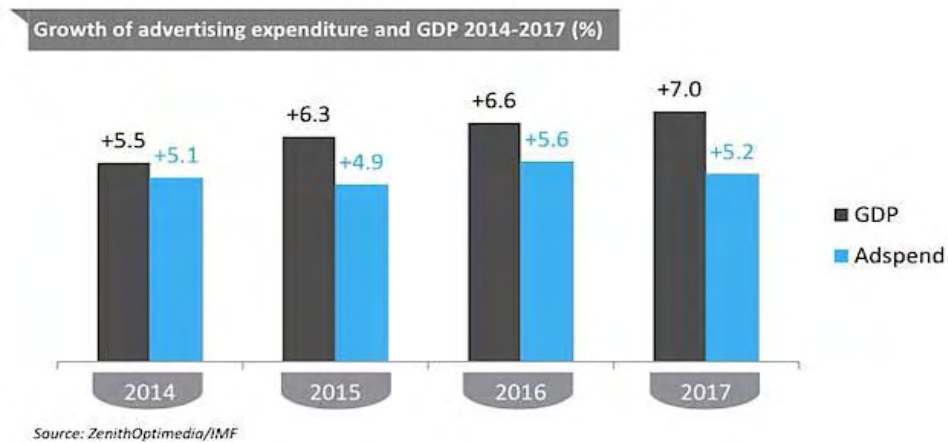


Figure 1.6  
*Growth of World Advertising Expenditure and GDP 2014-2017*  
 Source: Zenith Optimedia/ International Monetary Fund (IMF) 2017

In expanding, the support of the above argument, Zenith Optimedia reports in figure 1.5 in the previous page, indicated of growth in adspend contribution to the global growth in adspend of desktop digital to 20,640 million and Mobile digital of 42,424 US dollar by medium from the years of 2014 - 2017. It was further reports global advertising spend will increase to 4.9% in 2015 and with the total adspend of \$545 billion, according to the recent projections from Zenith Optimedia (2016), which expects the growth based primarily on an anticipated rise in overall global gross domestic product (GDP) in 2015, as shown in figure 1.6, above. Internet remains the fastest growing medium for advertising globally and is expected to surpass traditional television by 2020, according to a new report by Zenith Optimedia (2016).



In the previous sections, it has identified that the ineffectiveness of online advertising are due to certain factors. These factors can eliminate if the relationship between service quality and relationship quality have introduced and relationship with business networks were investigated (Holmlund, 2007). Thus, these researches provide a solution to the problem of effective online ad and, in the end, will benefits to the practitioners, marketers, advertisers, and other stakeholders in the advertising industry.

The study contributes solution to advertising ads, which sometimes obstruct the content they actually want to go through and thereby mitigate the frustration of customers regarding internet advertising practices as well as contributes to the method of measurement and achievement of effectiveness of online advertising which has not adequately explained before.

In addition, there is a need for growth and development in terms of creativity and innovation to be able to maintain the existing challenges, and to maximize the available opportunities in the advertising industry, as reported in Suruhanjaya Komunikasi Dan Multimedia Malaysia, (2009) (SKMM). Beside online products and ads would equally influence by the client's purchase attitude (Goldsmith & Lafferty, 2002; Carpenter, 2000). In further support of this, Pandey et al.'s (2017) illustrates that the attitude formed towards the ad help in influencing consumer's attitudes toward internet purchase. Therefore, it is essential to integrated marketing online strategy, and pay attention to the client attitude to upsurge its familiarity, and encourage recurrent purchase to ensure successfulness of online advertising effectiveness.

All of the arguments as discussed have directly showing the significance of the online advertising, to justify significant of this study. In summary of this section, the significant were from many aspects, such as, the Malaysia GDP were more on spending online ad. Therefore, budgeted on other ad spending were slowly down moving to online due to the efficiency and cost factors, and it is an ad spend format changes due to the transformation of the media, and also the online ad spending forecast.

This study could use as scientific evidence for future and continuing studies, as it can serve as part of the academic writing, as well as a policy paper for policy makers in internet advertising industry. The findings can apply as a guide for the service marketing scholars and internet advertising practitioners.

### **1.7 Scope and Limitation of the Study**

This study involves 2000 advertising firms in Malaysia. The targeted respondents are the CEOs/ managerial and supervisory posts in the selected firms. This selection is because CEOs, Managers and supervisor determine most of the importance decisions about adverts in the advertising organizations.

This study is in its scope of online advertising, is restricted adopting three dimensions of relationship quality and three dimensions of service quality as a perception measurement on internet-advertising effectiveness in the perspective of attitude, and further introduced moderating variable of knowledge management. Hence, the research mainly focused on its context and scope of industry

## 1.8 Definitions of the Key Terms

Table 1.1

*Definition of key terms*

No	Terms	Definition
1	Hamidizadeh and Yazdani (2012).	Internet advertising refers to a form of promotion that employs internet to convey marketing messages to entice customers. It contains contextual ads on search engine results pages, banner ads, blogs, rich media ads, social network advertising, interstitial ads, pop-ups, online-classified advertising, advertising networks and e-mail marketing, including e-mail spam (Hamidizadeh & Yazdani, 2012).
2	Goldsmith and Lafferty (2002).	Internet advertising effectiveness refers to a situation in which online advertising attracts attention to the brand, upsurges its familiarity, delivers a message explaining the nature and features of the brand, persuade the potential customers to acknowledge its value, and encourage initial and recurrent purchase of the brand/products. It also involves attitude of the brand and attitude towards the ad (Aad). Attitude towards the brand (Abrand), (Li & Leckenby, 2004; Wu, 1999). A brand's or Ad picture (good/ bad) to affects its Ads and would affect the Aad rating choice selection. Choice is operationalized as selecting the best brand based on information contained in a set of ads (Biehal, Stephens, & Curio, 1992).
3	Silvestri (2017).	Relationship Quality is the extent of suitability of a relationship to fulfill the needs of the customer connected to the relationship (Hennig-Gwinner & Klee, 2002). It is a higher-order construct composing commitment, satisfaction, and trust (Ulaga & Eggert, 2006; Rahman & Ramli, 2016;).
4	Brady and Cronin (2001)	Service relationship is the opinion formed by the customer regarding the components of a particular service such as an interactive quality, physical environment quality and outcome quality.
5	Von-Krogh, (1998).	Knowledge Management refers to the recognition and leveraging of the collective knowledge in an organization to enhance the organizational ability to compete

## **1.9 Organization of the Thesis**

The organization of the research was as follows. Abstract: This is the summary of the entire study, which contained the objectives of the study, the methodology, the findings, the implications, and the limitations of the study.

Chapter One: This section provided the overview of the study, the problem statements, the objectives of the study, the significance and scope of the study, definitions of the key terms, and the organization of the study.

Chapter Two: This chapter made the review, synthesis, and synchronization of the past studies on internet advertising, its effectiveness, relationship quality, service quality and knowledge. Researches gaps were detected using a critical review of the literatures.

Chapter Three: This section of the study explicated data collection method, the population, sampling technique used in selecting samples of the population, unit of analysis and the tool used in eliciting information from the respondents.

Chapter Four: This is on the analysis of data using statistical tools. As far as this study is concerned, SPSS has applied to analyze the data.

Chapter Five: This comprised summary of the whole study, the conclusion, the suggestions and recommendations. It was under this section that the limitations and suggestions for future researches were examined.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presented the review of relevant literature. First, literature of advertising was discussed, followed by a review of internet advertising. Next, the constituent of relationship quality were discussed. The chapter then discussed an overview of service quality. Discussion on the moderating effect of knowledge management on the relationship between relationship quality, service quality and internet advertising effectiveness was determined. Next, the concepts of internet advertisement effectiveness about the agency theory and resource based theory have reviewed. Lastly, a summary presented to conclude the chapter.

#### **2.2 Advertising**

There were thousands of years of histories of where the origin of advertising begins. The first advertisements were the outdoor methods of advertisement, painting on the wall were much common comparing banner hanging on the wall or tree. This mode of traditional advertising still exists, but have in the improving version such as LED billboard, front door banner, and all kinds of signage with non-light, neon light, LED with 3D box-up lettering (Grabher, 2001).

The Romans were notable for making a convincing sales pitch, and archaeologist's uncovered early examples of advertising (Tungate, 2007). The article mentioned about with the ruin of the Pompeii. Rome has offered this kind of outdoor advertisement for property meant for rental in the strategic areas and on big banner.

Another format on the first form of advertisement was in the form of stenciled engravings, in earthen bricks of the Babylonians about three thousand years BC. The inscription constructed by the king of temple on bricks is a simple and effective form of advertising that was common during the medieval times (Hansen, 2014).

At this period, merchants employed the service of the "town criers" This is a form where worker employed to shout with the praises of the merchants' commodities whilst on welcoming the arrival of the trade-ships, and by the advertisement through truck and on certain indoor and outdoor market.

Printed advertisement initially popular with the creation of the printing press, this is the inventor of Johannes Gutenberg in 1445. Thus, merchants started by using creative concept by creating artwork for word for picture to a little flyer to convey the ads and importance messages to the trade man. Same flyer used to fix on the wall to exhibit the message to the public.

A new emerging of the advertising trend was established in the advertising industry with the advent of mobile printing press. This, Tungate,'s (2007) illustrate the other important actors in the early advertising history, who pioneered the first French

newspaper, called *La Gazette* in 1631 which is the first French daily paper that was meant to propagate, who granted it a monopoly to the detriment of its Parisian competitors in 1635. The first advertising agent in Europe started in the United Kingdom in the year 1786 by William Tayler in his office located in London Warwick Square. The firm later changed its name to Tayler & Newton later incorporated an advertising agency for those printed for few launches newspaper publishers (Tungate, 2007; Christine, 2013). The emergence of internet technology has created divergence of changes; marketer has today been looking for the new form of online business with all new dimensions. At this moment, most companies equipped new media ideal to upgrade the advertisement effectiveness to the new market.

### **2.2.1 Internet advertising**

According to Goldfarb and Tucker (2014), the technological transformation and automation of digital content delivery has revolutionized the media industry. Internet known by the public in 1993 with the introduction of the World Wide Web with the acronym of “www” which made internet friendlier to the users than it had been in the 70s and 80s, when the researchers and scientists solely dominated it. In the banking sector, internet-based technology had used to manage the internal management coordination in order to promote effective, to order latest transaction to effect fast and accurate on monetary transfer. It was later extended use of internet-based technology to serve customers and this has become popular in recent time (Martins, Oliveira, & Popovic, 2014).

From April 1995 to early 2000, it is the flourishing period for internet. During this period, many organizations tend to utilize internet as an essential method for doing their exchange with their shoppers, and plan to diversify the traditional business to online business (Dehkordi et al., 2012).

Internet advertising in the modern world revolutionizes the advertising world from within, continuously destroying the old one. This, according to Schlosser, Shavitt, and Schumpeter (2011) swept across the media and advertising landscape. Particularly, newspapers gradually lost its readership and advertisers to internet media supported by online advertising- a scenario that led to a downward twist as indirect network effects work in reverse.

Firms and organizations had been trading online, and advertise their items selected and it has picked up the consideration of analysts, experts and arrangement producers (Gohary, 2012). Organizations are utilizing web and electronic media for displaying their endeavors in promoting online business. In addition, we can say that Information Technology (IT) upheaval has changed the method for doing organizations more advance. Distinctive creators have characterized internet advertising in an unexpected way (Chaffey & Smith, 2005).

Web promoting, in the present-day world, upsets the publicizing scene from inside, constantly wrecking the old one. Thus, as indicated by Schumpeter in 1942 cited in Schlosser et al. (2011) cleared over the media and publicizing scene. Especially, daily



papers progressively lost its readership and migrate to media bolstered by web publicizing have indicated the popularity of online advertising.

In Kaye and Medoff (2001) study, online advertising has introduced through HotWired (a digital offshoot of Wired magazine), which offered a banner ad for sale to a famous corporation called AT&T and displayed the same advertising online in 1994. Number of impressions or ad view, which refers to the point in which a visitor views an ad once, it used to sell the online ad. Thus, the online magazine launched a search engine called HotBot, which was generating revenue to the tune of \$20 million per year. According to Myers (2014), there was a portal war generated by the banner ad. There are large corporation utilized millions of venture capitalist dollars to promote the user security on online technological leadership in internet advertising. Cost per mile (CPM) is an advertising terminology explained on the basis of showing the ad to one thousand viewers, was later introduced to sell web ads. Evans (2009) submitted that this standard changed in 1996 when Procter & Gamble struck a deal with Yahoo! the web portal has compensated for ads based on “cost-per-click”. This is an arrangement where an advertiser pays the publisher when the ad is clicked. By implication, Yahoo! Charges the advertiser only when an online user clicked on the ad, this was the web-version of the direct response method commonly used by advertisers for mail and telephone entreaties.

Online marketing system involves a process of releasing business oriented information through internet for creating a relationship between the sender and the buyers. It also

aims at reinforcing certain brand's position in the market or an attempt to gain direct response from consumers. This type of advertising has great advantages over the traditional means of advertising such as; radio, television that do not support bi-directional transaction and communication. In addition, for a company informing consumers about goods (products) or services (Schlosser et al., 2011) refer to electronic advertising as all forms of business-oriented messages that can accessed through internet and designed.

Mostly, a common way of placing advertisement on internet referred to as "brochure ware" which means the usage of the official website of the company to display its goods, services and other related business activities.

Internet advert has succeeded in considerably reducing costs of transactions between merchants and consumers. Merchants were able to deliver information to target consumers who appreciate the information and are ready to act on it. A century ago old John Wanamaker's 1880 have his legendary statement quoted that he has perceived the non-effectiveness on at least 50% of the money, invest in advertisement, this issue first raised a hundred years ago. Internet advertising techniques have obviously replaced a "sledgehammer with a scalpel" in the sense that the traditional approach to connect buyer and seller hitherto involved the creation of a magazine.

On the contrary, a variety of techniques online is linking an advertising message to a consumer. A search engine indexes web results that are relevant to a consumer who

key-in a phrase can easily link to sellers of a product. Likewise, web page advertising could perform the same task.

According to Elliott (2010), internet advertising will substantially grow in terms of ad spending, fueled by the emergence of multi-function devices such as smart phones, which could easily promote development in mobile Internet access subscriptions. Internet advert attracts consumers owing to the rapid growth it has experienced, and considering that there will be an increase in the number of consumers having access to broadband, thus allowing users promptly download context. Research shows many merits of internet advertising. Part of which includes each year an extra 75 million people worldwide go online. Internet excites many end users as they experience it for the first time. This trend gives the advertisers the opportunity to update their message, as they deem necessary.

Researchers also found that banner advertisement, which consist of the bulk of online advertising clicked through by individuals with high product involvement than those with low product involvement (Cho, 2003). Customer's attention will focus on other peripheral cues like animation and advert size (Chandon et al., 2003; Cho, 2003). Fulgoni and Morn (2009) was questioned the click-through rate accuracy by considering the measure of display advertising impacts on display advertising includes banner and interstitial adverts. The discovering was a significant impact within the first week following exposure to an advertisement notwithstanding low click rates. However, after the first week, a significant issue would have overlooked by relying on

clicks or by tracking consumer behavior and advertising effectiveness using cookies. Lift rises within the early week of exposure to an ad, and then decline gradually as the week progresses. Competitor's websites were more likely to visit by consumers during the early exposure to display advertising.

Fulgoni and Morn (2009) concluded that consumers visit competitor's websites have increased the clicked rate, and the sector involved generally among the retail and clothing, finance, and automotive industries. While their study could not argue evidently that display advertising leads to purchases, they submitted that display advertising is important in latent effects of advertising. The purchaser does not take place immediately upon first click on a display advertisement, however, it is expected exposing consumers to the product and providing an avenue to find out more about the advertisement by clicking through, can eventually initiate a purchase. Among the channels through which online advertising carried out is social media as cited in Berthon et al. (2012). The Researcher observes that social media riches with borderless networking that contains content, pictures, video and systems for both clients to client and firm to client (Berthon et al., 2012). Online networking, for example, Twitter, Facebook based on the ideological and mechanical establishments on web 2.0, and they give rooms for the creative and client can trade amongst themselves (Kaplan & Haenlein, 2010). Users are able to collaborate among themselves independently. Facebook is one of the popular social media that have fully utilized by firms; therefore, organizations can easily obtained business associates through social media networking (Brogan, 2010). Today, apps such as YouTube, Facebook, Baidu, WhatsApp, WeChat,

Telegram, Instagram and Twitter have achieved an unprecedented increase in internet advert profit and the takeover have directly proven the potentiality of internet ad in the future.

One of the uniqueness of internet advertising is that internet is a unique platform for interaction. Internet advertising is uniquely and precise among other advertising media as asserted in Fulgoni and Morn (2009). The interactivity of internet, according to Chandon et al. (2003), will turn around the way of the design and implementations of advertising through interactive advertising through quality information to which it could acquire and processed by users.

This is the internet 'information system effectiveness' taxonomy of DeLone and McLean (1992) where six distinct dimensions, which paved way for research in internet advert and information system. The dimensions include system quality that measures the information processing system itself information quality, and information use, which explains the consumption by the recipient of the outcome about the information system; user satisfaction that is about recipients' respond to the information system resulted. The impact on individuals with effectively and deal with the information system, behaviors of the users, and the impact of the organizational performance of the information received. It was found that internet advertisement environmental have regarded as a new economy way of expanding strategy and have achieved higher growth.

Report in Zenith Optimedia (2011) statistics estimated in 2013, of advertisement investment for the first time had reached over \$500 billion. Due to the Google Adware, the search engine Google, the leader in internet advertising has brought and Facebook and YouTube, which is currently the world's biggest online advertisement video sites, have today investing in video ads, and Twitter has hung its star on television for both audience and advertisement growth. Nielsen (2013) reported that internet display advertisements grew of 32 % in 2013. This new media platform is the fastest-growing internet advertisement in internet market and apps medium. Internet advertisement industry witnesses a growth and development in the year 2014, which reported on 13.8% growth over the last 10 years based on Compound Annual Growth Rate (CAGR) from the year of 2005 to 2014, which stated the growth of 16.4%. The revenues are on the rise year-in-year out (as referred in figure 1.1), and the highest improvement on the record was that of 2014.

Internet advertising is progressively changing with new technological and having a fast development transformation. Today, with creation of many new forms of internet advertising value creation strategies, online advertising has become a very important new business model.

### **2.2.2 Internet Advertising Effectiveness and Its Measurement**

There are substantial number of research have studied on internet advertising effectiveness and many measures were adopted to operationalize it. These measures include ad recall, ad recognition, brand recognition, clicks or click through rate, attitude toward the ad, the brand, and purchase consideration (Dreze & Hussherr, 2003; Danaher, Mullarkey, & Essegaier, 2006; Chaffey, 2013; McDuff, 2017).

The measures of internet advertising effectiveness, have adopted so far fall into two categories: actual response and impressions (Danaher et al., 2006). Scholar Ghosh and Bhatnagar (2013) argue that the banner ad effectiveness can determine by measuring the change in perceptions on who have exposed to the ad. Previously, the commonest among these measures is that of click-through rate (Khraim, 2015). Click-through rate denotes the percentage of the total number of ad exposures that ignite an internet user to click on a banner in reaction to a promoted message (Novak & Hoffman, 1997). Click-through rate belongs to the category of actual response with the advantage of a behavioral response that is easy to observe, and indicates an immediate interest in the brand being promoted (Berthon, Pitt, & Watson, 1996; Briggs, 2001; McDuff, 2017). However, click-through rate measures have criticized to be inadequate, as it cannot enumerate the effect of advertising exposure on a consumer's cognition and affection (Briggs, 2001). Click-through rates as a measure cannot obtain the full degree of an advert's effectiveness, as pre-attentive processing does not lead to immediate action.

Click through and other measures that belong to the category of response measures are not objective for the fact that the outcome can hinge on the advertising copy strategy (Danaher et al., 2003; McDuff, 2017). Particularly, click-through rates alone does not cater for the effects that happen before or after the clicking action (Chandon, Chtourou, & Fortin, 2003). In Chaffey (2013), studied given the shortcomings of click-through rates as a measure of internet advertising effectiveness, there had been declining in its usage since 1998. Recently in Souiden, Chtourou, and Korai (2017) the study investigates on consumer attitudes toward advertising in general affect their attitudes toward online advertising. In the streams of academic research, the presently favored measures of internet advertising effectiveness, which belongs to impressions, is attitude toward the ad (Aad) (Li & Leckenby, 2004; Wu, 1999; McDuff, 2017). Considerable numbers of research on communication effects have adopted the measures. Therefore, this study is going to examine the literature of online advertising effectiveness in the aspect of attitude by applying the scientific measurement to enrich the scope of online advertising effectiveness study.



### **2.2.2.1 Attitude towards Ad (Aad)**

Attitude is a well-known measure in the hierarchy of effect, and it represents an overall evaluation (Engel et al., 1995). Attitude is formed through cognitive, and or affective and/or cognitive dimensions, with conation being either a determinant or an outcome of attitude (Eagly & Chaiken, 1993; Li & Lekenby, 2004; McDuff, 2017).

Research evidence regarding attitudinal shifts caused by advertising exposure have been provided by numerous studies among are Kim et al. (2011) also Lutz, MacKenzie, and Belch (1983) conceptualize the attitude towards the ad (Aad) that describe as a propensity to respond or react in a favorable or an unfavorable way to a specific advertising inducement during a specific exposure occasion. In addition, Mackenzie and Lutz,'s (1989) illustrate, Aad denotes an assessment of the overall advertising stimulus. Scholar, Chattopadhyay's (1998) illustrates that comparative ads sponsored by an unknown brand are more effective in changing consumers' brand attitudes than non-comparative ads, when brand response occurs at a delay.

Besides, it is noted the attitude towards the ad measures and level at which respondents have a positive or favorable opinion of the goods. Scholar, McDuff (2017) contribution of affective responses on ad attitude and brand attitude were evident of digital advertising effectiveness. Researchers and practitioners have been using multi-attribute models to study the consumer attitude. Anwar, Gulzar, Sohail, and Akram (2011) studied on identifying the impact of ads image, ads trust and ads effect on ads extension attitude. People see brands as having a number of qualities that offer

the basis on which consumers form their attitudes. People's attitude toward specific ads can predict by the consumer's assessment or attitude toward such product attributes and a subjective estimation of the probability that the brand actually has its attributes (Pechmann & Stewart, 1988). According to Belch and Belch (2004), attitude towards the products can predict by consumers' perception about specific brand attributes and different levels of importance attached to these attributes.

The nature of the online transaction is important to have an attitude to be analyzed advertising effectiveness is an invisible network, therefore understand attitude of the user whilst surfing the web would make online dealing effectively, without assessing the internet user attitude, the online business would not perform well. Furthermore, generation Y consumers are more likely to interact with the ad and surf the online ad more as denoted in Li, Wang, and Yang (2011). Numerous researchers have examined Aad as a mediating variable in the advertisement on brand attitude (Aaker, Stayman, & Hagerty, 1986; MacKenzie et al., 1983). According to Mackenzie et al. (1986) there can be a one-way or two-way flow between Aad and Abrand subject to different contexts; both Aad and Abrand are actually could be determined independently.

Another study found that the way an advert presented and the channel through which the advert presented predict consumer online frequency (Olney, Holbrook, & Batra, 1991) In addition, consumers' favorable varies owing to the kinds of product being advertised as well as one's involvement towards the product (Grigorovici & Constantin, 2004). According to Lin and Lo (2016), purchaser can hinge on

consumer's interests to shop virtual stores and ease of navigation significantly influences consumers' emotional responses, pleasantness, and arousal, which subsequently affects their urge to buy impulsively.

This study incorporate the item of attitude as a dependence variable used to measure the perception of online advertising effectiveness through attitude towards Ads and attitude towards brand. The online brand is referring to the brands ad picture that advertiser download to affect the rating click choice and would affect the sale and after information contained in Ads is accepted, there is always a presence of independent attitude effect of Aad on brand choice (Biehal et al., 1992).

### **2.2.3 Emerging Problems in the Online Advertising Research Field**

The online advertising research effort took off in 1996 as the first research was done by Berthon et al. (1996) then, a substantial body of research fellows. The synopsis of the research literature on online advertising can assess in Ha and Jang (2009), and Kim et al. (2011). The extant research is vastly diverse and connotes effectiveness of advertising online and offline, interactivity in advertisements, advertising processes, comparisons between online and traditional media, and attitude toward web sites, ads and brands (Ha & Jang, 2009; 2008; Kim et al., 2011). Some studies focused on which advertising effort works, when it works, for which consumer it works, and under what circumstances it works; Van-Heerde, Helsen, and Dekimpe (2007) focused on the effect of online advertising on organizational outcomes, and other aspects as

mentioned above. Scholar, Battas (2003) investigated on the advertising effectiveness on the internet on the importance of creative and media factors for banner effectiveness. Numerous studies have treated online advertising effectiveness as processes, which is antecedent that impact organizational outcome such as in Kim et al. (2011). Besides, there're only few studies examine online advertising effectiveness as an outcome to which certain factors contribute and what can enhance online advertising effectiveness (Nikhashemi et al., 2013; Mochon, Johnson, Schwartz, & Ariely, 2017 ). In further support of these arguments, it is suggesting that the recent researches regarding internet advertising effectiveness are conflicting and inconsistent. Many studies (Hwang & Kranhold, 2000; O'Connell, 2001; Bulik, 2000; Gaffney, 2001) have stressed on the ineffectiveness of internet advertising. Conversely, numerous researches have established the effectiveness of online advertising in other scope; among of these studies include Schlosser et al. (2011) and McDuff (2017).

The studies, which debunked online advertising effectiveness, indicate that online advertising ineffectiveness is due to low click-through rates for banner ads, lack of useful information, dullness of ads, confusing ads etc. When scrutiny at these predictors of internet advertising ineffectiveness would rationalize employment of service quality, relationship quality and knowledge management as factors that can enhance the advertising effectiveness. There were extant of research posit positive impact of factors as described affected organizational outcomes, including customer satisfaction via online shopping (Kettinger et al., 1994; Cenfetelli et al., 2008; Bojei & Alwie, 2010; Evert, 2012; Kumar & Reinartz, 2012).

Another is in the relationship quality, internet has hastened the market efficacy and effectiveness in a way of traditional marketing (Goodarz, 2012). There is a need to establish real relationship quality in the mass market (Bhattacharya & Ruth, 2000). It is important for organizational value projected into the world; a new internet relationship with customers is of much importance to organizations, as relationship quality plays an essential role in service industry (Bojei & Alwie, 2010; Evert, 2012).

Beside that is the service quality, where there is a rise in the service functionalities delivered from a website, which serves as a hub for electronic advertising has brought public attention to the importance of service quality to the business.

Therefore, there is an avenue for consumers and service providers to create new services provisions on the online internet platform instead of traditional retail channel. This include, to build community in networking to prompt the latest, advertisement trend, promotion, paying process, delivery time frame and interaction with the prospect by creating knowledge on usages and confidentiality in online sell and services, in order to create trust and repentance purchase, for the securing of the effectiveness of the latest, online advertisement business.

Numerous scholars (Cenfetelli et al., 2008; Kettinger et al., 1994) have quoted the significance of service quality. In addition, DeLone and McLean (2003) recognized the need to involve service quality in assessing the effectiveness of internet, which invariably determines the effectiveness of service quality on internet advertising.

Therefore, the concept of service quality has adopted to address the information technology (IT), but the concepts have evolved the boundaries, which involved website context. Undoubtedly, the service quality is an undeniably criteria for the effectiveness of the online nature of companies (Shankar et al., 2003; Zeithaml et al., 2001).

The scholar such as Devaraj et al.'s (2002) illustrate high service quality boosts online channel usage; and increase users repentance to the websites (Gefen, 2002). Further customer online shopping satisfaction can be enhanced (Cenfetelli et al., 2008; DeLone & McLean 2003).

The role of knowledge management to the effectiveness of online advertising, previous studies have showed that a number of consumers use internet to carry out research (finding out information) about products or services. The current website business is not about the retail channel, but attitude, and repentance adding the timing opportunity and emotional values that the seller built, instead of location, front desk services.

Since there is a globalization of economies and the transition of integral knowledge society, managing tacit knowledge is crucial to the effective management of outsourcing relationship (Karin et al., 2012). In Kumar and Reinartz's (2012) posited that it is indispensable to analyses implemented knowledge in a case study on internet advertising information.

In the light of the above exposition, entrenchment of service quality and relationship quality remain ultimate in doing the business and knowledge is highly essential for the effective management of internet advertising, which will ultimately translate to the effectiveness of the business.

More so, online advertising is becoming more attractive to people, despite the economic recession and this is due to its virtues of being transparent, innovative, accountable and flexible. The economic slump has adversely affected nearly every advertising market; however, advertising format have not affected backwardly in 2009 (IAB-Europe, 2010). Internet advertising worldwide made up \$12.6 million in 2003, while, by 2012, the turnover estimated to rise up to \$120.4 million.

Moreover, there is an increasing study and purchase trend in the online advertising industry, and it has made the marketers, academicians and professionals to pay close attention to the effectiveness of internet advertising (Yang, 1996; Digital Direction, 2011; Peltier, Schibrowsky, & Schultz, 2003). Researchers and the marketing experts are investigating on how to take full advantage and maximizing the value of this communication medium as highlighted in Rodgers and Thorson (2000). Hence, the need for systematic research, which will signify the truth, value of commerce on the net, particularly its role as the advertising medium or tool (Berthon et al., 1996; Bezjian-Avery et al., 1998).

The threats in advertising in the new medium are snowballing, and research in online advertising is still in its embryonic stage (Nikhashemi et al., 2013). Numbers of debates have not been resolved regarding the effectiveness of online advertising. Despite, some studies have indicated the effectiveness of online advertising in the aspect of promoting products, (Briggs, 2001; Dreze & Hussherr, 2003; Wakeling & Murphy, 2002; Ogutu et al., 2014). Apparently, advertisers are striving to rationalize online advertising outflows on their products in their marketing budget to ensure being strategic and precise in planning and optimizing online campaigns. These organizations have lacked detailed guidelines of effective implementation of the appropriate characteristics of online advertising (Shansi, 2007).

Internet advertising has some challenges, ranging from the problem of adware, data leakage, and lack of security. The landscape has become broken and segmented. There are too many platforms, such as demand and supply platforms, ad exchanges, real time bidding platforms, and thousands of different ways of targeting an audience with different direction and reports.

Furthermore, understanding purchaser demeanors has been at the cutting edge of open deliberation (Tsang et al., 2004; Rettie et al., 2005; Maduku, 2014). Consumer states of mind influence the selection of innovation related items (Mort & Drennan 2005; Maduku, 2014). Numerous studies have looked at purchaser dispositions towards promoting identified by the web and cellular telephones. An examination between them can offer a few implications for marketing strategy or advertising procedures.



Earlier writing demonstrates that general buyer states of mind towards web based promoting are certain. For instance, Korgaonkar and Wolin's (2002); Maduku's (2014) illustrate the more time surfing on the web; the more positive are their states of mind towards e-promoting. Gender properties have additionally found to assume a basic part in directing buyer states of mind. In review of Korgaonkar and Wolin's (2002) and Dehkordi et al.'s (2012), research discoveries, males show more inspirational dispositions towards internet uploading than females, and online advancement have impact in contrast recognition compare to offline client. In any case, various components found to bring about negative mentalities, for example, disturbance towards web publicizing. As a rule, shoppers might be baffled by irritating promotions, and in this manner relinquished the site through as researchers (Gao et al., 2004; Aliman & Mohamad, 2013; Ha & Jang, 2009; Shankar et al., 2003; Zeithaml et al., 2001) indicate that little is known regarding the effect of relationship quality and service quality on internet-based advertising.

Despite the fact that researchers have conducted a good number of researches on knowledge management (Ling, 2011), as either an independent variable or dependent variable and few studies have empirically investigated the potential moderating effect of knowledge management. There are comprehensive review of the latest literature signifies that there is a lack of studies on the moderating effect, Ling (2011), notified insufficient study of knowledge management, in service quality on advert effectiveness.

In the Malaysian context, advertising has evolved progressively as it have moved from its old-fashioned media forms to the internet media advertising but still in an early stage (Nikhashemi et al., 2013). The new media advertising has potentials for development as it enriches the content digitization on web applications. This is evident as a total sum of RM14.9 million worth of advertisements had spent on internet medium in the first half of 2008 reported by Suruhanjaya Komunikasi Dan Multimedia Malaysia (SKMM, 2009).

Nevertheless, there has been pitfall in the rates at which online shopping was done in the last decade (Kee-Sook, 2002), despite the backing from both marketers and Malaysia government (Haque, 2007). The pitfall partly attributed to shortage of confidence and trust on the part of the consumers. The implication is that internet advertising would adversely be affected, and there is need for setting up the real relationship quality (Bhattacharya & Ruth, 2000; Michael, 2012), given the fact that internet customers relationship is significant to the organizations, and relationship quality plays an essential role in advertising service industry and the customer relationship (Bojei & Alwie, 2010; Rizan, 2014). The consequence is that relationship quality and service quality would enhance customers' confidence and trust (Bojei & Alwie, 2010; Devaraj et al., 2002; Gefen 2002; Rizan, 2014).

It has become a responsibility of the advertising researcher to further conduct research of online needs; given the Malaysia online advertising trends is in the developing stage. The current situation is the evolution and advances in technology create avenues for

the customers to have more control of what they want to see, interact with, or buy as reported in Suruhanjaya Komunikasi Dan Multimedia Malaysia (SKMM, 2009). This will, provide satisfaction to the clients/producers of the advertised products and will solidify the relationship between the marketers and their clients.

In a nutshell, internet advertising industry is a very vibrant in this new market with huge revenue in many countries (Shansi, 2007), including Malaysia (Nielsen, 2011; Nikhashemi et al., 2013) and thus worthy to be explored. Whereas, customers are frustrated regarding the ads from internet advertising, which sometimes obstruct the content they actually want to go through (Qaffas et al., 2013). This calls for an in-depth inquiry into how relationship quality and service quality can impact the effectiveness of internet advertising, in order to find a solution to the frustration of customers regarding internet advertising practices.

The method of measurement and achievement of effectiveness of online advertising has not been adequately explained (Nikhashemi et al., 2013), and there is a speedily growing Internet audience in Malaysia, that marketers are ought to use the advantage to take the stock of this avenue and create ways to involve targeted audience (Suruhanjaya Komunikasi Dan Multimedia Malaysia) (SKMM) (2009).

There is an increased attention from the practitioners to examine online advertising as a crucial topic from the perspective of academics. Internet has increasingly become an integrated tool for marketing and advertising, the effectiveness of online advertising

remains a crucial debatable issue among practitioners and scholars (Wang & Shao, 2010). There are very few study examines internet advertising effectiveness in relation to relationship and service quality, with the company performance (Wu, 2006; Yuzgat et al., 2013). While researchers have stressed the importance of relationship quality in enhancing organizational performance as posit in Aliman, and Mohamad (2013); also with regards to the importance of service quality in enhancing organizational performance (Parasuraman et al., 1991). Hence, in the nutshell, there is a need to examine quality in service of internet advertising effectiveness to ensure continuing performance of an organization.

### **2.3 Relationship Quality**

The concept of relationship quality has arisen from theory and research in the field of relationship marketing as review in Crosby et al. (1990). Further, keeping customers requires quality relationship and achieving this requires companies to concentrate on the method and building long term trust by creating customer satisfaction (Liu et al., 2011). Researchers conceptualize relationship quality as a higher order constructs, and it is composed of commitment, satisfaction, and trust (Ghzaiel & Akrouf, 2012; Ulaga & Eggert, 2006). From the extant literature, relationship quality is preliminary advance to relationship marketing (De Wulf et al., 2001). Dorsch et al. (1998) observed that trust, commitment and satisfaction indicated as a conventionalized relationship quality to buyers. While Crosby et al.'s (1990) posit relationship quality categories from two dimensions, which is satisfaction and trust, and Hewett et al.'s (2002) and Hibbard et

al. (2001) review the higher rank of relationship quality consisted of trust and commitment. Considering these categorizations in previous researches, this study focuses on trust, commitment, and satisfaction as key dimensions of relationship quality as discussed in Ghzaiel and Akrouf (2012), where the researcher seeks to provide insights into seller-perceived relationship quality in the Business-to-Business context. Due to suffice of the study on other dimensions, as suggested in Kassim and Asiah (2010) perceived quality have significant impact on customer satisfaction. In turn, customer satisfaction has significant effect on trust. Both customer satisfaction and trust have significant effects on decision to purchase. Interestingly, trust does not directly influence the latter. With the exception of the effect of satisfaction on trust, the researcher found no significant difference between the effects of perceived service quality on satisfaction, and trust.

Rauyruen and Miller (2007) held that there was no unified description of relationship quality. Huntley (2006) views relationship quality as a long-term buyer satisfaction with goods that are value for money manifested with products and service quality in the partnership context. In a context that as reflecting a people-based, inter-organizational approach to relationship quality, for example, Holmlund (2001) provides a working definition that views relationship quality is an interactive by individuals in the business as a joined cognitive intuition.

There are diverse opinions on what relationship quality constitutes. In addition, its nature and dimensions have extensively discussed. It asserted that there is still no

agreement unanimity in the relationship quality dimensions. Hence, this dimension is still a gray area in the literature (Gregori et al., 2014). However, some scholars conceptualized relationship quality, constructing of few components, which include satisfaction (Crosby et al., 1990; Hennig-Thurau & Tornroos, 1997), and as trust, and commitment (Hennig-Thurau & Tornroos, 1997; De Canniere, De Pelsmacker, & Geuens, 2010).

In Hennig-Thurau and Tornroos's (1997) illustrate that overall quality, among other studied, relationship quality was held to be the extensive studies in the dimension of trust, commitment and satisfaction (Athanasopoulou, 2009; De Canniere et al., 2009; Rauyruen & Miller, 2007). It has initially developed from theory and research within relationship marketing fields (Crosby et al., 1990; Dwyer et al., 1980). The concept has developed to strengthen the strong relationship committed customer by shifting the non-responder client (Rauyruen & Miller, 2007). In fact, several authors maintain and develop an understanding of attitudinal to purchase is of fundamental importance to online advertising (Goode & Harris, 2007; Zeithaml, Parasuraman, & Malhotra, 2002).

Relationship quality is one of the most critical factors in developing service recovery strategies. It is the mutual fulfillment of the partner perceived type of expectation on their predicted goal and desired relationship (Ha & Jang, 2009), where the service provider's earlier, service performance was complied with, as quality relationship is an indication of the future client quality service performance.

Woo and Ennew's (2004) illustrate the quality of products and services are equally similar to the relationship quality, which consisted of multi-dimensional perception. Therefore, Crosby et al. (1990) noted relationship quality became a source of great interest to many researchers.

In their study, the endogenous variable of relationship quality consists of two dimensions, which is individual trust approached and satisfaction of the clients. They were applied to the pioneers of relationship quality conceptualization, although, they were being criticized because of the approach was largely about the insurance agency and the client point of view, where there were ascertained on the customer expectation point of view.

It have been held that trust and commitment relationship is well established in the recent literature, where numerous studies show an extensive and positive relationship of trust on a partner's commitment to a relationship (Caceres & Paparoidamis, 2007; Razzaque & Boon, 2003; Tellefsen & Thomas, 2005). In this sense, trust becomes an antecedent to attitudinal and it is a very vital construct necessary to develop effective service relationships towards online retailing and B2B markets. De-Ruyter and Wetzels's (2000) and Reichheld and Schefter's (2000) theorized that trust is essential in gaining customer commitment in online business, because customers need to develop trust in a service provider in order to continuously deal with the online business process. Several other studies (Cater & Zabkar, 2009; Mukherjee & Nath, 2007) also agreeing with this assumption.

However, Morgan and Hunt's (1994) theorized of contexture factors judges on the effectiveness or failure of relationship marketing, in relationship quality and applied "trust" extensively in the business strategy context. In Morgan and Hunt (1994) Commitment and trust are "critical" on the grounds that it is important for the advertisers to (1) work at protecting relationship ventures by collaborating with trade accomplices, (2) prefer advantages of staying with existing partners, and (3) help partner be wary about other partner in practices. This is to ensure efficacy and to promote better business strategy. In a nutshell, commitment and trust directly affect business cooperative behavior.

The idea of relationship quality has researched in other literature. However, there were contrasts in its operationalization and definition. Rauyruen and Miller (2007) submitted that there is a consensus among scientific studies on the idea of relationship quality is higher orders of construct develop comprising of a few discrete yet related dimensions. Subsequently, it is important to consider the aggregate of dimension and the definition of the construct to appreciate relationship quality as a construct.

Lang and Colgate (2003) utilized five variables which are (1) commitment, (2) trust, (3) satisfaction, (4) social bonding and (5) Conflict of clients and the online service provider to evaluate on-line relationship quality, and Rao and Perry (2003) proposed two classes of bonds as the most vital in an online environment. The study proposed structural bonds (dependence, communication and coordination) and social bonds (trust, commitment, satisfaction and communication), are two importance bonding



with web clients, in which internet usage is suggested to be a very new culture that mix with a variety of geographical and different types of the marketplace and culture. As such, it is still undergoing development process, because it involves multi-cultural racial, ages, demand, supply of service, mode of payment and social preference in different countries. The value is differed in term of assets, and organizational culture. Kumar and Reinartz's (2012) illustrate that the changes of current marketplaces drive us to become more relationship oriented, and more customer concerned. This multiculturalism in varying aspect suggested a real significance on its influence on the effectiveness of internet advert.

Previous studies held that relationship marketing consists of different types of online global business in compared to the retailing industry. While retailing is more about the firm and client relationship (Rauyruen & Miller, 2007), internet business relates more to the competitive advantages and consumer needs, delivery information and confidence in the goods purchased online. This view is consistent with Porter's value chain on the supply chain, which requires a globalized environment with competitive advantages (Porter, 1985).

The previous finding holds that in conventional business relationship quality has a positive influence on the company's performance (Keating et al, 2011). Customer emotional and retention is important in relationship maintenance (Liang, Ho, Li, & Turban, 2012), and service quality is positively significant with relationship quality in this context (Gronroos, 2004). Further support of these, relationship quality in internet

advertising held to be contained contemporary relationship theory, which originated from the earlier study of interaction and network approach, and according to Gronroos (2002), the concept of promise, is an integral part of relationship marketing.

An investigation of the extant literatures indicated trust, commitment and satisfaction as an important dimension of the overall effective business performance (Moliner et al., 2007). There are many definitions on trust and commitment originating from several theories such as social psychology theory, organizational theory, interaction theory, and entering the realm of relationship marketing theory (Morgan et al., 1994). Online or internet business is a strange transaction involving perceived risk on consumer psychological behaviors, therefore many scholars observed that online trust is a real obstacle to an effective e-commerce company transaction.

In the current literature, there are no clear consensus with regard to the set of dimensions that constitute relationship quality and this has made researchers to use the construct inconsistently to generally described relational constructs based on the empirical context investigated (Chumpitaz & Paparoidamis, 2007).

### **2.3.1 Dimensions of Relationship Quality**

Relationship quality is an emerging mega-construct in the marketing literature. Scholars are not unanimous with regards to its constituent's/dimensions. As some scholars believe that relationship quality is one dimensional, others held that it's multi-dimensional composing numerous distinct but related dimensions (Crosby et al., 1990;

Dorsch et al., 1998). However, three dimensions have shown to be suitable for relationship quality measurement. In the literature, a number of authors e.g. Dwyer & Oh, (1987) empirically found that relationship quality was comprised of trust, commitment on buyer and seller relationship. Whilst, there were numbers of relationship quality components have been proposed, in which the variables of trust, commitment and satisfaction are the most frequently studied (e.g. Dwyer et al., 1987; Morgan & Hunt, 1994). The importance of relationship trust, commitment and satisfaction can relate together as an overall indicator of the higher-order construct of relationship quality. It has conceptualized that the better relationship quality accompanied by greater satisfaction (Dorsch et al., 1998). In trust, and commitment, even though the three attitudinal dimensions are distinct, consumers tend to view and evaluate them as a group together (Rauyrueen & Miller, 2007). Therefore, trust, satisfaction, and commitment are interconnected in the conceptualization of the relationship quality (Kim, Zhao, & Yang, 2008). Hutchinson, Wellington, Saad, and Cox's (2011) illustrate relationship quality value influences behavioural to purchase indirectly. In further investigating, it is suggested that studied conducting by Fotini, Maro, and Vicky (2009) have been expand the constructed relationship quality approached to the studied of new advertising effectiveness on performance for corporate advertising.

### **2.3.1.1 Trust**

Extant literature indicated trust is an important construct in online business. Trust in the study of e-commerce customer relationship in (Harrison & McKnight, 2001) defined as a conceptual level constructs which consisted of disposition to trust (primarily from psychology), institution-based trust (from sociology), and trusting beliefs and trusting attitude (primarily from social psychology). Research has indicated that some customers do not trust the information and messages they get from wireless devices (Varnali & Toker, 2010). Recent literature suggest that trust plays an essential role in internet banking (Delafrooz, Paim, & Khatibi, 2010; Yousafzai et al., 2010). Moreover, trust in internet-banking is increasing important daily Hong et al. (2013). Further, Scholar Soh, Leonard, and Karen (2013) explained client's trust is the most essential in judging the effectiveness of internet banking transaction, in recent studied on analyzing of measuring trust in advertising.

Numerous researchers have adopted trust as a dimension of relationship quality, the prominence are De-Canniere et al. (2010), Holmlund (2008), and Ivens and Pardo (2007). In relationship marketing, trust plays an important role in determining an effective cooperation, as it has deemed the most widely accepted model in relationship marketing (Dwyer et al., 1987; Crosby et al., 1990; Mohr & Spelman, 1994). Thus, according to Alam and Yasin (2010) by instilling trust in their products, companies can influence behavior of online consumers, boost their confidence and their final buying decision, just as Reast (2005) indicated that companies that are more

trustworthy would record more benefits than their unreliable competitors would. Trust has become a crucial factor that has impacts in forming a long-term quality relationship between consumers and the service providers, as to its strong influence on the improvement of the overall relationship quality (Wong & Sohal, 2002), and in this aspect trust has considered as an essential relationship model.

At the point when a client trusts an organization, he or she has certain affirmation in goods and service provided. Clients who believe and trust is more liable to stay faithful to the organization, pay premium costs for the organization's image and additionally persistently interested the organization's items, and constantly prepared to share information about his/her satisfaction and preference (Chaudhuri & Holbrook, 2001; Busacca & Castaldo, 2003). This is the scenario within the context of e-trade (Liao, Palvia, & Lin, 2006) and e-Government (Lean, Zailani, Ramayah, & Fernando, 2009). A typical case have found in the trust exemplified by Chinese mobile instant message users that led to their ultimate commitment (Deng, Lu, Wei, & Zhang, 2009). In addition, Reichheld and Schefter's (2000) research, called attention to the precondition of client dedication is client trust, and in research like Palvia (2009), trust has conceptualized as an antecedent of satisfaction.

Marketing literatures have repeated with definitions of trust. Within the context of relational sales, trust refers to a belief that a salesperson is reliable such as consumer's long-term and customer overall interest is served at all times (Woo & Ennew, 2004). Beatson, Lings, and Gudergan (2008) referred to trust as a confidence that consumers

have with the seller. Morgan and Hunt (1994) held trust as a perceived confidence integrity and reliability. McKnight et al. (2002), concludes that the facets of trust mostly considered by business researchers are competence, benevolence, and integrity. There is a comprehensive literature review by Gefen and Straub (2004), on trust within business-to-consumer online environment. These dimensions of trust has confirmed within the context of online products and services. Gefen (2002) earlier submits that when customers are satisfied with an online merchant, trust has established as the products and services have repeatedly patronized. Researchers therefore held that online trust possessed another hindrance to an effective e-commerce company transaction. Thus, the real trust will influence online consumer behavior and final buying decision, just as Berry et al. (1990) indicated that trust, being a dimension of relationship quality, is the “beginning” of the marketing relationship.

In this case, the concept of trust has defined in relation to confidence and reliability in internet online business relationships, and to this end, internet advertising companies can achieve a success if the consumers can confide in the merchants and place their trust in their products.

### **2.3.1.2 Commitment**

Commitment is a building block for the solid relationship. The relationship might be between two companions, firms, firms and clients (Toops, 2009). A Solid relationship is constantly made of commitment, and duty appreciation is critical than emotions (Lyons, 2005). As demonstrated by David and Quang (2013) commitment is

characterized attitude that kept up strong values that created qualities relationship. It's dedicated to work with them, the distinction amongst promise and commitment is accomplishing something individually. The submitted relationship depends on the individual commitment among the relationship coherence of interaction (Sharma, Young & Wilkinson, 2007). The relationship between the customer and firm will be stronger if the commitment is entrenched (Rehman, Shareef, & Ishaque, 2012).

Allen and Meyer (1990) developed several attitudinal commitment conceptualizations, which mostly include one of three general themes of affective attachment, perceived costs, and obligation sometimes referred to as affective, calculative, and normative commitment (Rafiq, Fulford & Lu, 2013).

Commitment, just like trust and customer satisfaction is another important dimension of relationship quality. According to Morgan and Hunt (1994), relationship quality is a central relational between the firm and their customer.

Commitment is acknowledged to be important for relationship effectiveness, in Wong and Sohal's (2002) noted that in order to create a high-quality relationship, it is essential that trust and commitment are expected to have high levels in the customer point of view when succeeded in customer retention and economically prosperous.

In the same manner, Berry and Parasuraman's (1991) illustrate, mutual commitment is essential for a long-term business relationship, which is important in developing a strong customer relationship.

Affective commitment is the state when an individual is emotionally attached, identify with, and involved in a company. This explains why people with strong affective commitment continuously remain attached to a firm due to the strong emotional attachment they have with the firm. Calculative commitment depends on individual's recognition of the implications of leaving an organization, while normative commitment is expressed in term of responsibilities toward the organization. In Support of these three dimensions of commitment, and within marketing context, provided by Meyer, Allen, and Smith (1993), several studies such as Bansal, Irving, and Taylor (2004) and Gruen, Summers, and Acito (2000) had been developed in a similar direction. There were studied in commitment however only test on the calculative and affective commitment as cited in Li, Browne, and Chau (2006). However, in Fullerton's (2005) studies on online marketing it has excluded normative commitment construct, considering the absence of direct human contact in the online business environment.

Furthermore, commitment appears to be the most controversial construct, as it has also frequently been modeled as a determinant of relationship quality. It is interesting to note that, since the publication stated in Morgan and Hunt's (1994) 'Commitment-Trust Theory of Relationship Marketing' researchers started to add commitment as a relationship quality dimension, alongside trust and satisfaction (Ivens 2004; Ulaga & Eggert 2006; Ivens and Pardo 2007; Rauyruen et al., 2007). This is somewhat in conflict with the 'key mediating variable model' (KMV) of Morgan and Hunt (1994) which posits commitment as consequence of trust. On the other hand, it explains why



work that is more recent is less inclined to model commitment as a determinant of relationship quality. Relationship quality has also been modelled using power (Keating et al., 2011), service quality (Hennig-Thurau et al., 2001; Rauyrueen & Miller, 2007), and customer orientation (Rakowski, Bejou, & Edvardsson, 1996) as dimensions of relationship quality.

### **2.3.1.3 Satisfaction**

Segoro's (2013) identified an important factor as the antecedents of firm performance. He opined that the declining in service quality has become a phenomenon and of major concern. In many studies, customer satisfaction has regarded as a strong predictor to many behavioral variables.

In the previous study, satisfaction is antecedents, and it is positively influences client persistence to buy (De-Ruyter & Wetzels, 1998; Westbrook, 1998; Deng et al., 2009; Dick & Basu, 1994). In spite of the fact that the reason that clients stay faithful may not generally be satisfactory (Gerpott, Rams, & Schindler, 2001), The hypotheses stated satisfied clients have the tendency to continue purchasing.

Scholars like Ravald and Gronroos, (1996); Wang and Shieh, (2006) considered variables like repurchase attitudinal behavior, word-of-mouth and urged to purchase as important variables in customer satisfaction. Customer's feeling of satisfaction, according to Parasuaman et al. (1988), comprises of perceived performance and expectations. This implies those individuals usually compares reality perception with

expectations, and draw a conclusion on the level of his satisfaction with the goods in question (Bruhn, 2000). Chang, Lee, and Lai's (2012) illustrate relationship quality on dealer satisfaction. In the same way, Westbrook (1981) submitted that satisfaction is the feeling or state of emotion in response to an assessment of customer-company relationships and researcher have explored similar dual dimensions to measure relationship quality. Hennig-Thurau et al. (2002) stated that evaluating customer satisfaction and commitment are two elements of relationship quality. Crosby et al.'s (1990) illustrate satisfaction as a summary measure providing the appraisal of past interaction quality with the service provider (Crosby & Stephens, 1987). This view is in consonance with that of Fornell (1992) who also maintained that an assessment of satisfaction can be based on general customer's feelings. Beatson et al. (2008) asserted that satisfaction is the customer's interactive perceived with the firm's services assessment. As such, it has adjudged an essential model in marketing with an age-long recognition within the relationship-marketing researchers and practitioners.

### **2.3.2 Relationship Quality and Internet Advertising Effectiveness**

An effective relationship between firm and customer can facilitate customer's attitude to patronize the firm and customer's actual purchase would increase. In addition, internet advertising can facilitate purchase attitudinal (Ogotu et al., 2014).

Fotini et al. (2009) have constructed relationship quality approached to the studied of new advertising effectiveness on performance for corporate advertising, to which,

internet advertising has succeeded in reducing the transaction costs between merchants and service providers. Therefore, the dimensions of brand trust, and knowledge trust in relationship quality are needed to strengthen the relationships and transform unresponsive customers into persistence ones (Busacca & Castaldo 2003).

In order for online advertising to attain competitive advantages, knowledge and trust must be present between the service provider and the consumer. Although quality relationship marketing is different in online business in compared to the retailing industry, Parasuraman et al. (1988) argued that online advertising created competitive advantages, consumer needs, postages information and confidence of the goods purchased online.

This study illustrate that the twist to relationship between internet advertising and relationship quality stems from the fact that internet business is an invisible transaction that involving perceived risk on consumer psychological behaviors.

Korgaonkar and Wolin' (2002) analysed that the trust and attitude of the web user on web advertising, purchasing patterns, and demographics is positively related to the frequency of web purchasing. Thorbjørnsen's (2002) posited in consumer-brand relationships as measured by the 'Brand Relationship Quality' suggests that personalized web sites will develop stronger consumer-brand relationships to web user who have extensive internet experience. Therefore, this study suggest that online

relationship quality approach is in the developing stages and is further needed to clarify looking on the invisible and emotional nature of the online advertising process.

## **2.4 Service Quality**

Liu et al. (2011) characterized service quality as after receiving of full quality service perceived by clients. Service quality thought to be vital to consumer persistency to purchase and trust. It is likewise one of the antecedent's studies of relationship quality (Athanasopoulou, 2009). The organizations need to upgrade their service quality and endeavor to the client expectations when supplying and this ultimately can increase the value of their clients. For organizations in an exceptionally competitive environment such as online advertising business sector, the best method is to give high service quality and implementing effective strategies to the added value of clients (Liu et al., 2011; Daniel & Berinyuy, 2010). Customer satisfaction will enhance when the organization improve their service quality and relationship quality and this can success through improving the client perceived quality for it tangibles or intangible aspect through the resources of the firm (Segoro, 2013).

The use of technology in service delivery has helped in the provision of better services to customers with increasing convenience (Sachan, Ali, & Gupta, 2007). Brady and Cronin, (2001) referred service quality as to the customer's perception of certain service elements like (1) interaction quality, (2) physical environment quality and (3) resulted quality. Among the first researchers, define relationship qualities were Lewis

and Booms (1983). In their definition, they referred to service quality as “measure of how well the service level delivered matches the customer’s expectation”. Service quality regarded as an attitude in this overall judgment about the superiority of a particular service.

Researchers like Parasuraman et al. (1988) adhere to development of service quality with comparing performance perceptions with expectations. On the other hand, Cronin and Taylor (1992) held that it was a derivative of comparison of performance with ideal standards or from performance perceptions.

Some scholars, (Gronroos, 1983; Lehtinen & Lehtinen, 1982) get to the result of the services administration. In addition, service quality can split into two noteworthy measurements. The principal measurement is concerned with what the services convey or deliver, additionally alluded to as "result quality" and "technical quality". The second measurement is about how the service have conveyed or delivered, inferring the procedure that the client experienced on the outcome of the service, quality is a multi-dimensional construct, and it is impossible to reach the service quality without recognizing the critical parts of value (Gronroos, 1983). Beside that the primary measurements of administration, quality consists of specialized quality, execution quality, and association's quality.

This is similar to the dimensions proposed by Lehtinen and Lehtinen (1991), which are (1) physical quality, (2) interactive quality and (3) corporate quality. Technical

quality dimensions are those that can measure objectively irrespective of customers' opinion, while those concerned with the functional quality related to the interaction between the service provider and recipient often perceived subjectively (Ramaiyah, Zain, & Ahmad, 2007). Many Scholars attempted to introduce the service quality into the process quality and output quality, but their contributions are insufficient details. Initially, Parasuraman et al. (1988) dimensions of service quality, amongst the main one which include (1) tangibility, (2) reliability, (3) competence, (4) courtesy, (5) credibility, (6) security, (7) access, (8) communication and (9) understanding the customer. Subsequently, it was discovered that a strong correlation and interdependent among those dimensions. Hence, the dimensions have combined and reduced to fivefold dimension, which is: (1) reliability, (2) responsiveness, (3) assurance, (4) empathy and (5) tangibility, which later have applied to as a tool for measuring the service quality, known as SERVQUAL. This tool applied widely to measure the dimensions of reliability by many researchers in other service sector domains like financial institutions, libraries, hotels, medical centers. Despite, numbers of researches suggest about certain components of SERVQUAL require rephrase added, or edit components, researchers have applied this tool for their literature study in different service domains (Mosahab, Mahamad, & Ramayah, 2010).

This explains its relationship with the present study on internet advertising effectiveness as reliability plays a vital role in internet advertising companies, because in every internet advertising, buyers need an assurance that their purchases through internet is reliable and fulfills the requirement promised with satisfaction. There is a

positive relationship in its hypothesis in relation to the reliability and the effectiveness of advertisement industry (Wang & Shieh, 2006). Service quality can influence the customer's attitude to stay with their existing service provider when they feel comfortable with the dealing. Service qualities research has conducted by many scholars in the business domain and most of the findings held that changing consumer landscape is challenging on the company performance (Kumar & Reinartz, 2012).

However, there is insufficient of empirical studies linking this to internet advertising effectiveness. In McFarlane and Nolan (1995), the authors suggested that service quality is positively associated with internet advertising effectiveness. Therefore, service quality and internet advertising effectiveness can improve this research considering the notable dimensions: tangibility, reliability and responsiveness.

Tangibles in service quality refer to the physical environment of the service, that is, facility's appearance, equipment, and written materials (Zeithaml, Bitner, & Gremler, 2006). It is about the first impression. In online service quality dimension, tangibles imply various dimensions of conformance, such as the physical appearance of surroundings circumstance attendance, facilities, convenience, engineering, software, personal perception and the rapidity of communication. The tangibility of the products and services is significant to the company market shares and performance (Kumar & Reinartz, 2012).

Reliability as service quality dimensions involves how consistent internet company in executing and enforcing the promised service, on the quality and the accuracy of Internet Company provided within the given time frame. Reliability is as just important as a first-hand impression. The marketing activities should be effective, efficient, and reliable to ensure the information technology monitoring, matching the changes and solution, and subsequence to maximize company profit (Kumar & Reinartz, 2012). It is important that an internet advertisement company always stimulate good relationship strategies with all their intangible online customers get a good feedback that could further strengthen their relationship.

Internet advertising effectiveness is an activity flow and transformation or responsive of useful information to the clients, it is also associated with information flows to encourage a sale. To encourage more flexibility and reduced lead time of supply chain processes via responsiveness to the clients in the limited time frame, improves relationship development and marketing communication, and less obsolete inventory (Anderson, 2001). The need to respond to web-based customer sales requests are essential in internet as response system is to ensure web-based sales increase, and integrate online marketing communications (Belch & Belch, 2004).

This is consistent with market orientation and innovation performance originated in the early 1990s an ability of a company to perform market intelligence and respond to its customers promptly, as online business needs accuracy, promptness and responsiveness. It is suggested that this variable has a positive effect on computer



programming and information technology-based online advertisement company (Kumar & Reinartz, 2012), and can ultimately improve the company's performance. Responsiveness is an encouraging performance, which increases the quality of service relationship. Wang and Shieh (2006) held there is a positive relationship between the responsiveness and the effectiveness of an organization.

Presently, they were disagreement on the scale of measurement among some researcher on the service quality perception. The work on service quality described as divergent (Brady & Cronin, 2001). SERVQUAL remains the most prevailing models for service quality evaluation and continues to be widely applied (Woo & Ennew, 2005), despite the fact that it was criticized on both theoretical and operational grounds by scholars such as Buttle (1996). Recently, Brady, Knight, Cronin, Tomas, Hult and Keillor (2005) had attempted an empirical study to respond to such issue, and hypothesized the quality of services, satisfaction of customers, and the cost or value directly affects buying decision on the products. Their discoveries uncovered a "far reaching" model, which they found to give a more precise representation of the association's nature of the service. Nevertheless, the model is genuinely new and its future improvement will be worth observing.

#### **2.4.1 Dimensions of Service Quality**

According to Hemmasi, Strong, and Taylor (2011), SERVQUAL model does not seem to be an appropriate conceptualization or operationalization of the service quality

constructs. The primary reason is the insufficiency of the expectations/performance gap model which underlies the conceptual development of the SERVQUAL scale. Nevertheless, it is held that SERVQUAL is a model that has been utilized to measure process quality in the private service sector, where human encounter are critical for delivering a satisfactory service to customers (Dabholkar & Overby, 2005).

Moreover, different researchers have employed SERVQUAL dimensions in their research in different manners. Some adopted four dimensions from the measurement while some adopted three dimensions. This has considered normal among the scholars to adopt a measure suitable to the context of one's research. Lately, claims are made that treating the components of SERVQUAL as separate measures in a model may be the best approach to retain the information of both expectation and perceived performance (Jiang & Klein, 2009).

#### **2.4.1.1 Tangible**

Tangible in SERVQUAL refers to the presence of physical artifacts and staff members that are linked to the service. This, according to Parasuraman et al. (1988) includes physical facilities, equipment, and staff appearance.

The conventional methods for measuring service quality may not be applicable if there should arise an occurrence of innovation-empowered administrations like Web based services and call center found that innovation is an empowering influence for services experience satisfaction, where innovation adequacy has driven by customized service

offering, recovery from technology failure and handling spontaneous customer at the same time. Some researcher showed that some conventional measurements of service quality like tangibles lost their significance (Li, Tan, & Xie, 2003) if there should arise an occurrence of innovation empowered service. Additionally, new measurements of service quality are recognized for innovation empowered automated search administrations, for example, mechanized inquiry, correspondence among clients, data securing, content, mass customization, and convenience (Peterson, Balasubramanian, & Bronnenberg, 1997). Parasuraman et al. (2005) hypothesized E-SQUAL in four quality dimensions (efficiency, satisfaction, system availability and privacy) for electronic services. Cristobal, Flavian, and Guinaliu (2007) found web design, customer service, assurance and order management as dimensions for internet-service quality.

However, Ladhari (2009) noted the SERVQUAL model is a good scale to utilize when measuring service quality in different sector, but it is more appropriate to use as a measurement model that fit to that specific service sector to warrant substantial results. The other four measurements of SERVQUAL principally concentrate on the human aspects of delivery service, which is responsiveness, reliability, and tangible deals on the service.

With regards to this, this study will utilize this model since it considers customer's expectation of a service and in addition, perception of the services which is a most ideal approach to measure service quality in service industries (Shahin, 2005).

In this study, quality is related to online services, customer feedback and purchase because this study is about the effectiveness of a service sector (internet advertising). It is the treatment and satisfaction that the consumers receive upon inquiry obtained from the feedback form by the client, and it is the consuming process started on and the required a feedback on acceptance or counter offered by the organization. This viewed as providing a service, which the customers were satisfied.

#### **2.4.1.2 Reliability**

Parasuraman et al.'s (1988) research is the original study of reliability in which ten dimensions of service quality were presented. Reliability implies the ability of dependably and accurately delivers the promised service. In internet advertising business, reliability dimension is viewed as “accurate and dependable service” for internet advertising effectiveness. This implies that the online customers are able to view the services provided as reliable or accurate. Reliability dimension on internet advertising effectiveness is essential in monitoring the monetary. Time consciousness is also linked with reliability in the literature because internet advertising has the difference between order time and delivery. Internet advertising organizations are under obligation to process the transaction reliably and accurately.

In the study by Lonial, Menezes, Tarim, Tatoglu, and Zaim (2010), reliability was included in the dimensions evaluated, their findings suggest the factor structure remains unchanged when applied in the different cultural context. However, Tsai et al. (2011) developed a multi-criteria model to evaluate the difference (gap) between

airport passengers' perceptions and their expectations and propose strategies to minimize this gap. Kim et al.'s (2011) research noted that, low-cost carriers ranked lower on the service-quality dimensions as compared to the full-service carriers. Reliability is second to tangible, which refers to the appearance and the performance of the firm overall, while the other three have a strong individualistic component, mirroring the conduct and states of mind of representatives in a firm.

#### **2.4.1.3 Responsiveness**

Responsiveness portrayed in SERVQUAL as "willingness to help clients and give prompt service" (Parasuraman et al., 1988). This dimension seen as essential on "processing service time" in e marketing, inferring the essence of the time clients anticipates of the services getting. Responsiveness relates to accuracy of products and services, and service providers provided based on the firm willingness to help their customers. This measurement gets to be basic passing by the troubles shoppers face in online items and administration conveyance. Responsiveness were identified with exactness of items and administrations, and administration supplier's ought to have the eagerness to help their clients and furnish them with brief administrations.

This research makes use of three dimensions (Tangibles, Reliability and Responsiveness) among the five remaining dimensions as they were sufficed to test the effectiveness of internet advertising that this study aimed at. Going by the in depth meaning of responsiveness, it can cover empathy while reliability can consume assurance.

#### **2.4.2 Service Quality and Internet Advertising Effectiveness**

Barringer's (2008) analyzed the relationship of repentance purchase attitude based on customer satisfaction and perceived service quality. At the most general level, perceived service quality and customer satisfaction are examining variables that relate to customers' judgement about a product or service (Ograjensek & Lady, 2011). Scholar Moroder (2015), aims were to analyses the subjective customer-oriented approaches for measuring service quality and profitability in services (Heskett et al., 1994). They explained service quality and consumer consistency could enhance profitability through expanded client faithfulness, which is a multidimensional construct, with behavioral and attitudinal measurements being more recognizable (Velazquez, Saura, & Molina, 2011).

Internet advertising is unique in the sense that internet provides an easy platform for buyer-seller interaction. This interactivity is capable of turning around the design and implementation of advertising (Chandon et al., 2003). Through the interactive advertising information can access and processed by users. Thus, the consumer can evaluate the quality of service in terms of assurance that their purchases through internet are reliable and fulfills the requirement promised with satisfaction.

Besides, McFarlane and Nolan (1995) hypothesized that service quality is positively associated with internet advertising effectiveness. Thus, the service quality and

internet advertising effectiveness relationship is relevant in this research considering the key dimensions of tangibility, reliability and responsiveness.

Service quality is an effective technique for differentiating of services orientated business. Measuring service quality can help administer improve data information that can utilize to enhance service quality. Utilizing the SERVQUAL model to survey service quality empowers company to apply and enforce various dimensions to improve service quality and consumer satisfaction. This will help them to distinguish their strength and weaknesses for improvement purposes (Daniel & Berinyuy, 2010).

To sum up, the SERVQUAL model is a good scale to use when measuring service quality in various specific industries. Hence, this study utilization of SERVQUAL model for the measurement of service quality (Ograjensek & Lady, 2011).

## **2.5 Knowledge Management**

Knowledge management is an essential amongst the most vital and advanced subjects in the present day, particularly for work in the marketing management (Hersh & Aladwan, 2014).

The studied by Ha's (2012) research about the click ability of online advertising makes it pertinent to understand why consumers will click on the ad; the author proposes that knowledge gap could use to moderate the effect of online advertising in the further study.

While globalization prompts expanded rivalry, consumer attitude is turning into the key methodology to guarantee survival and aggressiveness (Afiouni, 2007). Additionally, with the fast development of the worldwide learning economy, the researcher has idea to redesign the comprehension of the aggressive edge of business in information concentrated and the emerging business situations (Bose & Oh, 2004; Kavida & Sivakoumar, 2010; Perrott, 2007).

Researchers have dedicated much regard to knowledge management as either an independence variable or dependence variable. A few studies have experimentally researched the potential effect on knowledge management (Ling, 2011). However, there is an absence of studies on moderating effect of knowledge management on the relationship between relationship quality, service quality and internet advertising effectiveness. Directing components speak of an element that accepts noteworthy effect on the relationship between the independent variables and the dependent variables, the value of a moderating valuable could significantly affect the dependent variable, whereas a mediator is to explain how external physical events take on internal psychological significance (Baron & Kenny, 1986). Moderating factors represent a factor that assumes significant impact on the relationship between the independent variables and the dependent variables.

Neu's (2000) research applying moderator is a variable that affects the direction and/or strength of the relation between an independent or predictor variable and a dependent or criterion variable.



A mediator is a variable that accounts for the relation between the predictor and the criterion. Mediators attempt to explain how external physical events take on internal psychological significance. It is common for psychological researchers to use the terms moderator and mediator interchangeably. Failure to appreciate the moderator-mediator distinction inhibits the researcher in exploring the nature of causal mechanisms and integrating different theoretical positions (Neu, 2000).

By making the distinction, investigators will be able to add to the depth and breadth of research and theory to increase the understanding of third variables that can influence the dependent variable (Neu, 2000).

Knowledge management practices as a moderating variable held to have a positive significant impact on performance, as recommend by Lestari, Endang, Taher, and Syafiie (2011), and knowledge agents engage in several processes in dealing with information and knowledge at their disposal. In this sense, the process is knowledge creation and knowledge sharing, it also involves information capturing, accessing knowledge from other entities and applying such knowledge to accomplish various organizational tasks.

This process explained as individuals or groups' reflection and brainstorming to produce new concepts/designs/processes, while using such experience in new contexts and for new problems, and organizations invent in unique situations to bring about new knowledge (Madjar, Oldham, & Pratt, 2002). This creativity employed in problem

solving, stored in organizational databases, or entrenched in its practices where the knowledge agents can access it.

Knowledge management can be an important construct in internet advertising by introducing a right social media platform to improve the communication and creating a new network with customers. By using social media tools, internet advertising companies can manage and monitor their performance with a knowledge management. Due to the globalization of modern economies and transition to knowledge society scholar Karin et al.'s (2012) illustrate the lacking in most knowledge management efforts has arisen because not enough attention is given to the task of convincing people to effectively use the knowledge management (Hersi & Aladwan, 2014). Therefore, this study suggests that information in internet advertising is essential in creating an online process of knowledge by applying tangible strategies in online marketing.

Further, according to Kumar and Reinartz, (2012), it is important to observe organizations that have implemented knowledge management on internet advertising information. It is imperative to implement software and hardware applications, online app, support and guidance. Therefore, implementing knowledge management practices to improve the firm performance have a positive hypothetical in relation to the effectiveness of the online advertisement company (David & Quang, 2013).

Lestari et al.'s (2011) research on knowledge engage in several processes in dealing with information and knowledge at their disposal. It involves information capturing, accessing knowledge and applying to accomplish various organizational tasks. Lestari et al. (2011) contended that knowledge management as a moderator, despite the fact that researchers have committed much analysis on knowledge management as either an independent variable or dependent variable. Few studies have empirically investigated the potential moderating effect of knowledge management such as in Ling (2011). However, this study find out that there is a lack of studies on relationship quality, service quality and internet advertising effectiveness, and moderating variable would have a positive significant impact on performance through all influence.

## **2.6 Agency Theory**

Agency theory is the principal-agent relationship. This theory have established in the management literature, and to some degree in the marketing literature (Tate, Ellram, Bals, Hartmann & Valk, 2009). Agency theory is concerned about resolving the conflict that may arise when principals and agents have opposing goals and desires. There are certain agency theory's assumptions regarding human nature, information, and organization. The assumptions regarding human nature include self-interest, bounded rationality, risk aversion. The assumptions regarding information consider information to be a commodity that can acquire. In the agency theory, it could have a goal conflicts among the members of the organizations (Eisenhardt, 1989).

Goal conflict denotes a problem that emerges resulted of conflict between the objectives of principal and agent. It also involves when it is difficult to check whether the agent is acting according to their interests. Information asymmetric occurs when the agent and the principal have diverse levels of knowledge about the service sourced. Risk aversion refers to a situation when the principal perceives a risk of the supplier whom hired by the agent.

Agency theory posits that individuals have interests at their own risk, and firms have a dislike for conflict among its adherents (Eisenhardt, 1989). In Jensen, and Meckling (1976) description of an agency relationship, observe that agency is a work offered under contract where principle is engaging agency to act or work in return for mutual interest. If both parties have different interests in relation to the object, conflicts will arise when other party would not act in the best interested of the other party.

In relation to advertising field and client-agency relationship, is when the agency can accomplish its objectives and goals via enticing customer and building long term relationship with clients. The level of client's commitment is contingent upon the level of client's satisfaction (Chumpitaz & Paparoidamis 2007).

In the advertising industry, client- agency relationship is commonly very challenging since it requires a lot of work in consulting client. Several agencies have come to an understanding that the accomplishment of real effectiveness is subject to longevity and mutual trust in client relationships (Hackley 2010). This can achieve through the

quality relationship between the agent and the clients (as cited in Crosby et al., 1990). Working relationship amongst organization and customers will expedite production and creativity. The quality of the relationship between the agent and the client indicates the quality of interactions between the two parties, which determines the probability of continued cooperation in the future (Crosby et al., 1990). It posited that creating and keeping up the trust and satisfaction between parties ensures good opportunity to achieve a relationship of high quality. This opportunity will gain commitment to a relationship with the level of perceived similarity ability in the relationship (Crosby et al., 1990; Crosby & Stephens, 1987), and a mutual satisfying relationship will create an effective relationship; the relationship where the advertiser and agency are satisfied and satisfy to each other is most durable.

## **2.7 The Resource Based Theory**

Resource-based theory is an efficiency-based explanation of sustained superior firm performance (Rumelt, 1984). In resource based logic, creating added advantages held to have sustained competitive advantages in an economic point of view, and there are no competitors in the industry where others are not capable to duplicate the strategy. In the resource point of view, sustainable advantages are other firms unable to compete despite their wishes to copy corporate resources, which are the fundamental drivers of performance and competitive advantage (Barney 1991; Conner 1991). The theory operates under the assumptions that a firm resource must have four attributes for a sustained competitive advantage. (a) It must be valuable, such as able to exploit

opportunities and neutralizes threats in its environment, (b) it must be rare among its competitors, (c) it must be imitable, and (d) there should not be equivalent substitutes for this (Barney, 1991). According to Rumelt (1984), the limitation of these resources depends on the extent protected by 'isolating mechanisms'. His explanation based on a list of isolating mechanisms, which he later discussed as the attributes of resources that can enhance their limitability.

This study adopts a grounded theory focused on the resource-based view. The Resource based view in IT firm is relevant especially in firms that cherishes improved capability and tends to outperform traditional firms on a variety of profit and cost capital measure. The resource based theory's contribution to business performance in this study based on two perspectives. Firstly, the market power imperative and the resource based perspective, and internet advertising held as a bundle of unique resources. This competitive advantage framework and resource based theory is adopted to reflect the role played by internet in the online business framework. This encompasses online business strategic relationship management between the web-owner and the web-user.

The resource-based view (RBV), in the economic point of view, suggests that the presence of company's limited resources such as employee as assets, socially complex visions and capabilities in their service relationship are assets that allows firms to create their own unique visions and generate high level of performance (Barney & Jay, 1999). The literature held that resource based theory have a positive relation with the

effectiveness of internet advertising company, given the fact that the theory emphasizes efficiency and sustained superior firm performance.

## **2.8 SERVQUAL Model**

Scholars, Patrick, Karl, and John's (1996) validated that the most popular measure of service quality is SERVQUAL, an instrument developed by Parasuraman et al. (1985; 1988). Not only has research on this instrument been widely cited in the marketing literature, but also its use in industry has been quite widespread (Brown et al., 1993).

This study adopts the measurement tool used by Parasuraman et al. (1985; 1988) and Chakrabarty, Whitten, and Green (2008) SERVQUAL model to measure service quality. Beside the Parasuraman et al. (1988) definition of service quality was also adapted; it is about customer perception of the services offered and the customer expectation of services Parasuraman et al. (1988). Scholar, Cronin et al. (1992), analyses the measurement of service quality in the management literature are a way to measure the validity of a firm's performance from the customer's standpoint. Again, in order to determine the perceived service quality and compare with other organizational outcomes. There is a need to develop a model for measuring service quality. In a reviewed by Gilbert, Veloutsou, Goode, and Moutinho (2004), hypothesized service quality to be measurable in many ways.

Study of the expectancy-disconfirmation approach was included to relate and identifying customer expectation against the experience. The emphasis is to compare

service performance and expectation that reflected from the customer after customer services questioned posted. The SERVQUAL model further developed and being applied and modified under two and five constructs, such as in the aspect of services quality (Chakrabarty, et al., 2008) as due to the facts of overlapping and no lack of other construct.

The second measure is the “performance-only approach” which is an assessment of the service quality that is carried out by simply inquiries on the customer satisfaction level with various service features that were encounters with service.

Thirdly, the functional approaches which is intended to distinguish between the two services component leading to customer satisfaction, that is, the technical quality of the product (product characteristics such as durability, security, physical element) and functional quality (relationships between service provider and customer such as courtesy, speed of delivery, helpfulness/supportive).

The fourth approach is service quality against service satisfaction approach that explains the two interrelated service components. These segments are the overall appraisal (an assessment of the overall value) and the general appraisal (assessment of overall quality).

The fifth approach is termed “attribute/quality significant approach”, which credits observed to be connected with the quality linked with the customer outcome of service satisfaction. Parasuraman et al. (1985) developed a conceptual model of service quality



where gaps have identified. These gaps could affect the consumer's assessment of service quality in retail, banking, credit card center, securities brokerage, and product repair and maintenance industries. These are:

### **2.8.1 Consumer Expectation-Management Perception Gap**

Service firms do not always understand a service feature that is required to meet the consumer needs and this often affect consumer's evaluation of service quality.

### **2.8.2 Management Perception-Service Quality Specification Gap**

This occurs when a service firm recognizes the consumer's wants, but is short of the means to deliver to the consumer's expectation, such as, Asset limitation, economy, volatile and management shortages are some of the factors that could affect this gap. Therefore, the service quality perception of the consumer may be affected.

### **2.8.3 Service Quality Specifications-Service Delivery Gap**

This gap occurs when companies, although possessing guidelines for adequate service performance and good consumer relation, but do not infer high administration quality execution. It is important to ensure great administration and quality observation. However, representatives' homogeneous execution is hard to accomplish. In this manner, administrations through conveyance can influent the way purchasers see the administration quality.

#### **2.8.4 Service Delivery-External Communications Gap**

In this scenario, external communications are capable of affecting both consumer expectations of service and consumer perceptions of the delivered service. Organizations may neglect to educate buyers of exceptional endeavors made to guarantee quality that are mistakable to them and this could have an impact on shopper's administration quality recognitions.

#### **2.8.5 Expected Service-Perceived Service Gap**

Parasuraman et al.'s (1985) hypothesized customer expectation of the level of service quality as what customers expected and the context they received on expectations and the actual performance perceived. The theories that guided this study pertain to resource-based theory and SERVQUAL Model. These studies apply underpinning theory on the basis of the study. This study revolves around the effectiveness of internet advertising.

Despite, Resource-Based Theory emphasizes on business effectiveness. Hence, this theory is suitable to underpin the current study. The Resource Based View in internet-related firm is relevant especially in firms that cherishes improved capability and tends to outperform traditional firms on a variety of profit and cost capital measure. The Resource Based Theory contributed in the aspect of market power imperative and the resource based perspective. Internet advertising is a bundle of unique resources. This competitive advantage framework and resource based theory is adopted to reflect the

role played by internet in the online business framework. This encompasses the online business strategies that affect relationship management between the web-owner and the web-user.

The conceptualization and measurement of service quality is an important field of research to measure the firm performance. Service quality is an effective method of differentiation in the service-oriented business. The SERVQUAL model is a good scale to use when measuring service quality in specific industries.

The SERVQUAL model comprised of ten constructs of service quality access. Parasuraman et al.'s (1985) reduced to five dimensions since there was some overlapping, and they included tangibles-physical offices, equipment, and staff appearance. Reliability is an ability to perform the promised service dependably and accurately; Responsiveness-willingness to help clients and give brief prompt service; (Parasuraman et al., 1988). This research makes use of three dimensions (tangibility, reliability and responsiveness), and Chakrabarty et al. (2008), illustrate there are some research adapting the two and five constructs. In this study, the three dimensions have adopted, because they have sufficed to test the effectiveness of Internet advertising, across a wide range of empirical studies, SERVQUAL investigation needed to make context-sensitive modifications to the instrument in order to accommodate the unique aspects of the service setting. Assurance could merge into the reliability construct. Going by in-depth meaning of responsiveness can include the meaning of empathy.

Ladhari (2009) supported Baldwin and Sohal (2003) adapted other form and merged the items for “responsiveness” and loading onto another dimension.

## **2.9 Chapter Summary**

This chapter discussed the concept of “advertising” in this study. The literature on internet advertising that revolutionizes the global advertising industry has described. Next, the concept of relationship quality in relation to the dimensions of trust, commitment and satisfaction of business has examined and deliberated. The chapter thereafter presented service quality measurement with its dimensions based on previous studies; and how it is measured in the present study. Knowledge management as a moderating valuable and its influence on the relationship between the relationship quality, service quality and internet advertising effectiveness have discussed. The underpinning theories would then presented to conclude the chapter.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

In this chapter, research framework for the present study has presented. Further, in relation to this study, research design, operational definition, measurement of variables, sampling, data collection procedures and analysis techniques have discussed. This study seeks to examine the moderating factor of knowledge management in the relationship between relationship quality, service quality and internet advertising effectiveness. The uniqueness of this study reflects in the fact that there are very few studies that examine internet advertising effectiveness in relation to relationship quality and service quality together via applying the moderating variable of knowledge management, despite the researches have stressed the important of relationship quality as well as service quality in enhancing organizational effectiveness.

#### **3.2 Research Framework**

This study came up with the following research framework, as presented in Figure 3.1, on next four pages. It is considered a research gap that the researches on online advertising is still in its embryonic stage, (Nikhashemi et al., 2013) and there are debates that have not been resolved regarding the effectiveness of online advertising

while the threats in advertising in the new medium are snowballing (Nikhashemi et al., 2013; Briggs, 2001; Dreze & Hussherr, 2003; Wakeling & Murphy, 2002). This study suggested the shortage of studies on internet advertising effectiveness in relation to relationship quality and service quality, with the moderating effect of knowledge management. In Yazgat et al. (2013), and Wu (2006), denoted the insufficient study in online effectiveness studies. Consequently, how to measure and achieve the effectiveness of online advertising has not adequately explained by the current researches (Nikhashemi et al., 2013). The recent studies have underscored the importance of relationship quality in enhancing organizational performance (Aliman & Mohamad, 2013), and being the most critical factors in developing service recovery strategies (Ha & Jang, 2009); the importance of service quality in enhancing organizational performance as illustrated in Parasuraman et al. (1991), and measurement of attitudinal behavioral in online advertising effectiveness (Nikhashemi et al., 2013).

In a nutshell, given the fact that there is need for more researches on internet advertising effectiveness and in consideration of the importance of relationship quality and service quality as posited by the previous studies, this study seeks to investigate the moderator factor, which is how knowledge management caused and influenced relationship quality, service quality to internet advertising effectiveness. Jose's (2013) illustrates a moderating factor is a variable that specify when certain effect will hold and to speak why such effect occurs. In this study, the knowledge management (moderator) represents a moderating variable/factor that assumes significant impact on

the relationship between quality, which is relationship quality and service quality on internet advertising effectiveness. Karinet al. (2012) submitted that the inefficiency of knowledge management has arisen because insufficient attention provided to the task of convincing people and apply the information system effectively. As such, information in internet advertising is essential in creating a knowledge management by applying strategy and knowledge management technology, and it have generally accepted that both explicit and tacit knowledge play a basic role in organizational innovation (Leal et al., 2013).

Further, according to Kumar and Reinartz (2012), it is important to observe organizations that have implemented knowledge management on internet advertising. It is imperative to implement software applications, hardware management applications and understand the guidance on knowledge management in internet advertising effectiveness. Therefore, implementing knowledge management practices to improve the firm performance have a positive relation to the effectiveness of the online advertisement company (David & Quang, 2013).

This study analyzes the research on knowledge management in relation to relationship quality, service quality and internet advertising. It disclosed a mechanism by which knowledge management in relation to relationship quality and service quality can aid internet advertising effectiveness. The theoretical framework of this study as provided below:

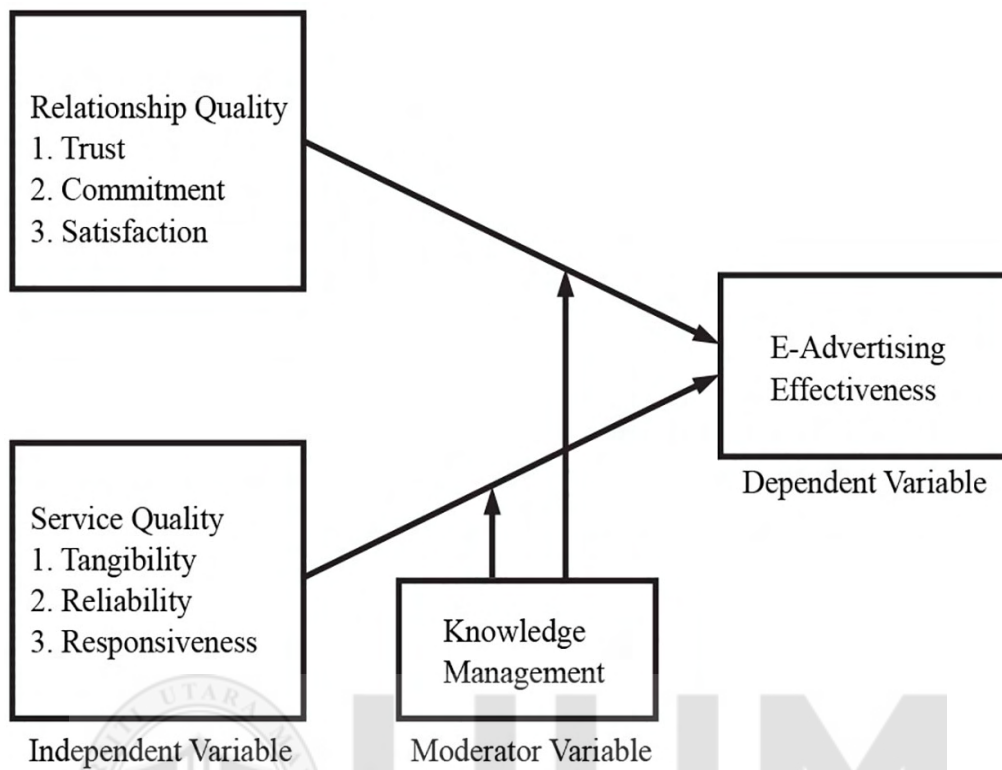


Figure 3.1  
*Research Framework*



### 3.3 Hypotheses Development

The hypotheses of this study have articulated based on the research framework, as displayed in Figure 3.1 above.



### **3.3.1 Nexus on the Relationship between Relationship Quality and Internet**

#### **Advertising Effectiveness**

Low click-through rates for banner ads, lack of useful information, dullness of ads, and confusing ads among other have attributed to the ineffectiveness of internet advertising. Thus, adoption of relationship quality as a construct can establish the nexus between it and advertising effectiveness. Extant of research have analyses the impact of organization on the relationship including customer satisfaction (Kettinger et al., 1994; Cenfetelli et al., 2008; Bojei & Alwie, 2010; Evert, 2012; Kumar & Reinartz, 2012).

Furthermore, media owner need to established real relationship quality in the mass market (Bhattacharya & Ruth, 2000), to input organizational value and projected into the world, a new internet relationship with customers is of much importance to organizations. Relationship quality plays an essential role in advertising service industry and the customer commit to purchase (Bojei & Alwie, 2010; Evert, 2012).

Effective relationship between firm and customer can facilitate customer's attitude to patronize the firm more and more, customer's purchase would increase. In addition, internet advertising can facilitate purchase repentance (Ogotu et al., 2014). In addition, as internet advertising help reduce the transaction costs between merchants and service providers, the dimension of trust, commitment and satisfactory in relationship quality are needed to strengthen relationships and transform unresponsive customers into persistence ones (Busacca & Castaldo, 2003).

Besides, online advertising that would attain competitive advantages needs commitment and trust present between the service provider and the consumer. Although relationship marketing is different in online business compared to the retailing industry, as Parasuraman et al. (1988) argued, because online advertising relates more with the competitive advantages and consumer needs, postages information and confidence in the goods purchased online.

Another twist to the relationship between internet advertising and relationship quality stems from the fact that internet business is a strange transaction involving perceived risk on consumer psychological behaviors, researchers therefore held that online trust possess another hindrance to an effective e-commerce company transaction. Thus, the real trust will influence online consumer behavior and final buying decision, just as Berry et al. (1990) indicated that trust is the “beginning” sufficiently relationship of the specifically relationship quality would also enhance customer satisfaction via online shopping (Cenfetelli et al., 2008; DeLone & McLean 2003).

Given the above exposition, it is sufficed to hypothesis thus:

Hypothesis 1: There is a positive influence of relationship quality (trust, commitment, and satisfaction) on internet advertising effectiveness.

Hypothesis 1a: There is a positive influence of customers’ trust on internet advertising effectiveness.

Hypothesis 1b: There is a positive influence of customers' commitment on internet advertising effectiveness.

Hypothesis 1c: There is a positive influence of customers' satisfaction on internet advertising effectiveness.

### **3.3.2 Nexus on the Relationship between Service Quality and Internet**

#### **Advertising Effectiveness**

The upsurge in the service functionalities of websites that serves as a hub for electronic advertising has brought public attention to the importance of service quality to the business. Numerous scholars such as Cenfetelli et al. (2008) and Kettinger et al. (1994) have quoted the significance of service quality. In addition, DeLone and McLean (2003) recognized the need to involve service quality in assessing the effectiveness of internet, which invariably determines the effectiveness of internet advertising.

Similarly, service quality as a construct has been adopted to address the information technology (IT), but the construct has evolved the boundaries in involved website context. Undoubtedly service quality is an undeniably criteria for the effectiveness of the online nature of companies (Shankar et al., 2003; Zeithaml et al., 2001). Numerous research findings have shown that high service quality boosts online channel usage (Devaraj et al., 2002); also, it increases users' surf to the websites (Gefen 2002). It would also enhance customer satisfaction via online shopping (Cenfetelli et al., 2008; DeLone & McLean 2003). The dimension of trust, commitment, and satisfaction as

key dimensions of relationship quality as discussed in Ghzaiei and Akrouf (2012). This research only adopted three dimensions, is due to no lack of study on other dimensions, as illustrate by Kassim, and Asiah (2010). Furthermore, diverse constructs have connected to service quality, but Barringer (2008) opined that the latest writing has concentrated on the relationship and customer repentance to return, customer satisfaction and perceived service quality, shortly about the behavioral that is consistency and profitability.

Normally, service quality and customer satisfaction are examining variables that relate to customers' judgement about a product or service (Ograjensek & Lady, 2011). As per the service profit chain (Heskett et al., 1994), There were expanded service quality and consumer consistent purchase can enhance profitability through expanded client faithfulness, which is a multidimensional construct, with behavioral and attitudinal measurements being more recognizable (Velazquez, Saura, & Molina, 2011).

Internet advertising is unique in the sense that internet provides an easy platform for buyer-seller interaction. This interactivity is capable of turning around the way design and implementation of advertising (Chandon et al., 2003), through interactive advertising, quality information can have easily accessed and processed by the user. Thus, an avenue have created where the consumer can evaluate the quality of service in terms of assurance that their purchases through internet are reliable and fulfil the requirement promised with satisfaction.

Besides, authors like McFarlane and Nolan (1995), suggest that service quality is positively associated with internet advertising effectiveness. Thus, the service quality and internet advertising effectiveness relationship is to improve this research considering the key dimensions of service quality. The SERVQUAL model was further developed, applied and modified under two and five constructs, which is in the aspect of services quality due to the overlapping and no lack study on other constructs (Chakrabarty et al., 2008).

Based on the above discussion it is deemed logical to propose thus:

Hypothesis 2: There is a positive relationship between service quality (tangibility, reliability, responsiveness) on internet advertising effectiveness.

Hypothesis 2a: There is a positive influence of service tangibility on internet advertising.

Hypothesis 2b: There is a positive influence of service reliability on internet advertising effectiveness.

Hypothesis 2c: There is a positive influence of service responsiveness on internet advertising.

### **3.3.3 Knowledge Management as a Moderator**

As globalization prompts expanded rivalry, consumer attitude is turning into the key methodology to guarantee survival and aggressiveness (Afiouni, 2007). In addition, with the fast development of the worldwide learning economy, researcher has risen as an idea to redesign the comprehension of the aggressive edge of business in information concentrated and emerging changing business situations (Bose & Oh, 2004; Kavida & Sivakoumar, 2010; Perrott, 2007).

Extant research has shown number of consumers use internet to carry out research (finding out information) about products or services. The current website business is not about the retail channel, but attitude, trust and reputation, adding the timing opportunity and emotional values that the seller built, instead of location, front desk services.

Given the globalization of economies and the transition of integral knowledge society, managing tacit knowledge is crucial to the effective management of outsourcing relationship (Karin et al., 2012). Kumar and Reinartz (2012) posited that it is indispensable to analyses implemented knowledge in a case study on internet advertising information (Kumar & Reinartz, 2012).

Knowledge management in the present body of literature has adopted as either an independent variable or dependent variable; there few studies have experimentally researched the potential moderating effect on knowledge management (Ling, 2011).

However, there were few studies on moderating effect of knowledge management on the relationship quality, service quality on the advertising/information technology (IT) aspect.

Moderating factors represent a factor that assumes significant impact on the relationship between the independent variables and the dependent variables (Chakrabarty et al., 2008). Furthermore, in MacKenzie and Lutz's (1989) operationalized the impact of two moderating variables, which is the product class importance and product class knowledge on the relationship between Attitude and brand attitude on the study of attitude toward the ad as a mediator of advertising effectiveness.

Knowledge management practices as a moderating variable have a positive significant impact on performance, as recommend by Lestari et al. (2011). Knowledge agents engage in several processes in dealing with information and knowledge at their disposal. In this sense, the process is knowledge creation and knowledge sharing with other units. It also involves information capturing, accessing knowledge from other entities and applying such knowledge to accomplish various organizational tasks.

This process explained as individuals or groups' reflection and brainstorming to produce new concepts/designs/processes, while using such experience in new contexts and for new problems, and organizations invent in unique situations to bring about new knowledge (Madjar et al., 2002). This creativity can employed in problem solving

situations, and stored in organizational databases, or entrenched in its practices to access by the knowledge agents or shared between them.

Knowledge management can be a veritable construct in internet advertising by introducing a right social media platform to improve the communication and creating a new network with customers. By using social media tools, internet advertising companies can manage and monitor their performance with a better knowledge management in information technology. Due to the globalization of modern economies and transition to knowledge society, Karin et al. (2012) noted information in internet advertising is essential in creating an online process of knowledge by applying tangible strategies in internet marketing.

According to Kumar and Reinartz's (2012), summary on the importance to observe organizations that have implemented knowledge management on internet advertising information. It is imperative to implement software applications and hardware management applications, online app, support and guidance through emailed and hard copy beside continually follow-up to ensure internet advertising effectiveness. Therefore, implementing knowledge management practices to improve the firm performance have a positive hypothetical relation with the effectiveness of the online advertisement company (David & Quang, 2013). Several researchers mention that innovation is important for organization's sustainability and performance as well as to increase its competitive advantage, and is worth to investigate (McDuff, 2017).



Scholar, Ling's (2013) research knowledge management as a moderator on the global performance of firms from an intellectual capital perspective, and further discuss the lack of studies on moderating variable in the intellectual capital industry. Besides, it would have a positive significant and impact on performance, and it is suggested the same knowledge management as a moderator to the internet advertising effectiveness in this study.

Lestari et al. (2011) contended that knowledge management as a moderator, despite the fact that researchers have committed many analyses on knowledge management as either an independent variable or dependent variable and few studies have empirically investigated the potential moderating effect of knowledge management hence, the above explication rationalizes the following hypotheses in as follow:

Hypothesis 3: Knowledge management moderates the relationship between relationship quality (trust, commitment, and satisfaction) and internet advertising effectiveness.

Hypothesis 3a: Knowledge management moderates the relationship between customers' trust and internet advertising effectiveness.

Hypothesis 3b: Knowledge management moderates the relationship between customers' commitment and internet advertising effectiveness.

Hypothesis 3c: Knowledge management moderates the relationship between customers' satisfaction and internet advertising effectiveness.

Hypotheses 4: Knowledge management moderates the relationship between service quality (trust, commitment, and satisfaction) and internet advertising effectiveness.

Hypothesis 4a: Knowledge management moderates the relationship between service tangibility and internet advertising effectiveness

Hypothesis 4b: Knowledge management moderates the relationship between service reliability and internet advertising effectiveness.

Hypothesis 4c: Knowledge management moderates the relationship between service, responsiveness and internet advertising effectiveness.

### **3.4 Research Design**

From the perspective of Sekaran and Bougie (2010), research design denotes a tactical strategy that involves the process through which data elicited and analyzed to a particular problem solving. It is also a process of identifying suitable information to collect for solving a research problem is what known as research design (Sekaran, 2003). Lawley (2001) added that research design involves secondary data, research techniques, scale, and measurement design.

The cross sectional survey designs as well as quantitative method has implemented for this study. The reason for adopting this method lies in the fact that it expedites data collection from the target respondents and it is easy to carry out and cost-effective (Neumann, 2003). Cross sectional aims at three targets while each target serves another different purpose. The three purposes are social research, exploration and description (Babbie, 2007). Hagan's (2006) posited that cross sectional studies could concentrate on one group of respondents at a given time. It does not require much commitment from the participant and at the same time less difficult when it comes to the issue of findings and sampling of population. Research design in this study denotes a method through which data is collected and analyzed to be able to determine internet advertising effectiveness, through its influence with relationship quality, service quality and knowledge management.

#### **3.4.1 Operational Definition Measurement of Variables of the Study**

To define operationally involves a method in which conceptual meanings of the variables and their dimensions have checked to make them quantifiable and measurable in the research process in a concrete way (Zikmund, Babin, Carr, & Griffin, 2013). In this segment, contextual definitions of the vital/ keys terms have given. The variables are relationship quality, service quality, knowledge management and internet advertising effectiveness. These key terms are the essential elements in this study.

Table 3.1  
Operational Definition of Variables of the Study

C O N S T R U C T	D I M E N S I O N	Conceptualized Definition	Operational Definition	Item
R E L A T I O N S H I P Q U A L I T Y		The concept of relationship quality has arisen from theory and research in the field of relationship marketing Crosby et al. (1990).	It is the extent of suitability of a relationship to fulfill the needs of the customer connected to the relationship (Hennig-Thurau & Klee, 1997). It is a higher-order constructs composing commitment, satisfaction, and trust Abdul Rahman & Ramli, 2015 and Ulaga & Eggert, 2006).	The questionnaires are based on the three dimensions as tested below: 7 Likert question.
	T R U S T	Trust - Conceptual-level constructs consist of disposition to trust (primarily from psychology), institution-based trust (from sociology), and trusting beliefs and (primarily from social psychology) (Harrison & McKnight, 2001).	This refers to the faith and confidence that people have in one another in the relationship. It is also a foundation for effective relationships (Morgan and Hunt, 1994).	<ol style="list-style-type: none"> <li>1. Advertising organizations do keep promises to their clients.</li> <li>2. Advertising organizations are not always honest to their clients.</li> <li>3. Advertising organizations are truly interested in their client's success.</li> <li>4. Advertising organizations are trustworthy.</li> <li>5. Advertising organizations find it necessary to be cautious with their clients.</li> </ol>

C O M M I T M E N T	<p>“Commitment “is important for the advertisers to (1) work at protecting relationship ventures by collaborating with trade accomplices, (2) prefer advantages of staying with existing partners, and (3) help partner be wary about other partner in practices, Morgan and Hunt (1994).</p>	<p>A crucial component in the process of keeping an effective relationship alive and the expression of readiness to take part in the relationship Belch &amp; Belch, 2004; Ulaga &amp; Eggert, 2006).</p>	<ol style="list-style-type: none"> <li>1. Advertising organizations intend to maintain their customer relationship with their clients as long as possible.</li> <li>2. Advertising organizations do all they can to enhance their customer relationship.</li> <li>3. Advertising organizations are ready to invest more than usual into client customer relationship.</li> <li>4. Advertising organizations’ cooperation with the clients peacefully.</li> <li>5. Occasionally, advertising organizations seeks for alternatives to the services it provides to the clients.</li> </ol>
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S A T I S F A C T I O N	<p>Satisfaction is the feeling or state of emotion in response to an assessment of customer-company relationships and researchers have explored similar dual dimensions to measure relationship quality Westbrook, (1981). The study focuses on trust, commitment, and satisfaction as key dimensions of relationship quality as discussed in Ghzaiel and Akrouf (2012). Where the researcher seeks to provide insights into seller-perceived relationship quality in the Business-to-Business context.</p>	<p>A product of feeling, of a person regarding his perceived reality and expectation in the relationship as in (Parasuaman et al., 1988); It is a crucial component that adds to the enhancement of effective relationships (Frazer, 2003).</p>	<ol style="list-style-type: none"> <li>1. Clients of advertising organizations are satisfied with their customer services.</li> <li>2. Clients are satisfied with the social status that the customer service of advertising organizations gives to them.</li> <li>3. Clients are satisfied with advertising organizations' customer service protection.</li> <li>4. Clients are satisfied with the quality advertising organizations' customer services provided.</li> <li>5. Clients are satisfied with how advertising organizations help making decisions for them.</li> <li>6. Clients are satisfied with advertising organizations' duration of service provided.</li> <li>7. Clients are satisfied with organization delivery service.</li> <li>8. Clients are satisfied with the achievement offered to them by advertising organizations.</li> <li>9. Clients are satisfied with the returns from the advertisement made for them.</li> </ol>
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S E R V I C E  Q U A L I T Y		Represent a distinction between what a customer is looking for in a service and what he perceives to be the reality of the service being offered (Parasuraman et al., 1988).	The opinion formed by the customer regarding the components of a particular service such as an interaction quality, physical environment quality and outcome quality (Brady & Cronin, 2001).	The questionnaires are based on the three dimensions as tested below: 7 Likert scale.
	T A N G I B I L I T Y	Concern about tangibility of each performance. tangible cues from the physical environment, which evidences that the tangibility is the process elements of a service are by nature intangible while the product elements are more tangible (Zeithaml et al., 2006).	Represents the exterior look of facilities, equipment, and written materials that constitute physical environment of the service (Zeithaml et al., 2006).	<ol style="list-style-type: none"> <li>1. Advertising organizations have visually attractive parking areas and building exteriors.</li> <li>2. Advertising organizations' ads visually catch the attention of the internet users.</li> <li>3. Advertising organizations have staff members who are clean, neat, and, well-mannered.</li> <li>4. Advertising organizations' advertisement have good interface in keeping with the firm's image and price range.</li> <li>5. Advertising organizations' advertisement is easily readable.</li> <li>6. Advertising organizations' advertisement are visually attractive and reflect the firm's image.</li> <li>7. Advertising organizations have the reception areas that are comfortable and easy to move around in for the clients.</li> <li>8. Advertising organizations do not have rest rooms that are always clean.</li> <li>9. Advertising organizations have reception areas that are always clean.</li> <li>10. Advertising organizations have comfortable seats in the reception room.</li> </ol>
	R E L I A B I L I T Y	Conceptualized in the five constructs SERVQUAL factors identified empirically (Zeithaml et al. 2000).	Represents the capability to accomplish a "promised" service in a reliable and perfect manner (Parasuraman et al., 1988; Seidman, 2001).	<ol style="list-style-type: none"> <li>11. Advertising organizations serve their clients in the time promised.</li> <li>12. Advertising organizations quickly correct anything that goes wrong.</li> <li>13. Advertising organizations are dependable and consistent.</li> <li>14. Advertising organizations provide accurate clients' bill.</li> <li>15. Advertising organizations provide advertisement service as exactly as the clients order it.</li> </ol>

	RESPONSIVENESS	<p>Represents the readiness and keenness to punctually deliver a service as it has significant impact on satisfaction (Bitner, Booms, &amp; Mohr, (1990).</p>	<p>16 Advertising organizations have employed employees that help each other and maintain speed and quality of service. 17 Advertising organizations provide prompt and quick service. 18. Advertising organizations give extra effort to handle clients' special requests. 19. Advertising organization response to email enquiries are quick and accurately.</p>
KNOWLEDGE MANAGEMENT		<p>The questionnaires are based on the three dimensions as tested below: 7 Likert scale.</p>	<p>Represents identification and leveraging of the collective knowledge in an organization to enhance the organizational ability to compete (Von-Krogh, 1998).</p>
			<p>The questionnaires are based on the three dimensions as tested below: 7 Likert scale.</p>



P E R S O N A L I Z A T I O N / C O D I F I C A T I O N	Personalization is consistently the preferred strategy across the product development (PC) units; however, the balance of personalization and codification was not quite in the 80-20 ratio (one strategy practiced predominantly with the other in a supporting role) on product development performance.	Represent the level at which the knowledge strategies are extensively used to guarantee effectiveness of knowledge management implementation (Kumar & Ganesh, 2011).	<ol style="list-style-type: none"> <li>1. Advertising organizations seek to write down and document the ideas gained in the process of work.</li> <li>2. Advertising organizations seek to capture the experiences that employees narrated.</li> <li>3. Advertising organizations seek to record important data, advertisement, and happenings for the future purpose.</li> <li>4. Advertising organizations seek to dedicate a team of employees to archive advertisement, drawing, reports, and other useful information.</li> <li>5. Advertising organizations seek to create a database such as an online repository for keeping ads information and others related information.</li> </ol>
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I N T E R N E T A D E F F E C T I V E N E S S		Online Advertising Effectiveness; It is an attitude involves:, Attitude towards the ad (Aad), Attitude towards the brand (Abrand), (Li & Leckenby, 2004; Wu, 1999).	It refers to a situation in which online advertising attracts attention to the ads and brand, upsurges its familiarity, delivers a message explaining the nature and features of the brand, persuade the potential customers to acknowledge its value, and encourage initial and recurrent purchase of the brand/products (Goldsmith & Lafferty, 2002).	The questionnaires are based on the three dimensions as tested below: 7 Likert scale.
	A T T I T U D E A D S	The feedback path may have more dominant role when prior experience and brand attitudes are substantial argument of two attitudinal constructs: an "evaluative element" of the brand concept and "impersonal attitude." to MacKenzie and Lutz (1989)	Attitude toward advertising (Aad) denotes the predisposition to respond in either a favorable or an unfavorable way towards a specific advertising during the exposure (MacKenzie & Lutz, 1989).	1. Feelings of client's regarding advertising organizations' advertisement of an online are positive. 2. Client's impressions about a specific online advertised by advertising organizations are good.

	<p>Attitudes are substantial. Argument of two attitudinal constructs: (1) an "evaluative element" of the ads/brand concept.</p>	<p>Attitude toward advertising brand (Ab) is a propensity to respond in either a favorable or an unfavorable manner towards the specific brand after the exposure of advertising on that person (MacKenzie &amp; Lutz, 1989).</p>	<p>3. Client's impressions about buying online instead of conventional ones in the near future. 4. Client's impressions about buying online is very convenient.</p>
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Table 3.1 as explained on above is with regards to the operationalization variables in this study, the context represents a tool used to define some properties of the variables of a this research and the tables given conceptualized, and operationalized definition of the variables studies through allotment of constructs and items in questionnaires as where listed in numbers in a consistent and valid way (Sekaran & Bougie, 2010).

The survey is a research survey administered to the CEOs/ managers or supervisory of the selected advertising firms. The survey contains two major sections in which section one is about demographic information of the respondents and their firms. Section two consists of four subsections with subsection one containing 19 items that made up of three dimensions of relationship quality. Second, subsection contains 18 items of the three dimensions that measured service quality. The third subsection consists of 10 items of knowledge management measured by two dimensions. The last subsection consists of 4 items that made up of four dimensions of internet advertising effectiveness.

The measurement of relationship quality, in three dimensions that is trust, commitment and satisfaction are out of numerous distinct but related dimensions of the variables available in the recent research. The rationale behind this, as mentioned in the preceding chapter, is that the three dimensions found to be suitable for relationship quality measurement (Dorsch et al., 1998). Better relationship quality accompanied by greater satisfaction, trust, and commitment, even though the three attitudinal dimensions are distinct, consumers tend to view it together (Rauyruen & Miller, 2007). Therefore, trust, commitment, and satisfaction intimately interconnected in the conceptualization of relationship quality (Kim, Zhao, & Yang, 2008).

Regarding service quality, this study has adopted three measures for the measurement of the variables, given the facts that different researchers have employed SERVQUAL dimensions in their research in different manners. Some adopted 4 dimensions from the measurement while some adopted three dimensions, and this has considered normal among the scholars to adopt a measure suitable to the context of one's research. Lately, claims have made that treating the components of SERVQUAL as separate measures in a model to be the best approach to retain the information of the both expectation and perceived performance (Jiang & Klein, 2009).

As for internet advertising effectiveness, in the streams of academic research, the presently favored measures of internet advertising effectiveness is attitude toward the ad (Aad), attitude towards the brand (Abrand), (Li & Leckenby, 2004; Wu, 1999). This

study noted that considerable number of research on communication effects has adopted the measures.

Besides, as specified earlier, all items in the questionnaires were adapted to suit the context of the study and were scaled using a seven-point scale ranging from ‘1’ “strongly disagree” to ‘7’ “strongly agree”. The Table 3.2 depicted below illustrates the measurement of variables:

Table 3.2  
*Measurement of Variables*

<b>Variable</b>	<b>Dimension</b>	<b>Item</b>	<b>Reference</b>
Relationship Quality	Trust	5	Ivens & Pardo (2007) Hsieh, Li & Li (2008)
	Commitment	5	Werner (1997)
	Satisfaction	9	Gauzente (2003)
Service Quality	Reliability	5	Parasuaman et al. (1988); Seidman, (2000)
	Responsiveness	3	Bitner (1990)
	Tangibles	10	Zeithaml et al. (2006)
Knowledge Management Processes	Codification Strategy	5	Kumar & Ganesh, 2011
	Personalization Strategy	5	Kumar & Ganesh, 2011
Internet Advertising Effectiveness	Attitude towards ads	4	(Mackenzie & Lutz, 1989)

### 3.4.2 Pretest (Content Validity)

Sekaran and Bougie (2010) represent the observations of study in Hair, Money, Samouel and Page (2007) on content validity as a process in which a number of experts are required for their views regarding the suitability of the items selected for the

constructs' measurement and it is agreed. A draft instruments formed the questionnaire was given to the experts whom are the member of the (4A) known as Association of Accredited Advertising Agencies (4A), 4As Malaysia formed in 1971. This Malaysian industry's peak body represents and promotes the value of advertising agencies in the marketing communications industry to advertisers, media, suppliers, government and the public. The organization encompasses more than 100 home grown and International member Agencies who are key players in Malaysia's advertising industry. In addition, there were yellow pages listing in the year of 2015, to confirm the validity of the sampling frame that have adopted on the valid sampling field (Fraenkel, Wallen, & Hyun, 1993).

To ascertain the lucidity and idiosyncrasy of the instruments, three lecturers of the School of Business of Management, Universiti Utara Malaysia (UUM) have read and comment on the questionnaires. Consequently, a number of questions has resubmitted and approved, and further test reading have given to the doctoral students in University Utara Malaysia to ensure apt measurement proper understanding of the questions by the potential respondents. Gallagher, Foster, and Parsons's (2001) studied on the issues of ad and brand attitude adopted business students data was illustrate to be reliable, and this was reviewed by Ha (2012) in the study of online advertising research. It is held that corrections and suggestions for improvement of the survey were noted and effected in the survey (Dillman, 1991; Yaghmale, 2009).

### 3.4.3 Pilot Study

The reliability of the questionnaires were usually evaluated through using Cronbach's Alpha or Alpha Coefficient which is 0.5 and above is held to be acceptable. The internal reliability and consistency of the survey have often utilized to examine the dependability questionnaire. If the consistency coefficient is near to 1.00, then it indicates strong reliability and consistency (Sekaran, 2003). Overall, alpha coefficient observed to be adequate and sufficient if it is above 0.5. Conversely, although it is poor, it is acceptable if the value of Cronbach's Alpha is 0.6 (Sekaran, 2003). According to Schwandt and Fray (2001), reliability is an evaluation that involves testing the trustworthiness of the clarification of research findings and research findings.

A pilot study has carried out to confirm whether the respondents comprehend the items in the questionnaire. If a pilot test has done and the result is good, it indicates that the measurement tools are reliable and acceptable. In this case, the likely challenges could discern and worked out before embarking on the real survey. The information gathered has used to enhance the methods or instruments where applicable. This technique is of necessity before going out to collect data. The pilot studies usually done on a small group of people in which the result would help the researcher in the removal of questions considered vague or unclear to the participants. Hence, the researcher will realize whether the questionnaire fully understood by the respondents.

Regarding pilot study, in Sekaran and Bougie (2010) and Zikmund et al. (2013) observed that it represents a test, which mainly meant to appraise the goodness of the measure to ensure its consistency and dependability before distributing the final questionnaire. Cooper and Schindler (2008) put the suitable size of the respondents to sample for pilot study at the figure ranging between 25 to 100 respondents. Hence, the sample size selected for the pilot study of this study is 50 respondents in the selected advertisement companies in Selangor and Kuala Lumpur, Malaysia. The pilot questionnaires randomly delivered by hand, follows up tightly by personally, and phone call to the respondents of the selected firms. The questionnaires given out filled and returned. The refined questionnaires distributed to a sample 50 potential respondents in the advertising companies located in Kuala Lumpur and Selangor. The selection part of the respondents are underpinned by the suggestion of Pallant (2007), which states that pilot test should be carried out on the same type of people used in the main study to ensure that instructions, questions and scale items are clear. The sum of 50 questionnaires was duly completed and returned representing 100% response rate.

Table 3.3 on the next page contains the result of the reliability test:

Table : 3.3  
*Reliability Statistics*

<b>Measure</b>	<b>No. of Items</b>	<b>Cronbach's Alpha</b>
Relationship Quality	18	.949
Service Quality	19	.941
Knowledge Management	16	.936
Internet advertising effectiveness	8	.774



Table 3.3, as shown in the previous page indicates that Cronbach's alpha coefficient reveals a high and acceptable level and thus the constructs of the research are reliable. The Cronbach's alpha for relationship quality is .949 and therefore demonstrating a strong scale and a good internal consistency of the construct in question. In addition, Cronbach's alpha for service quality is .941 this also indicates a strong scale and a good internal consistency of the construct that formed service quality. In the same vein, the constructs of knowledge management are of strong scale and of good internal consistency as its Cronbach's alpha value is .936. Based on the fact, as posited by Pallant (2007) that the Cronbach's alpha of the aforementioned constructs are high and above 0.7, the deletion of any of the items of the constructs is not required. Hence, no item in these constructs should be deleted.

Regarding internet advertising effectiveness, the Cronbach's alpha of the construct is .774 and therefore demonstrating a strong scale and a good internal consistency of the constructs.

### **3.5 Population, Sample and Sampling Technique**

#### **3.5.1 Population of Study and Sample of Study**

As far as this study is concerned, population for this study refers to the CEOs and Managers also supervisor whom participated actively in the advertising firms in Malaysia, which provide advertising services of the products and services to their

clients. The population of data was held to be relevant by the observation of Sekaran and Bougie (2010).

Three hundred and twenty-two (322) advertising agency firms were randomly sampled from the sampling frame of existing 2000 advertisement companies extracted from yellow pages, which located in Selangor and Kuala Lumpur, Malaysia. This sample is enough and relevant based on the observation of Krejcie and Morgan (1970) and adopted by Sekaran (2003). Data elicited from the CEOs, managers and the supervisory level of the advertising firms. This informed by the fact that majority of the organizational policies and decisions are made by supervisory employee, the managers and CEOs (Sekaran, 2003).

As mentioned earlier, the selection of the 322 advertising firms as sample was based on the suggestion of Krejcie and Morgan (1970) whose table for determining sample size is provided below in Figure 3.2 on the next page:

<i>Total</i>	<i>Sample</i>	<i>Total</i>	<i>Sample</i>	<i>Total</i>	<i>Sample</i>
10 ⇒	10	220 ⇒	140	1200 ⇒	291
15 ⇒	14	230 ⇒	144	1300 ⇒	297
20 ⇒	19	240 ⇒	148	1400 ⇒	302
25 ⇒	24	250 ⇒	152	1500 ⇒	306
30 ⇒	28	260 ⇒	155	1600 ⇒	310
35 ⇒	32	270 ⇒	159	1700 ⇒	313
40 ⇒	36	280 ⇒	162	1800 ⇒	317
45 ⇒	40	290 ⇒	165	1900 ⇒	320
50 ⇒	44	300 ⇒	169	2000 ⇒	322
55 ⇒	48	320 ⇒	175	2200 ⇒	327
60 ⇒	52	340 ⇒	181	2400 ⇒	331
65 ⇒	56	360 ⇒	186	2600 ⇒	335
70 ⇒	59	380 ⇒	191	2800 ⇒	338
75 ⇒	63	400 ⇒	196	3000 ⇒	341
80 ⇒	66	420 ⇒	201	3500 ⇒	346
85 ⇒	70	440 ⇒	205	4000 ⇒	351
90 ⇒	73	460 ⇒	210	4500 ⇒	354
95 ⇒	76	480 ⇒	214	5000 ⇒	357
100 ⇒	80	500 ⇒	217	6000 ⇒	361
110 ⇒	86	550 ⇒	226	7000 ⇒	364
120 ⇒	92	600 ⇒	234	8000 ⇒	367
130 ⇒	97	650 ⇒	242	9000 ⇒	368
140 ⇒	103	700 ⇒	248	10000 ⇒	370
150 ⇒	108	750 ⇒	254	15000 ⇒	375
160 ⇒	113	800 ⇒	260	20000 ⇒	377
170 ⇒	118	850 ⇒	265	30000 ⇒	379
180 ⇒	123	900 ⇒	269	40000 ⇒	380
190 ⇒	127	950 ⇒	274	50000 ⇒	381
200 ⇒	132	1000 ⇒	278	75000 ⇒	382
210 ⇒	136	1100 ⇒	285	100000 ⇒	384

Figure 3.2

Source: Krejcie and Morgan, 1970

*Determination for Sample Size for a Finite Population*

### 3.5.1.1 Sampling Technique

Lawley (2001) observed that sampling techniques is a process that involves the population should be explained, that sampling frame should be recognized, and that right sampling method as well as right instructions should be chosen. The nature and

features of the selected population inform the way in which the sample is determined and defined by Czaja and Blair (2005).

The process involves sampling technique. Sampling techniques are of Probability and Non-Probability techniques. Probability sampling technique, which is chosen for this study, implies that all the elements in the population have equal opportunity to be selected as subjects in the sample (Sekaran, 2003). The decision to choose a probability sampling technique is by the fact that the sample would reasonably represent the whole population. Therefore, the result of the research can be generalized.

Specifically, this study adopts simple random sampling technique because this method is the most effective among all the probability designs in which all the elements of the population have the equal opportunity of being selected (Yates, Moore & Starnes, 2008). This will boost the objectivity and empiricism of the study. The entire process of this sampling method is done in a single step with each subject selected independently of the other members of the population.

The process of the sampling started with sampling frame acquired from yellow pages Malaysia, that contained the list of all 2000 advertising firms in Kuala Lumpur and Selangor with each firm being assigned a serial number, study by Abdullah, Musa, and Ali (2011) has adopted yellow pages list and noted yellow pages should yield a comprehensive and reliable list of the population of reliable sampling frame, and the current sample size is 322, as recommended by Krejcie and Morgan (1970) and

adopted by Sekaran and Bougie (2010). Then, they were numbered 1, 2, 3.....2000, each number on a separate piece of paper, subsequently, they were put inside a container from which 322 companies were manually and blindly selected.

The companies were located in Selangor and Kuala Lumpur. The firms are advertising firms which have experiences on advertisement have been making and producing online adverts for years.

### **3.5.2 Unit of Analysis**

Unit of analysis plays a crucial role in the process of proffering solution to the problem statement. It means the degree at which the data are aggregated Krejcie and Morgan (1970) and subsequently adopted by (Sekaran & Bougie, 2010). Unit of analysis can be at individual level, business unit or organizational level, and group level. Due to the nature of online advertising, B2B business were more directly referred to corporations who have products or services to be promoted online, Besides, there have a better perception to understand the effectiveness of online advertisement compare to other individual unit of sample who were too unforeseeable and unpredictable in term of their background and expertise, furthermore there were the direct user to apply and used online as an online marketing platform.

The unit of analysis in this study is organizational level. The nature of the research problem calls for a survey research design with a pre-requisite explanatory research conducted at organizational level to identify the various causes of the problem. The

source of information would be the primary data in respect of perception of relationship quality and service quality in internet advertising firms. These factors would help distributors in the criteria determining the outcome of Internet advertising effectiveness.

### **3.5.3 Data Collection Procedure**

The procedure of data collection for this study was hand-over of questionnaires to CEOs/ Managers or supervisory of the advertising firms in Malaysia, in specific area which is Kuala Lumpur, Petaling Jaya extracted from (Yellow Pages) online advertising directory lists. Yellow Pages business directory provides the most accurate listing of businesses, with contact details under occupationally related headings (Burton & Wilson, 1999). Malaysia Yellow Pages is an international accredited brand that was used in many industry researches; it has an international brand name with a 120-year history. Millions of directories are distributed each year across the nation, there were tens of about millions of people visit its websites each year, with governmental support yellow pages were succeed in keeping the group as a 'Top of The Mind' brand, adopting collection of sampling is sufficiently represented the whole Malaysia advertising industries.

The supervisory rank, manager and CEOs in advertising industries are directly handling the marketing and promotion specialty with regards to the nature of the advertising environment in Malaysia (Burton & Wilson, 1999). The B2B business is

more susceptible to the town area in compared to the out of town. This sought to gather information on their observations and views regarding the impacts of relationship quality and service quality on internet advertising effectiveness with the moderating effect of knowledge management in this relationship. Simple random sampling approach was adapted to sample as this will give every CEOs/ Managers or supervisor in the target firms the opportunity of been chosen. Hence, the reliability of the findings has achieved. The administration of the question is by the researcher in collaboration with three research assistants as a set of 322 of questionnaires were distributed to the respondents.

In effect, the researcher and some enumerators administered the questionnaires, and the entire exercise took 5 months (June - October, 2015). 322 respondents were sampled and questionnaires were distributed accordingly. Considering the standard laid down for data collection, an official letter was collected from the Othman Yeop Abdullah Graduate School of Business (OYAGSB). The letter was poised to facilitate data collection by enhancing the support of the sampled respondents for the researcher.

Additionally, the questionnaire was wrapped in a foolscap size envelope comprising a cover letter and the questionnaire. The cover letter entailed the background, purpose of the study, and the instructions regarding the correct way to answer and return the questionnaire. It was also stated in the cover letter that the anonymity and confidentiality of the respondents would be maintained, as this would enhance their willingness to participate in the survey.

Almost 25 days after distribution of the questionnaire to the respondents, 70 completed and usable questionnaires were received through the researcher and enumerators who were up and doing in making the exercise effective. This first set of completed questionnaires was labeled early responses and was further used in conducting non-response bias on the main study variables. Then, after 4 weeks, the researcher went to the offices of the respondents who have not completed and returned the questionnaires. Eventually, another 48 completed questionnaires were collected. This last set of the questionnaires was labeled late responses, and it was used for testing non-response bias. In sum, out of 322 questionnaires which were distributed to the target respondents, 118 were returned and usable.

There were some challenges faced by the researcher in the course of data collection. The foremost challenge was the hesitancy of the respondents to share information about their firms. However, the respondents were assured of the confidentiality of the information they shared. Finally, the data collection exercise was effective.

### **3.6 Data Analysis Techniques**

This study planned to employ both descriptive analysis and inferential analysis. Descriptive analysis entails respondents' profile and demographic background of the respondents which will be presented by summing up the data and coming up with a myriad of tables. In this analysis, data are described by showing the frequency of occurrence of various outcomes (Agresti & Finlay, 2009). Descriptive analysis, in this



study, will be conducted via SPSS. More so, before descriptive analysis, data screening was done via SPSS to ensure suitability of the data for further analysis.

Inferential analysis was done for making predictions based on the data. The level and direction of nexuses among the variables of the study can be spotted and identified through inferential analysis because inferential analysis examines all equations concurrently to identify any nexus.

Statistical Package for Social Sciences (SPSS), as commonly used for data analysis, was utilized to analyze the data obtained from the self-administered questionnaire. Preliminary analysis such as data screening, factor analysis, and assumption test will be carried out to ensure data validity. Percentages of data will be given through the use of descriptive statistic while Pearson correlation will be used to assess the correlation of the variables. Multiple regression will be used to test the prediction and contribution of independent variables and moderator on the dependent variables; the prediction and contribution of relationship quality and service, and knowledge management (as moderator) quality on internet advertising effectiveness. In Abell and Hammond's (1979) illustrate that literature study on strategy formation is in large part theoretical but not empirical. In further support of this analysis technique this research is using SPSS in multiple regression and Mod Graph introduced by Professor Paul Jose to test the effect of significant among the variables (Jose, 2013).

### **3.7 Summary of the Chapter**

This study is a quantitative study which used questionnaire to gather data which was analyzed using SPSS. The study sampled CEOs/ Managers and Supervisory of the randomly selected advertising firms because they are decision makers. A total number of 322 questionnaires were hand over to the sampled respondents. A total number of 118 questionnaires were returned. The instruments utilized for this research were adapted from the past studies and reliability test results and pilot study show to be relevant in the studied of Krejcie and Morgan (1970), and further supported by Sekaran (2003). The items in the questionnaire characterized the variables; dependent variable, independent variables and the moderator. Pearson correlation analysis and hierarchical multiple regression analysis were conducted to examine the relationship between the variables of the study. Consequently, data was analyzed, and validations of data were performed, ultimately findings were discussed in the subsequent chapter.

## **CHAPTER FOUR**

### **DATA ANALYSIS AND RESULTS**

#### **4.1 Introduction**

This chapter deals with the findings of the data analysis. It contains seven subsections starting with preliminary analysis followed data screening, then, descriptive analysis was presented. The fourth subsection presented underlying statistical assumptions of the research while testing of goodness of measurement instruments forms the fifth subsection. Hypotheses testing via correlation analysis and multiple regression analysis were carried out in the sixth subsection, and a recap of the whole discussion concludes the chapter. The SPSS statistical software tools were applied in conducting a scientific data analysis.

#### **4.2 Response Rate**

As mentioned in Chapter Three of this study, the sample of this study was the randomly-selected 322 advertising companies in Malaysia. The sampling frame was the firms located in Selangor and Kuala Lumpur held to have majority advertising agencies located in Malaysia, from the Malaysia advertising business directory (Yellow Pages), at the start of data collection, the selected firms have contacted seeking their approval for data collection exercised in their firms. Approval has given and the questionnaires were distributed to the respondents in the firms on appointment.

The researcher made follow up mainly through personal visitation of respondents in their respective companies. In some cases, several phone calls were made as a reminder, as this would ensure reasonable response rate.

The process of data collection took five-month period, from the data drafting, pretest, redraft, pilot study, distribution of questionnaires, follow-up until questionnaires were returned. Eventually, 118 questionnaires were duly completed, returned and retained for analysis, as there were no issues of both univariate and multivariate outliers. Table 4.1 below depicted the response rate as follows:

Table 4.1  
*Data Collection and Response Rate*

Items	Frequency	Percentage %
Distributed Questionnaires	322	100
Returned Questionnaires	118	40
Retained Questionnaires	118	40

As mentioned above in Table 4.1, above 118 responses were obtained from a survey of the CEOs, managers and supervisor of the selected companies representing 40 percent of response rate. The response rate is quite sufficient and acceptable for analysis, given the position of Sekaran (2003), Bartlett, Kotrlik, and Higgins (2001), and Hair et al. (2010). According to Sekaran (2003), a response rate of 30% is sufficient for surveys. Bartlett et al. (2001) and Hair et al. (2010) opined that a sample size should fall between 5 and 10 times the number of study variables. The variables

of this study are four, therefore forty sample size that is less than the current sample size, which is 118, is acceptable for this study.

Hence, 118 usable responses of 40 percent satisfied the required sample size requirement for multiple regression analysis. SPSS was adopted for the subsequent analysis.

### **4.3 Test for Non-Response Bias**

Non-response bias refers to the common error that can be expectedly committed by research in his/her appraisal of sample characteristics as some group of respondents can be underrepresented due to non-response (Berg, 2002). There is no minimum response rate below which a survey evaluation is necessarily biased. Conversely, no response rate above which it is never biased (Singer, 2006). There is the possibility of finding bias in the non-response rate regardless of its size. Thus, investigating non-response bias is imperative (Pearl & Fairly, 1985; Sheikh, 1981). As a method of investigating the non-response bias, Armstrong and Overton (1977) advocated for extrapolation procedure. Adopting this method, respondents of this survey were divided into two distinct groups based on their responses to the survey, which connotes major variables: relationship quality, service quality, knowledge management, and internet advertising effectiveness.

The questionnaires were distributed to the respondents early June but some questionnaires were returned early while some were returned lately in October. Hence,

two groups of responses: early response and late response. An early response denotes the questionnaires that were filled and returned in June while late responses refer to those questionnaires that were filled and returned in October. The two groups of responses were compared, although late response is perceived to be a sample of responses to the early response, and it is presumed to be representing a non-response group (Oppenheim, 1966; Miller & Smith, 1983). Therefore, there is no response bias in this study, the T – test is explained on the next page to show the resulted of non-bias.



Table 4.2

*T- test Comparison between Early Response (1) and Late Response (2)*

Measure	Timeline	N	Mean	SD	Std. Error Mean	Levene's Test for Equality of Variances	T value	Sig.
RQT	Early Response	55	7.500	1.509	.204	.132		.717
	Late response	63	7.738	1.489	.188			
RQC	Early Response	55	17.355	3.136	.423	.669		.415
	Late response	63	17.460	3.011	.379			
RQS	Early Response	55	31.421	5.121	.691	.141		.708
	Late response	63	31.610	5.037	.635			
SQT	Early Response	55	21.524	3.579	.483	.344		.558
	Late response	63	21.498	3.421	.431			
SQR	Early Response	55	21.269	3.499	.472	.629		.429
	Late response	63	22.283	3.639	.458			
SQre	Early Response	55	11.939	2.045	.276	.440		.843
	Late response	63	12.931	1.925	.243			
KM	Early Response	55	43.503	8.469	1.142	.772		.110
	Late response	63	44.933	6.039	.761			
IntAdv	Early Response	55	60.846	5.523	.745	.337		.848
	Late response	63	62.729	5.468	.689			

Note: RQT= Relationship Quality (Trust); RQC= Relationship Quality (Commitment); RQS= Relationship Quality (Satisfaction); SQT= Service Quality (Tangible); SQR= Service Quality (Reliability); SQT= Service Quality (Responsiveness); KM= Knowledge Management; IntAdv= internet advertising.

Table 4.2, in the previous page indicated that the group mean and standard deviation of both groups are no significantly different. In addition, no significant difference between both groups (i.e. early response and late response) in respect of the items those constitute all the variables. This implies not significant difference between the two groups and thus it would not have influence on the entire result of the study. In addition, the assumption of equal variance between the early response and late response was not violated because the significance level of the Levene's test is above 0.05 (Pallant, 2001).

#### **4.4 Data Cleaning**

According to Pallant (2011), cleaning of the data to be analyzed is crucial to any multivariate analysis. The goodness and quality of the result of the analysis are contingent on data screening and editing. Therefore, in this subsection, missing data and outliers were carefully checked and treated. These are the subject matter of this subsection.

##### **4.4.1 Missing Data**

Missing data in the dataset imply that not all the questions in the questionnaire were responded to by the respondents. This is underlined by some explanations. The questions in the survey may not be understood by the respondents, while some respondents may not know the right answer to certain questions. In some cases, respondent may be unwilling to answer certain questions (Sekaran & Bougie, 2010).



In this case, missing data has become a common problem associated with surveys (Hair et al., 2010).

To prevent the problem of missing data, the precautionary measure has been taken right from the administration of questionnaires to the point of coding and data entry. The preliminary descriptive statistics conducted to detect any missing data demonstrated that no missing data were found in the dataset of this study. The explanation for this is that the questions in the survey were well articulated to enable the understanding of the respondents.

#### **4.4.2 Outliers**

Outliers, as defined by Byrne (2010), refer to the cases whose scores are notably disparate from the scores of other cases in a particular dataset. In addition, Hair et al. (2010) defined outliers to denote the observations that have uncommon qualities and vary absolutely from the others. Observation of Z score is useful for the recognition of univariate outliers (Tabachnick & Fidell, 2007). The Z score of each item should be within the range of  $\pm 3.29$  (0.001 sig. level). Hence, any score above  $\pm 3.29$  can be because of the mistakes that might be committed in the data entry. However, no univariate outlier was discovered in the dataset as data entry was carefully done.

To identify the multivariate outliers, Mahalanobis distance ( $d^2$ ) was adopted. The degree of freedom should be equal to the number of independent variables used in the study (Tabachnick & Fidell, 2007). The number of independent variables in this study

is six, representing the degree of freedom in the  $\chi^2$  table at  $P < 0.001$ . The chi-square value was found to be 13.82, based on the Tabachnick and Fidell (2007) guideline. In this case, any case that has Mahalanobis distance above 13.82 would be classified as outlier. However, no outlier was detected in the dataset as no single case in the dataset has Mahalanobis distance above 13.81 at a degree of freedom of  $P < 0.001$ .

In addition, no multivariate outlier was detected in the dataset of this study, as no single case in the dataset has Mahalanobis distance above 13.82. They all fall below the critical value. The case with the largest value in the dataset is ID 118, its value is 10.59. This is presented in Table 4.3, below.

Table 4.3  
*Detection of Influential Outliers*

	Minimum	Maximum
Mahalanobis Distance	.082	10.592

#### **4.5 Descriptive Analysis Respondents**

In this section, information about the demography of the respondents, which represented the company/ firm, was reported. The demographic information involves gender, age, position of the respondents in the organization, years of working in the organization, annual income, and geographic location of the respondent's organization. This is represented in Table 4.4 on the next page:

Table 4.4

*Descriptive Analysis of Demographic Data (Company Profile)*

<b>Demographic Variables</b>	<b>Frequency</b>	<b>Percent (%)</b>
<b>Job Position</b>		
CEO	3	2.5
Managing Director	31	26.3
Administration Managers	84	71.2
Total	118	100.0
<b>Years of Working Experience</b>		
Less than 3 years	24	20.3
3 to less than 10 years	42	35.6
10 years and above	54	44.1
Total	118	100.0
<b>Gender</b>		
Male	71	60.2
Female	47	39.8
Total	118	100.0
<b>Age</b>		
Less than 21	3	2.5
22-37	67	56.8
38-53	39	33.1
54-69	8	6.8
Above 69	1	.8
Total	118	100.0
<b>Annual Income</b>		
Less than 10k	15	12.7
10-20k	10	8.5
20-50k	45	38.1
50-100k	31	26.3
Above 100k	17	14.4
Total	118	100.0
<b>Location</b>		
Kuala Lumpur	65	55.1
Selangor	53	44.9
Total	118	100.0

Table 4.4, above presented the profile of the respondents of the firm in this study in a tabular form. It demonstrated that the majority of the respondents (constituting 71%)

hold managerial positions (administration managers), excluding managing director and CEO's positions. Only 3% of the respondents are the CEO while 26% are managing directors in their respective workplaces. This indicates that the majority of the respondents are stakeholders in their workplaces, yet they are employees who are subject to the owners' desire.

The administration managers that constituted 71% of the respondents represented the firm are the managers that direct the administrative services of their respective firms. They also assign responsibilities to administrative staff and ensure the facilities are equipped with the supplies and services needed. Their work encompasses a variety of responsibilities to ensure a business runs smoothly and accomplishes its goals on a daily basis.

Regarding the years of working experience, 44% of the respondents representing the firm have 10 years or more of working experience, 36% of them have between 3-10 years of working experience but the remaining 20% have less than 3 years of working experience. This demonstrates that the majority of the respondents representing the firm is well experienced and has been in the business for many years well acquainted with the industry.

Concerning gender and age, 60% of the respondents representing the firm are male, while the remaining, 40%, are female. The majority of the respondents, 57% are within the age of 22-37 years. This is followed by the 33% of the respondent's firm

who are within age 38-53. 3% of them are less than 21 years of age. 7% are within the age range 54-69. The remaining 8% are above 69 years of age. This statistic demonstrates that the majority of the respondents are male and young adult.

The annual income of the majority of the respondents representing the firm constituting 38% range between RM20,000-RM50,000 and 26% of the respondents earns between RM500,000-RM100,000. While 12% of them earn less than RM10,000, only 9% earn between RM10,000-RM20,000. The higher annual income, which is above RM100,000, is earned by 15% of the respondents. This indicates that some of the respondents are receiving income more than from 500,000 per annum, but majority of them earn between RM20,000 and RM50,000.

The majority of the firms whose employees are the respondents of this study are located in Kuala Lumpur as 55% of those firms are located in the city. 45% of the firms are located in Selangor.

#### **4.6 Descriptive Analysis of the Constructs**

To be able to get an initial analysis of the data, it is necessary to carry out the descriptive analysis of the constructs. In this study, descriptive analysis of the construct will portray the constructs of the study relationship quality, service quality, knowledge management and internet advertising in the context of the Malaysian advertisement industry. This will be depicted via mean, standard deviation and correlation analysis of the constructs. As mean, the average value of dataset, has been the most famous

measure of central tendency (Sekaran & Bougie, 2010), standard deviation has been a measure of spread or dispersion. Standard deviation is the square root of variance and it as well presents an index of variability in the dataset. The scale of this study contains seven-point Likert scale. The descriptive analysis is presented at the table 4.5 on the next page:

Table 4.5  
*Descriptive Statistics of the Constructs (n=118)*

	<b>No. of Items</b>	<b>Mean</b>	<b>Std. Deviation</b>
RQT	5	7.627	1.497
RQC	5	17.411	3.057
RQS	9	31.522	5.055
SQT	10	21.510	3.481
SQR	5	21.810	3.595
SQre	4	12.469	2.035
KM	10	44.267	7.276
IntAdv	16	61.851	5.551

Note: RQT= Relationship Quality (Trust); RQC= Relationship Quality (Commitment); RQS= Relationship Quality (Satisfaction); SQT= Service Quality (Tangible); SQR= Service Quality (Reliability); SQT= Service Quality (Responsiveness); KM= Knowledge Management; IntAdv= internet advertising.

Table 4.5, above means and standard deviations of the constructs were presented. The mean and standard deviation of the variables of this study are of high level; relationship quality (trust) (M=7.627, SD=1.497), relationship quality (commitment) (M=17.411, SD=3.057), relationship quality (satisfaction) (M=31.522, SD=5.055), service quality (tangible) (M=21.510, SD=3.481), service quality (reliability) (M=21.810, SD=3.595), service quality (responsiveness) (M=12.469, SD=2.035), knowledge management (M=44.267, SD=7.276), and internet advertising (M=61.851, SD=5.551). Also, it is discerned from the result that has the highest mean score and

standard deviation score belongs to internet advertising effectiveness. This is followed by knowledge management and service quality (reliability). Generally, Table 4.5 indicates that the respondents are highly perceived of relationship and service quality and the effectiveness of their service in their respective organizations. This reflects their understanding of the constructs of the variables of the study. Relationship quality in this study entails trust, commitment and satisfaction. Service quality in this study entails tangibility, reliability and responsiveness.

#### **4.7 Measurement Construct Validity through Factor Analysis**

The measure adopted to reduce data for the purpose of summarizing the variable structure in a particular dataset. Some assumptions need to be taken into consideration before carrying out factor analysis. Although Tabachnick and Fidell's (2007) posited that 322 cases in a sample is the minimum requirement for the running of factor analysis, scholar Hair, Black, Andersen, Tatham and Black (1998) observed it. In Coakes and Stead's (2003) illustrate that as a general rule of thumb, five cases per variable is the minimum for running factor analysis. Based on the general rule of thumb, the observations of the data collected is fit for conducting factor analysis.

Prior to the conduct of factor analysis in Table 4.6, in the previous page, the KMO measure of sampling adequacy was performed and indicated a value of 0.648 and this is over and above the benchmark of 0.60. This indicates that the sample size is sufficient for the conduct of factor analysis. Likewise, the Bartlett's Test of Sphericity

is statistically significant and it supports the factorability of the correlation matrix as the p-value stands at 0.000. The components of attitude toward the ad (Aad), attitude towards the brand (Abrand), clarified 36%, 55%, 69%, and, 79% of the variance respectively. There were no items that delete.

The principal component analysis (PCA) that was adopted to extricate the factors in this study is based on eigenvalue greater than or equal to one ( $\geq 1$ ). Factor analysis is deemed fit if the correlation coefficients of the majority of the items are 0.3 and above (Pallant, 2007; Hair et al., 2010). In addition, Bartlett's test of sphericity should be significant at ( $p < 0.05$ ) as values of Kaiser-Meyer-Olkin (KMO) and overall sampling adequacy measure, MSA should be at least 0.6 and above. The need for more data collection would arise or more variables would be added, if the values of Kaiser-Meyer-Olkin (KMO) and overall sampling adequacy measure (MSA) is lower than 0.6 (Field, 2009). Furthermore, Hutcheson and Sofroniou (1999) classified the KMO whose values fall between 0.5 and 0.7 as average, between 0.7 and 0.8 as good, and the one with value 0.9 as very good while the value above 0.9 is excellent.

Item with loadings below 0.5 were removed, given the assertion of Hair et al. (2010) that MSA' value must surpass 0.5 for the overall and individual test of the variables. KMO and total variance explained were taken into consideration when determining components' numbers (i.e. the number of factors) to be extracted. Item loading and cross loading of 0.5 and above on one component is accepted in this study given its statistical and practical importance (Hair et al., 2010; Tabachnick & Fidell, 2014).



Based on the above rules, the following is the factor analysis of the dependent variables (internet advertising effectiveness), independent variables (relationship quality and service quality) and moderating variable (knowledge management).

#### 4.7.1 Dependent Variable (Internet Advertising Effectiveness)

Table 4.6  
*Result of factor analysis for Internet advertising effectiveness*

Items	Component			
	1	2	3	4
Attads1		.992		
Attads2		.690		
Attbrand2			.955	
Attbrand1			.579	
Eigen Value	2.875	1.488	1.121	0.838
Percentage of Variance	35.936	54.537	68.554	79.032
KMO			.648	
Bartlett's Test of Sphericity			255.002	
Significance			.000	

Prior to the conduct of factor analysis showed on Table 4.6, above, the KMO measure of sampling adequacy was performed and indicated a value of 0.648 and this is over and above the benchmark of 0.60. This indicates that the sample size is sufficient for the conduct of factor analysis. Likewise, the Bartlett's Test of Sphericity is statistically significant and it supports the factorability of the correlation matrix as the p-value stands at 0.000. The components of attitude toward the ad (Aad), attitude towards the brand (Abrand), clarified 36%, 55%, 69%, and, 79% of the variance respectively. There are no items deleted.

Table 4.6, in previous page presented the factor analysis of internet advertising effectiveness, the dependent variable (DV) of this study. Initially, the DV was measured with 4 items in four dimensions which is attitude on ad was subjected to principal component analysis (PCA) SPSS. The DV loaded correctly in four dimensions, but eight items were removed due to their low communality. The factor loadings of the remaining eight items range between 0.579 and 0.955. The removed items were unable to match with the other items in the component and removing them has added to the value of total variance explained.

#### 4.7.2 Independent Variables (Relationship Quality and Service Quality)

Table 4.7  
*Result of the factor analysis for relationship quality*

Items	Component		
	1	2	3
rqt1	.904		
rqt3	.735		
rqt5	.660		
rqc3		.994	
rqc2		.759	
rqc5		.685	
rqs8			.936
rqs9			.846
rqs7			.830
rqs6			.797
rqs4			.724
rqs5			.688
Eigen Value	6.831	1.181	0.698
Percentage of Variance	56.921	66.767	72.584
KMO			.920
Bartlett's Test of Sphericity			913.434
Significance			.000

Prior to the conduct of factor analysis in Table 4.7, in the previous page, the KMO measure of sampling adequacy was performed and indicated a value of 0.920 and this is over and above the benchmark of 0.60. This also indicates that the sample size is sufficient for the conduct of factor analysis. Likewise, the Bartlett's Test of Sphericity is statistically significant and it supports the factorability of the correlation matrix as the p-value stands at 0.000. The components of satisfaction, commitment and trust clarified 57%, 67%, and 73% of the variance respectively. The items that were eventually deleted are: rqt2, rqt4, rqc1, rqc4, rqs1, rqs2, rqs3.

Table 4.7, in the previous page presented the factor analysis of relationship quality (RQ), the first independent variable (IV) of this study. Initially, RQ was measured with 19 items in three dimensions and was subjected to principal component analysis (PCA) via SPSS. The RQ wasn't load correctly, and then seven items were removed due to their low communality, which made the constructs loaded very well. The factor loadings of the remaining twelve items range between 0.660 and 0.994. The removed items were unable to match with the other items in the component and removing them has added to the value of total variance explained.

Table 4.8  
*Result of the factor analysis for service quality*

Items	Component		
	1	2	3
sq2	.874		
sq6	.857		
sq7	.826		
sq5	.750		
sq4	.707		
sqr4		.911	
sqr2		.787	
sqr3		.766	
sqr1		.754	
sqre4			.831
sqre3			.811
sqre2			.704
Eigen Value	7.056	1.409	0.639
Percentage of Variance	58.796	70.537	75.865
KMO			.923
Bartlett's Test of Sphericity			1018.567
Significance			.000

Prior to the conduct of factor analysis in Table 4.8, showed on above indicates the KMO measure of sampling adequacy was performed and indicated a value of 0.923 and this is over and above the benchmark of 0.60. This also indicates that the sample size is sufficient for the conduct of factor analysis. Likewise, the Bartlett's Test of Sphericity is statistically significant and it supports the factorability of the correlation matrix as the p-value stands at 0.000. The components of satisfaction, commitment and trust clarified 59%, 71% and 76% of the variance respectively. The items that were eventually deleted are: sq1, sq3, sq8, sq9, sq10, sqr5, sqre1.

Table 4.8, in the previous page presented the factor analysis of service quality (SQ), the second independent variable (IV) of this study. Initially, SQ was measured with 19 items in three dimensions and was subjected to principal component analysis (PCA) via SPSS. The SQ wasn't load correctly, and then seven items were removed due to their low communality, which made the constructs loaded very well. The factor loadings of the remaining twelve items range between 0.704 and 0.911. The removed items were unable to match with the other items in the component and removing them has added to the value of total variance explained.

#### 4.7.3 Moderator (Knowledge Management)

Table 4.9  
*Result of the factor analysis for knowledge management*

Items	Component	
	1	2
KMC4	.888	
KMC3	.845	
KMC2	.817	
KMC5	.764	
KMC1	.687	
KMP5		.963
KMP3		.880
KMP4		.752
KMP1		.566
Eigen Value	4.985	1.102
Percentage of Variance	55.387	67.631
KMO		.888
Bartlett's Test of Sphericity		543.782
Significance		.000

Prior to the conduct of factor analysis on Table 4.9, in the previous page indicated the KMO measure of sampling adequacy was performed and indicated a value of 0.888 and this is over and above the benchmark of 0.60. This also indicates that the sample size is sufficient for the conduct of factor analysis. Likewise, the Bartlett's Test of Sphericity is statistically significant and it supports the factorability of the correlation matrix as the p-value stands at 0.000. The item that was eventually deleted is KMP2.

Table 4.9, in the previous page presented the factor analysis of knowledge management (KM), the moderating variable (MV) of this study. Initially, KM was measured with 10 items and was subjected to principal component analysis (PCA) via SPSS. The KM wasn't load correctly, and then one item was removed due to their low communality which made the constructs loaded very well. The factor loading of the remaining 13 items ranges between 0.556 and 0.963. The removed items were unable to match with the other items in the component and removing them has added to the value of total variance explained.

#### **4.8 Reliability Analysis**

The value of Cronbach's Alpha represents the reliability measure of the constructs in a given study. This indicates the steadiness and stability of the items that make up a particular concept, and it is also done to evaluate the goodness of a measure (Sekaran, 2000). Furthermore, 0.6 has been set as the threshold (acceptable level of adequate reliability) (Sekaran, 2000; 2003). Conversely, Ary, Jacobs and Razavieh (1996) put

the threshold of adequate reliability at 0.5. In this study, 0.6 is the adopted threshold of adequate reliability based on the position of Sekaran (2000; 2003). The negative items in the questionnaire were reverse-coded before carrying out the reliability analysis to ensure that all the items were measured in the same manner. The result is depicted in the previous page at Table 4.9:

Table 4.10  
Reliability Coefficient for Each Constructs

Description		Actual Date	Pilot Test Cronbach
Construct	No. of Items	Cronbach's Alpha	Cronbach's Alpha
Internet Advertising Eff	8	.732	.774
Relationship Quality	18	.930	.949
Service Quality	19	.934	.941
Knowledge Management	16	.898	.936

Table 4.10, above indicates that Cronbach's alpha coefficients reveal a high and acceptable level and thus the constructs of the research are reliable. The Cronbach's alpha for relationship quality is 0.930 and therefore demonstrating a strong scale and a good internal consistency of the construct. In addition, Cronbach's alpha for service quality is 0.934, this also indicate a strong scale and a good internal consistency of the construct that formed service quality. In the same vein, the constructs of knowledge management are of strong scale and of good internal consistency as its Cronbach's alpha value is 0.898. The Cronbach's alpha for internet advertising effectiveness is 0.732 therefore, demonstrating a strong scale and a good internal consistency of the construct in question. The Cronbach's Alpha of all the constructs reached the acceptable level of adequate reliability, which is 0.6 based on Sekaran (2003)

proposition. Generally, the Cronbach's alpha coefficients reveal a high and acceptable level of Cronbach Alpha's values. In view of this, the constructs of the research are reliable and fit for further analysis.

#### **4.9 Assumption of Multiple Regressions**

In order to fulfill the basic and underlying assumptions of the multiple regression analysis as posited by Hair et al., (2010) and Pallant (2001), the constructs of this study were checked for normality, linearity, multicollinearity and homoscedasticity.

##### **4.9.1 Normality**

Based on the position taken by Tabachnick and Fidell (2007), individual variable in the research and all linear groupings of the variables should be distributed normally, and this forms a part of the basic assumption of regression analysis. Testing the normality is commonly done via statistical or graphical methods. In the statistical method, the basic mechanism that is used is skewness and kurtosis. If the values of both skewness and kurtosis are near to zero, then the distribution is observed to be normal.

Regarding graphical method, histogram residual plots determine the normality distribution. In this, the shape of data distribution to an individual continuous variable and its correspondence to normal distribution is displayed. If the assumption is met,



the residuals would be normally and independently distributed (Tabachnick & Fidell, 2007).

According to Pallant (2007), normality can be checked and identified via 'Normal Probability Plot of the Regression Standardized Residual' and the 'Scatter plot'. If the points, in the Normal Probability Plot of the Regression Standardized Residual, lie in a reasonable straight diagonal line from bottom left to top right, then there are no major deviations from normality. However, if normality is present in a given dataset, the residuals, in the scatter plot, should be roughly and rectangular distributed in which most of the scores would concentrate in the center, along the 0 point.

The normality distribution is also depicted by the normal histogram, which indicates that the normality assumption has been attained since the entire bars on the histogram were closed to the normal curve and the residual appears to be normal. Hence, the normality assumption is met, and not violated (Afifi & Clark, 1998). The full result is in figure 4.3, as shown on the next page.

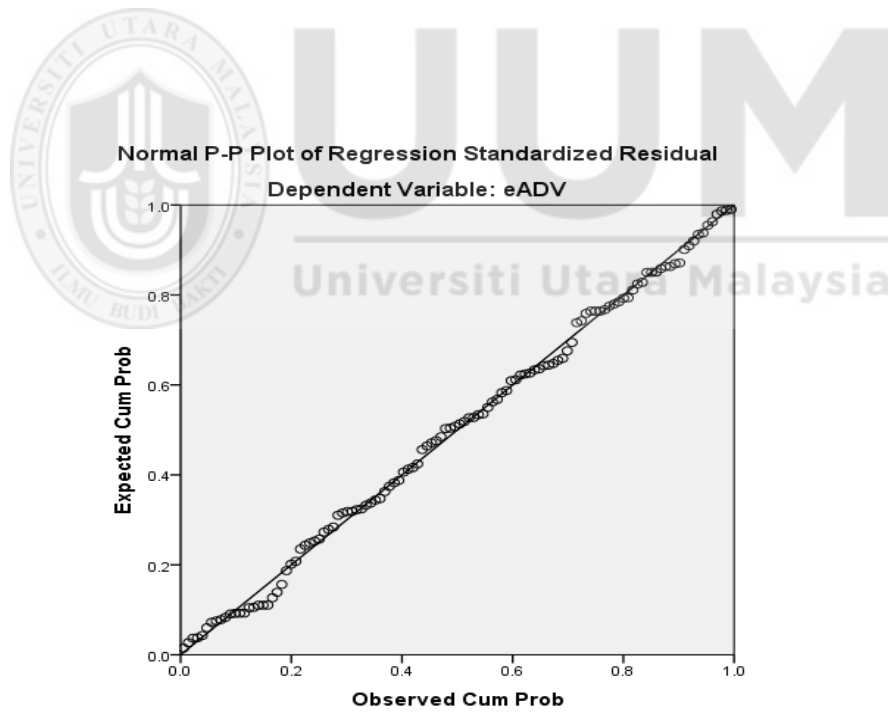
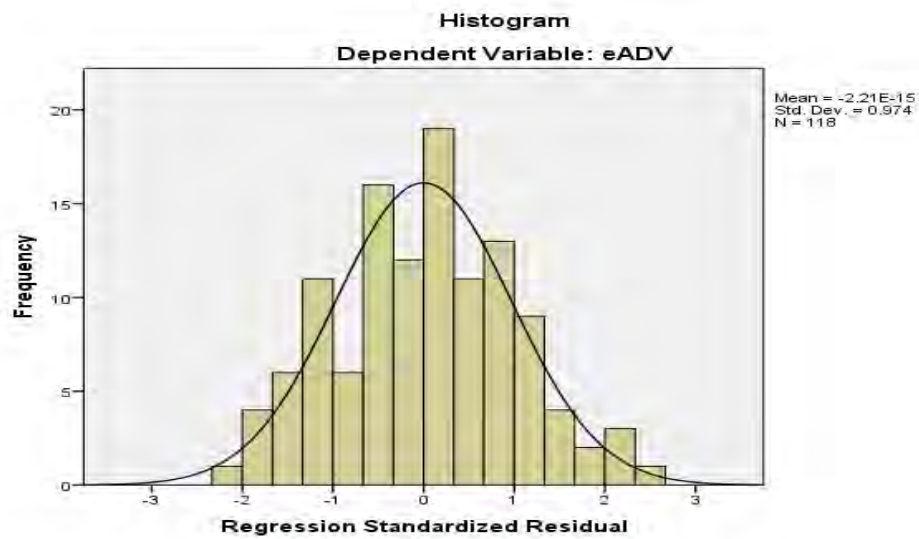


Figure 4.1  
*Normality Test Using Histogram and Normal P-P Plot of Regression Standardized Residual*

#### **4.9.2 Linearity**

Linearity is part of an underlying assumption that should be fulfilled before progressing to conduct multiple regressions. Value is attached to linearity in the regression analysis. One fundamental issue in linearity is that IV-DV relationship should be linear and this is depicted by correlation. In a situation, whereby considerable non-linear relationships occur, then it will be disregarded in the analysis as it will undervalue the real strength of the relationship (Tabachnick & Fidell, 2007).

In this research, residual scatter plot was adopted to examine the linearity. Normally, the residual should scatter around 0 and most of the scores should concentrate at 0 points (Ringim, 2012). Based on the result below, the assumption was fulfilled because the plot indicates that residual scores scattered around the center along the zero point.

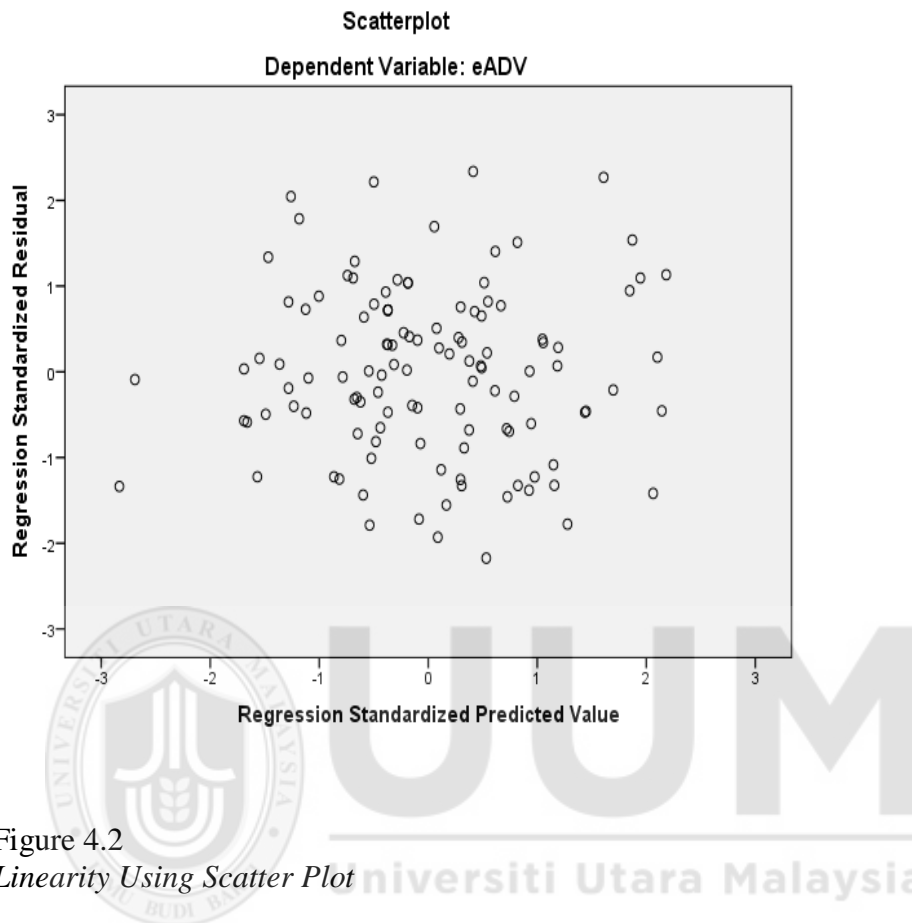


Figure 4.2  
*Linearity Using Scatter Plot*

### 4.9.3 Multicollinearity

Multicollinearity refers to a situation whereby extreme correlation exists between two or more independent variables in a given multiple regression model (Sekaran & Bougie, 2010). The underlying assumption is that perfect correlation should exist between independent or exploratory variables (Tabachnick & Fidell, 2007).

Checking for multicollinearity can be done by looking at the correlation matrix of the independent variables. According to Sekaran and Bougie (2010), correlation values of 0.7 and above are regarded as high correlation, but Berry and Feildman (1985)

interpreted it differently as they posited that inter-correlation values of more than 0.8 is regarded high multicollinearity. In addition, Hair et al. (2010) put it at 0.9, that the correlation among independent variable that is 0.9 is considered high.

In this study, bivariate correlation of the independent variables via Pearson's correlation was carried out. This enabled the recognition of the multicollinearity problem. The result indicated that no multicollinearity problem exists in this research since the correlation values are not up to 0.7 as shown in Table 4.12 next page:

Table 4.11  
*Pearson Correlation Analysis*

	RQT	RQC	RQS	SQT	SQR	SQre	KM
RQT	1						
RQC	.640**	1					
RQS	.608**	.552**	1				
SQT	.626**	.513**	.639**	1			
SQR	.535**	.566**	.632**	.639**	1		
SQre	.542**	.573**	.610**	.601**	.575**	1	
KM	.339**	.350**	.480**	.457**	.465**	.530**	1

Note: RQT = relationship quality (trust), RQC = relationship quality (commitment), RQS = relationship quality (satisfaction), SQT = service quality (tangibility), SQR = service quality (reliability), SQre = service quality (responsiveness), KM = knowledge management.

\*\* . Correlation is significant at the 0.01 level (2-tailed).

b. Listwise N=118.

Similarly, checking on the variance inflated factor (VIF) and tolerance value is another method of checking for the multicollinearity problem. According to Hair et al. (2010), if VIF exceeds 10 and the tolerance value is lower than 0.10, then multicollinearity problem exists in such a model.

Table 4.12  
*Multicollinearity Test*

Variable	Tolerance Value	Variance Inflation Factor
RQT	0.458	2.184
RQC	0.469	2.131
RQS	0.33	3.034
SQT	0.446	2.242
SQR	0.315	3.176
SQre	0.324	3.082
KM	0.679	1.472

Note: RQT = relationship quality (trust), RQC = relationship quality (commitment), RQS = relationship quality (satisfaction), SQT = service quality (tangibility), SQR = service quality (reliability), SQRe = service quality (responsiveness), KM = knowledge management.

The result above indicates the absence of the multicollinearity problem since the VIF values for all construct are less than 10 and the tolerance values are greater than 0.10.

#### **4.9.4 Homoscedasticity**

The basic assumption of homoscedasticity is that the variance of the dependent variable is approximately the same at diverse level of the independent or exploratory variables (Hair et al., 2010). Put it differently, in the assumption of homoscedasticity, error term in the regression model has constant variance. Homoscedasticity usually examined by visual assessment of the scatter plot of the regression residuals. If the width of the band of the residuals is approximately the same as at different levels of the dependent variables and scatter plots indicates a pattern of residuals normally distributed around the mean, then homoscedasticity exists (Berry & Feildman, 1985).

In this study, the assumption of homoscedasticity was examined through conducting regression analysis using SPSS. The result depicts that the assumption of homoscedasticity was not violated as indicated by the visual examination of the residual plots.

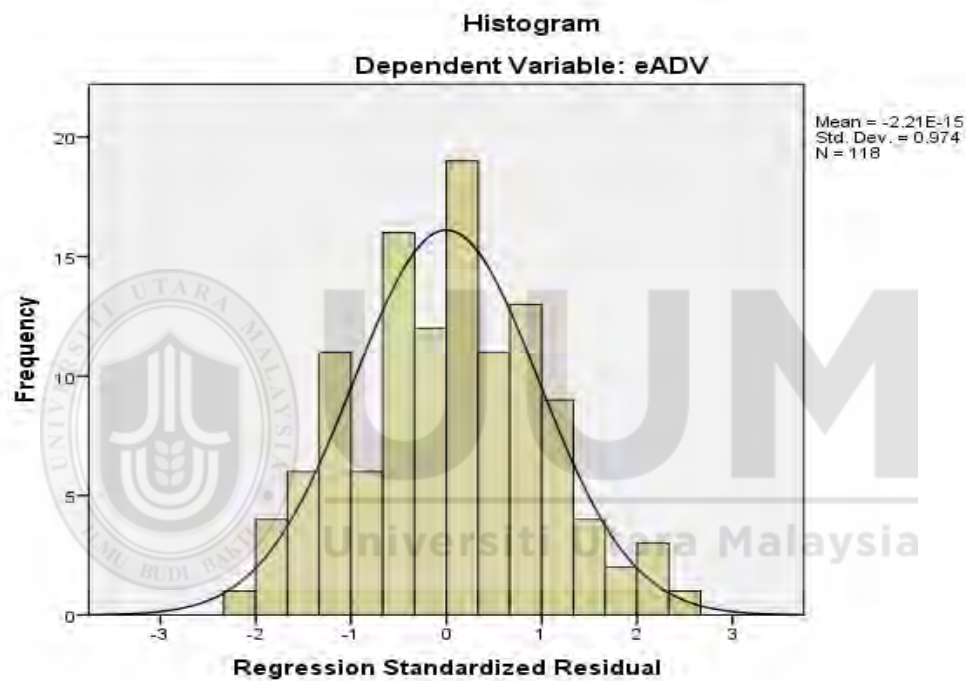


Figure 4.3 Represents testing for the normality, linearity and homoscedasticity.

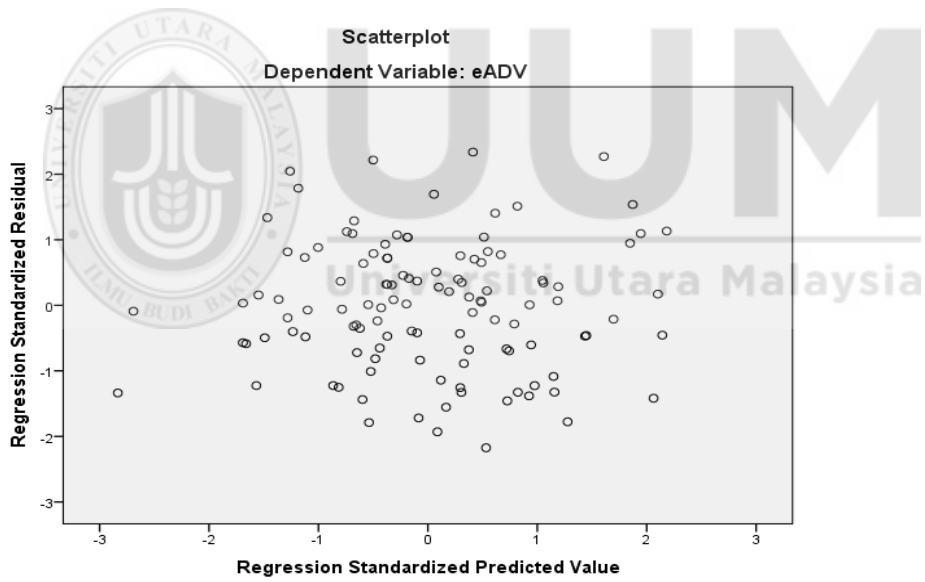
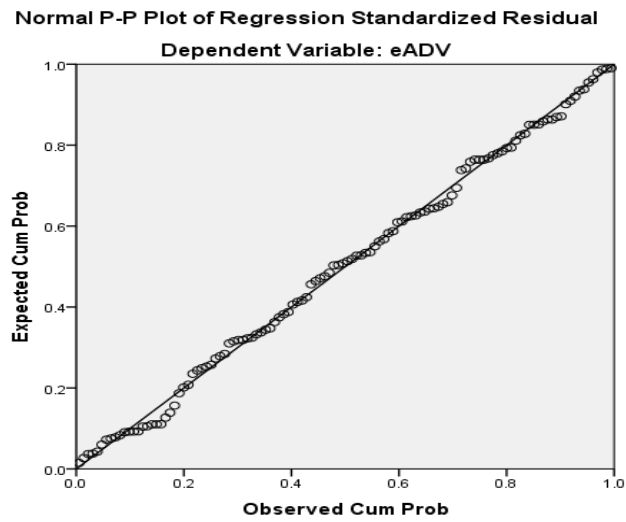


Figure 4.3:  
*Residual Plots-RQ, SQ, KM and internet advertising effectiveness*



#### 4.10 Correlation Analysis

Going by the Pallant (2011) description of correlation, correlation is meant for the explanation of the strength and direction of a relationship between variables. Pearson correlation is a kind of correlation employed to examine the interrelationship among the variables in a given study. Correlation is observed to be perfect and positive if correlation value is 1.0, it is a perfect negative correlation if its value is -1.0 while no correlation exists if the value is 0 (Pallant, 2011). According to Cohen (1988), correlation values (r) ranging between 0.10-0.29 is small; between 0.30-0.49 is medium; between 0.5-1.0 is large. Table 4.13 as shown below indicated the correlation among the variables of this study (i.e. internet advertising effectiveness, relationship quality and service quality and with knowledge management):

Table 4.13  
*Pearson Correlation Analysis*

	RQT	RQC	RQS	SQT	SQR	SQre	KM	eADV
RQT	1							
RQC	.640**	1						
RQS	.608**	.652**	1					
SQT	.626**	.513**	.639**	1				
SQR	.535**	.566**	.732**	.639**	1			
SQre	.542**	.573**	.710**	.601**	.775**	1		
KM	.339**	.350**	.480**	.457**	.465**	.530**	1	
eADV	.340**	.364**	.353**	.415**	.391**	.440**	.289**	1

Note: RQT = relationship quality (trust), RQC = relationship quality (commitment), RQS = relationship quality (satisfaction), SQT = service quality (tangibility), SQR = service quality (reliability), SQre = service quality (responsiveness), KM = knowledge management, and eADV = internet advertising effectiveness.

\*\* . Correlation is significant at the 0.01 level (2-tailed). b. Listwise N=118

The previous page result gives the preliminary image amongst the variables of the study, which are relationship quality (trust), relationship quality (commitment), relationship quality (satisfaction), service quality (tangibility), service quality (reliability), service quality (responsiveness), knowledge management and internet advertising effectiveness. All the variables of the study are correlated with each other. In addition, no correlation with a value of 0.9 in the result and this indicates that no multicollinearity exists among the variables (Hair et al., 2010).

#### **4.11 Multiple Regressions and Hypotheses Test**

Through multiple regressions, the level and character of the IV-DV nexus are objectively examined (Sekaran & Bougie, 2010; Hair, Money, Samovel, & Page, 2007; Field, 2009). Also, the relative importance and the degree of the role of each and every IV on the prediction of DV are presented by the regression coefficient. This implies that as the IVs jointly predict DV, the regression coefficient also shows the size effect of each IV's prediction of the DV. This also indicates how much an increase in one unit of a particular IV would affect the DV (Sekaran & Bougie, 2010; (Zikmund et al., 2013).

Regression analysis has conducted to test the hypotheses of the study since all the underlying assumptions of multiple regressions have been examined in relation to the study, and it was found that none of the assumption was violated.

#### **4.11.1 Multiple Regression Analysis and Hypotheses Test between**

##### **Relationship Quality and Internet Advertising Effectiveness**

Initially, this study hypothesized that there is a positive influence of relationship quality (trust, commitment, and satisfaction) on internet advertising effectiveness. This major hypothesis was further sub categorized as follows:

Hypothesis 1a: There is a positive relationship between customers' trust and internet advertising effectiveness.

Hypothesis 1b: There is a positive relationship between customers' commitment and internet advertising effectiveness.

Hypothesis 1c: There is a positive relationship between customers' satisfaction and internet advertising effectiveness.

In an effort to test these hypotheses, multiple regression analysis tests were conducted together with all the variables and later will be discussed individually to justify the discussion and the resulted. Since all the underlying assumptions of multiple regression have been examined in relation to the study, and it was found that none of the assumption was violated.

In this regression analysis, extent of prediction of relationship quality (trust), relationship quality (commitment), relationship quality (satisfaction) on internet advertising effectiveness were identified, and the result was presented below:

Table 4.14  
*Regression Result of effect of relationship quality (trust), relationship quality (commitment), relationship quality (satisfaction) on internet advertising effectiveness*

Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	Collinearity Statistics	
	B	Std. Error				Tolerance	VIF
(Constant)	42.887	3.351		12.797	.000		
RQT	.242	.219	.133	1.105	.272	.469	2.131
RQC	-.102	.157	-.093	-.648	.519	.334	2.998
RQS	.054	.453	.014	.118	.906	.459	2.180
R Square							.240
Adjusted R Square							.199
F-Value							5.849
Sig of F-value							.000
Durbin-Watson Statistics							1.307

Table indicator ( $p=.10$  and not  $0.05$  and  $p<0.10$ )

Table 4.14 as shown on above presents the relationship among the dimensions of relationship quality and internet advertising effectiveness.

From the Table 4.14 it indicates Adjusted R square 0.199 indicated the strength of the association between the independent variable (trust, commitment and satisfaction and dependant variable (internet advertising effectiveness) is 20%. R square = .240 It indicates that approximately 24% of the variation in dependant variable (internet advertising effectiveness) is explained by all independent variable (trust, commitment

and satisfaction). In addition, it is discernible that customers' trust contributed to the prediction of internet advertising effectiveness at 0.272 significance level ( $\beta=0.133$ ,  $t=1.105$ ,  $p>0.10$ ). With this result, it can deduce that hypothesis 1a is not supported. Likewise, customers' commitment and customers' satisfaction negatively contributed to the prediction of internet advertising effectiveness at 0.519 and 0.906 significance level ( $\beta=-0.093$ ,  $t=-0.648$ ,  $p>0.10$ ;  $\beta=0.014$ ,  $t=0.118$ , and  $p>0.10$ ) respectively. In addition, the ( $T>1.28$ ) t-value for all dimensions of relationship quality constructs (trust, commitment and satisfaction) were all showing not significant. Hence, hypotheses 1a, 1b and 1c are all not supported. In sum, hypothesis 1 with all its dimensions is not supported.

#### **4.11.2 Multiple Regression Analysis and Hypotheses Test between Service Quality and Internet Advertising Effectiveness**

The second hypothesis of this study reads: There is a positive influence of service quality (tangibility, reliability, responsiveness) on internet advertising effectiveness.

The sub-hypotheses 2 are:

Hypothesis 2a: There is a positive influence of service tangibility on internet advertising effectiveness.

Hypothesis 2b: There is a positive influence of service reliability on internet advertising effectiveness.

Hypothesis 2c: There is a positive influence of service responsiveness on internet advertising effectiveness.

In this subsection, influence of service quality (tangibility), service quality (reliability), service quality (responsiveness), on internet advertising effectiveness was identified, and the result was given on table 4.15 as indicated below :

Table 4.15  
*Regression Result of influence of service quality (tangibility), service quality (reliability), service quality (responsiveness), on internet advertising effectiveness*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
(Constant)	42.887	3.351		12.797	.000			
SQT	.345	.195	.216	1.769	.080	.457	2.187	
SQR	.043	.228	.028	.188	.851	.315	3.176	
SQre	.737	.385	.270	1.913	.058	.343	2.913	
R Square							.240	
Adjusted R Square							.199	
F-Value							5.849	
Sig of F-value							.000	
Durbin-Watson Statistics							1.307	

Table indicator (p=.10 and not 0.05 and p<0.10)

Table 4.15, in above indicates the relationship among the dimensions of service quality and internet advertising. From the table, it is clear that service reliability positively contributed to the prediction of internet advertising effectiveness at 0.851 significance level ( $\beta=0.028$ ,  $t=.188$ ,  $p>0.10$ ). Hence, it can be deduced that hypothesis 2b is not supported. Conversely, service tangibility and service responsiveness are positively

significant contributed to the prediction of internet advertising effectiveness. Service tangibility positively influence internet advertising effectiveness at 0.080 significance level ( $\beta=0.216$ ,  $t=1.769$ ,  $p<0.10$ ). Service responsiveness positively influence internet advertising effectiveness at 0.058 significant level ( $\beta=0.270$ ,  $t=1.913$ ,  $p<0.10$ ). Hence, hypotheses 2a and 2c are supported. In sum, hypothesis 2b is not supported while hypotheses 2a and 2c are supported.

Furthermore,  $R^2$  in this model stands at 0.240. Cohen's (1988)  $R^2$  classification indicates that  $R^2$  is of three categories:  $R^2$  of value 0.02 is weak;  $R^2$  of value 0.13 is moderate while  $R^2$  of value 0.26 is substantial. Based on this classification, it can be affirmed that relationship quality with its three dimensions and service quality with its three dimensions accounted for 24% of the variance in internet advertising effectiveness. Hence,  $R^2$  is substantial. Durbin-Watson Statistics which stands at 1.307 indicates the absence of zero/auto correlation.

#### **4.12 Hierarchical Regression and Hypotheses Test**

Hierarchical regression, otherwise known as moderator or sequential regression is a kind of regression adopted in making predictions of the criterion variable with one or more independent variable in the serial entry of predictors with regards to theoretical and logical consideration (Tabachnick & Fidell, 2007). It is a recommended approached for analyzing the moderating effect (Baron & Kenny, 1986; Frazier, Tix, & Barron, 2004).

#### **4.12.1 Moderating Effect of Knowledge Management**

Hypothesis 3 of this study states that knowledge management moderates the relationship between relationship quality and internet advertising effectiveness. Likewise, hypotheses 4 indicate that knowledge management moderates the relationship between service quality and internet advertising effectiveness.

Then, hypothesis were further sub categorized as follows:

Hypothesis 3a: Knowledge management moderates the relationship between customers' trust and internet advertising effectiveness.

Hypothesis 3b: Knowledge management moderates the relationship between customers' commitment and internet advertising effectiveness.

Hypothesis 3c: Knowledge management moderates the relationship between customers' satisfaction and internet advertising effectiveness.

Hypothesis 4a: Knowledge management moderates the relationship between service tangibility and internet advertising effectiveness.

Hypothesis 4b: Knowledge management moderates the relationship between service reliability and internet advertising effectiveness.



Hypothesis 4c: Knowledge management moderates the relationship between service responsiveness and internet advertising effectiveness

However, only hypothesis 4a and 4c will be tested while hypothesis 3a, 3b, 3c, and 4b will not be tested because the initial regression result indicated no significant relationship between customers' trust, customers' commitment, customers' satisfaction, service reliability and internet advertising effectiveness.

The hypotheses 4a and 4c to be tested read:

Hypothesis 4a: Knowledge management moderates the relationship between service tangibility and internet advertising effectiveness.

Hypothesis 4c: Knowledge management moderates the relationship between service responsiveness and internet advertising effectiveness.

Baron and Kenny (1986) 3-step hierarchical regression is adopted to test the moderating effect of knowledge management between relationship quality, service quality and internet advertising effectiveness. This will identify the variance proportion of a particular variable as explained by the other variables, and these are set for regression analysis in a fixed order (Cramer, 2003).

The first step in the Baron and Kenny (1986) 3-step hierarchical regression involves insertion of the direct effect of independent variables (i.e. direct effect of service

quality). The second step entails the insertion of moderator (knowledge management), then the moderator's direct effect on DV (i.e. internet advertising effectiveness) will be examined. The third step involves the insertion of interaction terms, which will be derived from the interaction between independent variables and moderator, and this, will give an additional variance explained.

Table 4.16  
*Hierarchical Regression Result: The moderating effect of knowledge management on the Influence between service quality (tangible) and internet advertising effectiveness*

Independent Variable	Std. Beta	Std. Beta	Std. Beta
	Step 1	Step 2	Step 3
Service Quality (tangible)	.235	.228	.172
Interaction SQT*KM			.300
R <sup>2</sup>	.229	.230	.262
R <sup>2</sup> Change	.229	.230	.032
F Change	17.088	11.342	2.424
Significance Level (p=)	.000	.000	.093

Table indicator (p=.10 and not 0.05 and p<0.10)

Table 4.16 shown above indicated hierarchical regression relationship result between service tangibility and internet advertising effectiveness. The first step is the insertion of service tangibility which is the independent variable. After the insertion, it explained 24% of the variance. Then when the moderator (i.e. knowledge management) was inserted in the step 2, the total variance as explained by the model was 23%. In step 3, the interaction term was inserted, and then there was a change in the variance explained in the model in which the total variance that was explained by the model was 17%. In addition, the F-Change at the three steps are all significant (p=0.000, p=0.000, p<0.093) respectively. Inspection of the interaction terms between relationship service

tangibility and knowledge management also indicates statistical significance. In further support of this Mod Graph, (Jose, 2013) was executed, the result shows to be positive significant as the on the graph show the steep slope (the strongest positive association) occurs for moderation by tangibility and to the P- value ( $<.05$ ) is held to be significant, and tangibility on the result of P value =0.00027 which is lower than 0.50 and the significant result is consistence with spss result. Hence, knowledge management moderates the relationship between service tangibility and internet advertising effectiveness. In addition, thereby hypothesis 4a was supported.

Table 4.17  
*Hierarchical Regression Result: The moderating effect of knowledge management on the influence relationship between service quality (responsiveness) and internet advertising effectiveness*

Independent Variable	Std. Beta	Std. Beta	Std. Beta
	Step 1	Step 2	Step 3
Service Quality (responsiveness)	.299	.285	.281
Interaction SQRe*KM			-.198
$R^2$	.198	.200	.248
$R^2$ Change	.142	.0951	.012
F Change	14.202	9.506	1.146
Significance Level (p=)	.000	.000	.059

Table indicator (p=.10 and not 0.05 and  $p<0.10$ )

Table 4.17 as above indicated hierarchical regression result between service responsiveness and internet advertising effectiveness. The first step is the insertion of service responsiveness, which is the independent variable. After the insertion, it explained 30% of the variance. Then when the moderator (i.e. knowledge management) was inserted in the step 2, the total variance as explained by the model

was 29%. In step 3, the interaction term was inserted and there was a change in the variance explained in the model in which the total variance that was explained by the model was 28%. Also, the F-Change at the first two steps are all significant ( $p=0.000$ ,  $0.000$ ,  $0.093$ ), where  $P < 0.1$  respectively. Inspection of the interaction terms between relationship service responsiveness and knowledge management also indicates statistical significance. In further support of this Mod Graph, (Jose, 2013) was conducted. The result shown to be positive significant as the on the graph show the steep slope (the strongest positive association) occurs for moderation by responsiveness and to the P- value ( $<.05$ ) is held to be significant, and responsiveness shown of P value  $=0.43$  which is lower than  $0.50$  and the significant result is consistence with spss result. Hence, knowledge management moderates the relationship between service responsiveness and internet advertising effectiveness. Thereby hypothesis 4c was supported.

Table 4.18  
*Summary of Hypotheses Test*

S/N	Hypotheses	Results
H1	There is a positive relationship between relationship quality (trust, commitment, and satisfaction) and internet advertising effectiveness.	
H1a	There is a positive relationship between customers' trust and internet advertising effectiveness.	Not Supported
H1b	There is a positive relationship between customers' commitment and internet advertising effectiveness.	Not Supported
H1c	There is a positive relationship between customers' satisfaction and internet advertising effectiveness.	Not Supported
H2	There is a positive relationship between service quality (tangibility, reliability, responsiveness) and internet advertising effectiveness.	
H2a	There is a positive relationship between service tangibility and internet advertising.	<b>Supported</b>
H2b	There is a positive relationship between service reliability and internet advertising effectiveness.	Not Supported
H2c	There is a positive relationship between service responsiveness and internet advertising.	<b>Supported</b>
H3	Knowledge management moderates the relationship between relationship quality (trust, commitment, and satisfaction) and internet advertising effectiveness.	
H3a	Knowledge management moderates the relationship between customers' trust and internet advertising effectiveness.	Not Supported
H3b	Knowledge management moderates the relationship between customers' commitment and internet advertising effectiveness.	Not Supported
H3c	Knowledge management moderates the relationship between customers' satisfaction and internet advertising effectiveness.	Not Supported
H4	Knowledge management moderates the relationship between service quality (tangibility, reliability, responsiveness) and internet advertising effectiveness.	
H4a	Knowledge management moderates the relationship between service tangibility and internet advertising effectiveness.	<b>Supported</b>
H4b	Knowledge management moderates the relationship between service reliability and internet advertising effectiveness.	Not Supported
H4c	Knowledge management moderates the relationship between service responsiveness and internet advertising effectiveness.	<b>Supported</b>

#### **4.13 Summary of the Chapter**

This chapter presented the findings and the interpretation of the empirical results of this study. In this chapter, data collection process, the response rate and non-bias response issue were discussed. This chapter indicated absence of non-response bias in this study. Preliminary analysis such as data cleaning, descriptive statistics and demographic analysis were conducted. In addition, a thorough discussion on the construct validity was presented to guarantee the quality of the model that was subsequently used to test the hypotheses.

Assumptions of multiple regression analysis were examined in relation to the study and it was established that none of the assumptions were violated. Thus, this allows the researcher to forge ahead to conduct the regression analysis. Pearson (r) bivariate correlation was conducted. The result of the correlation analysis indicates that most of the variables are correlated. Multiple regression analysis and Hierarchical regression analysis were used to test the hypotheses of the study. Out of 12 hypotheses, four hypotheses were found to be supported while the remaining eight hypotheses were not supported. More comprehensive discussions regarding the findings of this study, research implications and limitations of the study, and recommendations are presented on the next chapter.

## **CHAPTER FIVE**

### **DISCUSSIONS, CONCLUSIONS, AND RECOMMENDATIONS**

#### **5.1 Introduction**

This chapter entails the recap of the findings, discussion of findings and the implications of the research findings to the academic field and organizations. These are contained in the first three subsections. Subsection four dealt with the limitations of the study while the fifth subsection provides suggestions for future research based on the limitations. Finally, the chapter is abridged and concluded.

#### **5.2 Recapitulation of the Research Findings**

This study examines the influence of relationship quality and service quality on internet advertising effectiveness in the advertising industry in Malaysia with the inclusion of knowledge management as a moderator to measure its influence on the relationship. The data for the study was collected from the CEOs, Managers and the employee who possessed a supervisory role advertising agency companies through questionnaires. This data is derived from 118 questionnaires, which were distributed to the sample size of 322 advertising agency companies randomly selected from 2000 advertising agency companies in Selangor and Kuala Lumpur, Malaysia from the sampling frame of yellow pages. The data obtained through the self-administered questionnaires was analyzed by applying data screening and factor analysis to ensure

data validity, descriptive statistics to show the percentages and average mean of the variables, Pearson correlation to assess the correlation of the variables, and multiple regression to examine the prediction and contribution of independent variables and moderator on the dependent variables.

The findings show that the relationship between relationship quality (trust, commitment, and satisfaction) and internet advertising effectiveness is statistically not significant. This indicates that relationship quality through trust, commitment and satisfaction has no significant influence on internet advertising effectiveness. Similarly, service quality from the perspective of service reliability is not significantly related to effectiveness of internet advertising. However, the findings show that service quality from the perspective of service tangibility and service responsiveness have significant relationship with internet advertising effectiveness. This implies that service quality predicts the effectiveness of internet advertising through service tangibility.

Due to not significant results, only hypothesis 4a and 4c were tested as the hypothesis 3a, 3b, 3c, and 4b were not tested.

The findings revealed that knowledge management significantly moderates the relationship between service tangibility, service responsiveness, on internet advertising effectiveness. This indicates that knowledge management has significant



influence on the association between service tangibility, service responsiveness, and internet advertising effectiveness.

### **5.3 Discussion**

Explanation and the plausible reasons for the results of the findings of this study are discussed in this section. These are expatiated across the next subsections as follows:

#### **5.3.1 Relationship Quality and Internet Advertising Effectiveness**

This study found a revelation of new contribution, as there no significant relationship of relationship quality (trust, commitment, and satisfaction) on internet advertising effectiveness in Malaysia.

This finding shows that the level of the online customers' trust and commitment in the relationship with the service provider, the does not influences their behavior and their final buying decisions, which do not lead to effect on internet advertising in Malaysia, and it have been found to have a negative influence of customer decision to purchase.

The finding found there is a negative relationship between customers' commitment and internet advertising effectiveness, and do not support previous studies on customers' commitment to future purchase and attitudinal to stay in the relationship.

This finding also shown that no significant in satisfaction of customers with a firm, relate to the firm online advertisement advertised, and the level of satisfaction of the

customers of internet advertising firms in Malaysia has a negative influence on their behavior and attitudinal final decision towards buying.

Therefore, this study's finding is inconsistent with Ogutu et al. (2014) position, where the study held that consumers' readiness to purchase and patronize a firm' products through internet advertising can be facilitated by the good relationship between the firm and consumers. In addition, this study' finding is also inconsistent with Berry and Yasin (2010) revelation that the trust has influenced the behavior and the final buying decision of the Malaysia online consumers which has resulted in a effectiveness of internet advertising in Malaysia, it illustrates that trust is only the basis of the marketing relationship (Dwyer et al., 1987).

This research finding also do not support the following studies, such as ( Kalia, Zhang, & Munindar, 2014; Wong & Sohal, 2002)., Berry & Parasuraman, 1991; Fullerton, 2005; Garbarino & Johnson, 1999; Geyskens, Steenkamp, Scheer, & Kumar, 1996; Gilliland & Bello, 2002; Pritchard et al., 1999; Rauyruen et al., 2007; Wetzels et al., 1998; Myers et al., 2014; Gruen et al., 2000; Bansal et al., 2004; Fullerton, 2005; Westbrook, 1981; Crosby et al., 1990; Fornell, 1992; Beatson et al., 2008; De Ruyter & Wetzels, 2000; Deng et al., 2009; Berry et al., 1990; Crosby et al., 1990; Mohr & Spelman, 1994; Ivens & Pardo, 2007; Holmlund, 2008; De-Canniere et al., 2010).

The plausible reason for the negative significant relationship is that clients' role has less/no effect on internet advertising effectiveness, given the fact that internet

advertising is directed at the existing expand prospective consumers who will patronize the product being advertised via internet (Baltas, 2017). Scholar, Ferreira and Barbosa (2017), denoted client favorable attitude toward brand posts than toward Facebook ads but relationship is always influence from emotions as illustrated in McDuff (2017). Thus, quality of agency-client's relationship has not significant role in changing consumer behavior, and online advertising is one of the marketing strategies to promote products to consumers. It is online advertising feature and user friendly that will display the positive features of products to the audience in order to win their hearts by consuming the product being advertised (Hadadi & Almsafir, 2013).

The research of Hadadi and Almsafir (2013), which was conducted in the context of Malaysia, showed that customers are more influenced by firm's website, social media advertising, search engine advertising, and email advertising. This study indicate that it is the quality, design, and attractiveness of the online advertising that will win the hearts of consumers but not on related to the quality of the relationship on the attitude to buy the product being advertised (Kumar, Kesharwani, & Das, 2016).

Internet is considered as a promising tool for relationship marketing. However, the effects of interactive communication on marketing effectiveness may depend on several factors related to each individual consumer, such as Internet experience (Baltas, 2017).

Furthermore, the result of this study shows that relationship quality would not be a substantially promising direction of the advertising research field to which online advertising effectiveness can affect and influence. The level of a client's commitment and support is contingent upon the level of client's satisfaction (Payne et al., 1995 cited in Chumpitaz & Paparoidamis, 2007), and online advertising have not reached that far in Malaysia. In further support of this argument, these studies suggest that in the online advertising industry, client-agency relationship is commonly challenging since the client is demanding and challenges work. The agencies, which do not understand of the accomplishment of real effectiveness, can't create the longevity and mutual trust in client relationship, similarly to those agencies that only keep applying the conventional marketing ways (Crosby, Evans, & Cowles, 1990).

### **5.3.2 Service Quality and Internet Advertising Effectiveness**

First and foremost, the result regarding the relationship between service quality and online advertising effectiveness is consistent with resource-based view (RBV). The concept posits that the presence of company's limited resources such as employee as assets and socially complex visions and capabilities in their service relationship are assets that allows firms to create their own unique visions and generate high level of performance as held in Barney and Jay (1999), this research further culminated in service quality and the consequent advertising effectiveness. RBV posits that resources (e.g. employees in the advertising firm) that are rare, valuable, imperfectly imitable and non-substitutable can enhance service quality that would lead to advertising

effectiveness, and consequently enhance competitive advantage. The literature held that resource based theory have a positive relation with the effectiveness of the internet advertising company, given the fact that the theory emphasizes efficiency and sustained superior firm performance.

This study found a significant relationship between service quality and internet advertising effectiveness in Malaysia in relation to service tangibility and service responsiveness, but have not significant relationship between service reliability and internet advertising effectiveness. Plausible reason for a significant relationship between the two dimensions of service quality (tangibility and responsiveness) can trace to the nature online transaction is because customers evaluate the factor that relates to customers' decision on purchasing a product or service (Ograjensek & Gal, 2011). This result is consistent with Hellier, Geursen, Carr and Rickard (2003) study. Beside, consumers with less capability in evaluating the quality of a service may not be satisfied on the service rendered (Andreassen & Lindestad 1998).

Tangibility is the existence of physical artifacts and staff members that are related to the service rendered, which include physical facilities, equipment and staff appearance (Parasuraman, Zeithaml, & Berry, 1988), the conventional method of measuring service quality is relevant in case of technology-enabled services like Internet-based services, call centers, kiosks and SST, which is applicable to internet advertising too. Therefore, the significance of the relationship between tangibility quality and internet advertising effectiveness in Malaysia could traced to the relevancy of tangibility

quality towards the situation of the after sale/ online deal completed, customer who have brought or used the online service would satisfy with the nature of online advertising, as it is convenient, time saving, and full of choice. Therefore, the cost of purchase is very low in compare to conventional shop.

Responsiveness is the willingness in assisting customers and providing prompt service (Parasuraman et al., 1988); and it is viewed as the “service time” in internet advertising, indicating the time the customers anticipate the services to be delivered and accomplished. The significant influence of responsiveness quality on the effectiveness of internet advertising in Malaysia can trace to sufficient assistance rendered to customers in terms of the opportunity to surf online products and services, which promote the effectiveness of internet advertising in Malaysia.

Another reason is that internet advertising in Malaysia is carrying out the promised service accurately and dependably. In the event of misgivings, they quickly respond to the complaints or complaints of the customers. This can also indicate that there is ability on internet advertising firms in Malaysia to proficient, accurately, and dependably carry out their certain required services.

Furthermore, the result of this study is consistent with the fact that most effective service firms would aim to differentiate themselves on the basis of high service quality (Berry & Parasuraman, 1993) rendering to the clients, because collapsing relationships

are the expected outcome of inadequate service quality for advertised services rendered (Quester & Romaniuk, 1997).

Unlike relationship quality, service quality fits to be an antecedent of online advertising effectiveness because quality of the service is related to the quality in clients-advertising agency relationships (Quester & Romaniuk, 1997). Moreover, service quality has always been antecedent and determinant of many outcomes; service quality has contributed to market share and customer satisfaction (Anderson & Zeithaml, 1984; Buzzell & Gale, 1987; Parasuraman et al., 1985; Zeithaml, 2000). According to Agus, Barker, and Kandampully (2007), there is a strong correlation between service quality dimensions, service performance and customer satisfaction. Thus, the pursuit of quality services in advertising sector firms is the need to survive and remain competitive.

However, reliability as a dimension of SERVQUAL is found to have not significant influence on the effectiveness of internet advertising in Malaysia. Internet advertising business viewed reliability as “accurate and dependable service” for the effectiveness of internet advertising, where online customers viewed services provided might not be as accurate or reliable. Although reliability is of importance to the effectiveness of internet advertising, however, in this Malaysians is still in the early stages of advertised product online.

This could be based on online advertising in Malaysia is very new and still in the beginning stage. Undoubtedly, online business is full of opportunity but it have risked and drawback on the non-experience users, The media owner will act prompt upon having the deal through online advertisement however mistake and overspend may occurred due to lack of experience. Consequently, these will not secure future internet business, beside online sale is always too competitive as customer will compare all local and oversea suppliers anytime and anywhere, finally the nature of no credit term reduced reliability will swayed from certain credit favor customer.

### **5.3.3 Moderating Effect of Knowledge Management**

#### **5.3.3.1 Knowledge management moderating the relationship between relationship quality on internet advertising effectiveness.**

In the first place, knowledge management is a real construct in internet advertising, as it directs a right social media platform to improve the communication and creating a new network with customers. By using social media tools, e-advertising companies can manage and monitor their performance with a better knowledge management in information technology. Due to the globalization of modern economies and transition to integral knowledge society, Karin et al. (2012) submitted that the inefficiency of knowledge management efforts has arisen because enough attention is not given to the task of convincing people to effectively use the knowledge management. Internet advertising is essential in creating an online process of knowledge by applying tangible strategies in online marketing. Kumar and Ganesh (2011) observed that it is important



to observe organizations that have implemented knowledge management on internet advertising information. It is imperative to implement software and hardware management applications, online app, support and guidance through internet. Therefore, implementing knowledge management practices to improve the firm performance have a positive hypothetical relation to the effectiveness of the online advertisement company (David & Quang, 2013).

Furthermore, knowledge management involves engaging in numerous processes in order to deal with information and knowledge at hand. These processes may include knowledge creation of new concepts/designs/processes, knowledge sharing with other units, information capturing, accessibility of knowledge from other entities, as well as application of such knowledge in order to achieve numerous organizational responsibilities (Madjar et al., 2002).

Part of the hypothesis of this study is to examine whether knowledge management moderates the relationship between relationship quality (using the dimensions such as trust, commitment, and satisfaction) and internet advertising effectiveness in Malaysia.

The findings show the construct of relationship quality with its three dimensions ( trust, commitment and satisfaction) and knowledge management does not moderate internet advertising effectiveness in Malaysia.

The plausible reason for knowledge management not moderating the relationship between other dimension of relationship quality in terms of the three dimensions,

which are (trust, commitment and satisfaction) on internet advertising effectiveness in Malaysia, was discussed as:

Malaysian advertising firms may have failed to create client healthy attitudinal online purchase and effective use of the information system in marketing their products and services online (Karin et al., 2012). This can also due to internet advertising in Malaysia is still emerging and evolving; it has not reached maturity yet. Hence, it can be concluded that sensitization of people regarding the effective use of information system in marketing their products and services is indispensable in creating a knowledge management by applying technology and knowledge management strategy.

#### **5.3.3.2 Knowledge management moderating the relationship between Service quality on internet advertising effectiveness**

In service quality construct, knowledge management moderates the relationship between service tangibility, service responsiveness on internet advertising effectiveness. This shows that the increase in knowledge management of internet advertising firms in Malaysia increases the level of service quality in terms of service tangibility and service responsiveness, which then leads to increase in internet advertising effectiveness in Malaysia.

Knowledge management is a veritable concept in internet advertising and it helps Malaysia internet advertising firms through using an accurate social media platform to

improve the communication and create a new network with customers, as well as manage and monitor their own performance with a better knowledge management in information technology.

The moderating effect of knowledge management on the relationship between service responsiveness and internet advertising effectiveness is found to be significant in this study. The plausible reason for this could be traced to effective implementation of knowledge management on internet advertising information by the Malaysia advertising firms. This is because it is essential to implement software applications and hardware management applications, guidance on knowledge management best practices, potential benefits in tutorials, guides, book excerpts, videos and podcasts to ensure internet advertising effectiveness (Kumar & Reinartz, 2012). The implementation of knowledge management is significant to improve firm performance that could lead to a positive influence on the effectiveness of the online firm (David & Quang, 2013). Implementation of knowledge management by Malaysia internet advertising firms could promote and improve customers' accessibility and evaluation of their service quality, which could be evaluated through the SERVQUAL dimensions used in this study such as tangibility, reliability, and responsiveness.

Thus, this study suggests that with efficient implementation of knowledge management practice by internet advertising firms in Malaysia would possibly lead to significant influence of service quality on the effectiveness of internet advertising in Malaysia.

#### **5.3.4 The Context of Malaysia Internet Advertising Firms**

Generally, the outcome of the findings of this study shows loopholes in advertising firms in Malaysia. Furthermore, it is important to ensure service quality, which will in turn lead to effectiveness of online advertising, as this will guarantee economy survival and competitive advantage. Although, internet advertising is still in developing stage in Malaysia and need for more familiarity between online consumers and internet advertising firms in Malaysia, huge investment has been spent on internet advertising in recent years as indicated in Suruhanjaya Komunikasi Dan Multimedia Malaysia, (2009) (SKMM,) report. This signifies that there is potential for further development as it enriches the content digitization on web advertising. There is a fast-growing Internet audience in Malaysia, and it is encouraging for internet advertising firms in Malaysia to take stock of this avenue and create ways to involve targeted audience as reported by Suruhanjaya Komunikasi Dan Multimedia Malaysia, (2009) (SKMM).

As established in the discussion of this research's finding effective online advertising would improve service quality through tangibility and responsive, efficient knowledge management system will enhance the effectiveness of internet advertising effective in Malaysia and effectiveness can be attained by the Malaysian right attitude on internet advertising laden with service quality. Consequently, this will lead the firms to achieving competitive advantages through high level of online transaction.

In addition, to maintain and sustain effective internet advertising Malaysian internet advertising firms also need to improve on their service responsiveness and assistance to their online customers, they should also improve their tangibility quality by providing relevant tangibility quality in their internet advertising. It is also required for internet advertising firms in Malaysia to carry out their promised service accurately. In addition, with the help of an efficient knowledge management, Malaysia internet advertising firms can use social media platforms to improve the communication and create a new network with customers, as well as manage and monitor their performance with a better knowledge management system. With regards to the not significant of reliability in relation with service quality and internet advertising effectiveness, is largely due to the nature of internet environment in Malaysia, especially cyber-crime.

There is no specify strict rules and regulation to protect and regulate online user, The Internet advertisement need to overcome with network fraud and virus, especially when commencing online payment network, since online does not require physical appearance and communication. Therefore, in the preliminary stages, its reliability level would be low, thus this is a nature of the online advertising process and would improve by time as network security of online in Malaysia is still in the early stage.

## **5.4 Contributions of the Study**

This study on the extent of prediction of relationship quality and service quality on internet advertising in the advertising industry in Malaysia has both theoretical and practical contributions.

### **5.4.1 Theoretical Contributions**

The uniqueness of this research is connected with the findings, which indicates that relationship quality should at best be treated in the marketing strategy research field as an outcome. The reason for this is identifiable from the findings of this research as discussed previously.

Another uniqueness of this study is its focus on the effectiveness of internet advertising in Malaysia; specifically, the influence of relationship quality and service quality with the consideration of the moderating effect of knowledge management on their relationship. Studies that focus on knowledge management mostly examined it as either a dependent variable or independent variable, while very few researchers have examined it as a moderating variable (Ling, 2011). Therefore, this is one of the unique studies using knowledge management as a moderating effect; specifically, on the relationship between relationship quality and internet advertising effectiveness, and the service quality and internet advertising effectiveness.

In addition, this study has contributed theoretically to the studies on relationship quality and Internet advertising as one of the very few studies that study the relationship between relationship quality using the dimension of trust, commitment, and satisfaction on the effectiveness of internet advertising, as well as considering the moderating effect of knowledge management to the relationship. It further revealed the level of internet influence in trust, commitment and satisfaction are not in the rigid mean (Kalia, Zhang, & Singh, 2014).

Furthermore, the study also contributed theoretically to the studies on service quality and internet advertising as one of the very few studies that study the relationship between service quality (using the dimension of tangibility, reliability, and responsiveness) and the effectiveness of internet advertising, and considering the moderating effect of knowledge management to the relationship.

#### **5.4.2 Practical Contributions**

Another contribution of this study is its empirical evidence of knowledge management as a moderating effect on the relationship between service quality (through service tangibility and service responsiveness) and the effectiveness of internet advertising of advertising firms in Malaysia. This study is one of the very few empirical studies to show that knowledge management significantly moderates the relationship between one of the service tangibility and internet advertising effectiveness. In addition, this study is one of the very few empirical studies to show that knowledge management

significantly moderates the relationship between one of the service responsiveness and internet advertising effectiveness. Meanwhile, this study also contributes by showing evidence that knowledge management has no moderating effect on the relationship between the dimension of service quality (tangibility, reliability, and responsiveness) and internet advertising effectiveness.

Furthermore, this study also contributes practically by showing that there is still a need for more familiarity between online consumers and internet advertising firms in Malaysia, and that it is essential to implement software applications and hardware management applications, guidance on knowledge management best practices, potential benefits in tutorials, guides, book excerpts, videos and podcasts to ensure internet advertising effectiveness.

Moreover, another practical contribution of this study is its specific focus on internet advertising effectiveness as a dependent variable in the context of advertising firms in Malaysia. Most studies have examined the influence of service quality, or relationship quality on firm performance (Lestari et al., 2011; Ling, 2011; David & Quang, 2013). This study is one of the few studies that examined the influence of service quality, relationship quality on internet advertising effectiveness.

### **5.4.3 Managerial Contributions**

The study generally assists in providing knowledge on the practical methods of achieving internet advertising effectiveness; therefore, responding to the need of



providing a set of guiding principle for internet advertising effectiveness, which will be useful for both policy makers and practitioners.

This study has also contributed managerial by revealing the problem with the ads from internet advertising which occasionally hinder the content people actually want to go through and thereby lessen the frustration of customers regarding internet advertising practices. The findings of this study have emphasized that reliable service, signifying service quality, has impacted on internet advertising effectiveness. Reliable internet advert service should avoid unnecessary ads that can frustrate the customers.

Overall, the findings of this study emphasize the importance of relationship quality, service quality and knowledge management in the effectiveness of internet advertising.

Similarly, this study contributes and enriches the present body of knowledge on how service quality can enhance internet advertising effectiveness with the moderating effect of knowledge management, and how relationship quality enhanced by internet advertising effectiveness. The study could use as current empirical evidence for future and continuous research as it can serve as part of the academic writing as well as a policy paper by policy makers for internet advertising industry. The findings can use as a guide for the service marketing scholars and internet advertising industry practitioners.

## 5.5 Recommendations

This study recommends that for service firms such as the advertising firms to achieve effectiveness in internet advertising through customer relationship there is a need for them to implement software and hardware applications management, guidance on knowledge management best practices, potential benefits in tutorials, guides, book excerpts, videos and podcasts to ensure internet advertising effectiveness. The implementation of knowledge management is to improve firm performance that leads to a positive influence on the effectiveness of the online firm (David & Quang, 2013).

This implementation of knowledge management promotes and improves the customers' accessibility and evaluation the quality of service of internet advertising firm, which could evaluate through the SERVQUAL dimensions.

Firms should strengthen their relationship with their customers through internet advertising effectiveness to transform unresponsive customers into commitment customers. This is because the customers' attitudinal to purchase and patronize a firm can be through internet advertising effectiveness, which will facilitate, and sustained the relationship between the firm and clients (Ogotu et al., 2014).

Firms should measure or evaluate the quality of their services with relevant and contemporary measurement. This is because conventional methods of measuring service quality may not be relevant in the case of technology-enabled services such as internet advertising, internet-based services, call centers, and kiosks.

## **5.6 Limitation of the Study**

This study entails a population of 2000 advertising firms in Malaysia, where 322 were chosen as sample based on the observation of Krejcie and Morgan (1970) and adopted by Sekaran (2003). The respondents are CEOs, Managers and other supervisory level of the employee of the advertising firms listed in yellow pages in Malaysia who possess comparable characteristics.

### **5.6.1 Generalizability**

This study used a selected sample of 322 out of 2000 firms. A total number of 118 questionnaires were returned. This sample size is relatively small compared to the number of advertising firms in Malaysia. Despite the fact that the sample size fell within Sekaran (2003), the sample size only represented 15 percent of the sample population is sufficient to be represented the sampling. Therefore, this study is relevant with regards to generalizing the findings of this study.

### **5.6.2 Methodology**

Another limitation of this study is the source of data and method of analysis. The data used for this study were retrieved through questionnaires distributes to CEOs /Managers and supervisor of the advertisement firms. Despite many decision-making on internet advertising come from the CEOs and Managers of these firms, the bulk of the responsibilities on internet advertising still rests on other designated supervisor

staff of the firms. These responsibilities involve interacting with customers and suppliers. Due to this, this study would have preferred other staff of the advertisement firms, especially those with customer care section or reception to be the respondents since they have more interaction with customers and they receive direct and genuine response from the customers. The use of these respondents is to obtain alternative prospects on customers' feedback on the relationship between independent variables and the dependent variables.

Another methodological limitation is on the method of analysis used in this study. This study used Pearson correlation and multiple regression analysis to examine the relationship between the variables in this study. There is a more robust method of analysis that would have been preferred which solve problem of heterogeneity and error of unobserved endogeneity because we have found the reliability of variances based on the regression, correlation and coefficient and finally with factor analysis and Anova to finalize the outcome.

### **5.7 Suggestions for the Future Research**

The limitations of this study presented above provided avenues for future research. Discerned from the result of this study, relationship quality is an outcome of internet advertising effectiveness, thus, future research should endeavor to research this aspect.

Future and broader studies in other countries and multiple contexts would be necessary to establish the relationship between the variables in industries. It would be motivated

to examine this relationship in another aspect to determine whether similar findings revealed. Further evidence from this study have discovered by repeating the variables of this study, especially in an advanced economy where accessibility of information is easy.

Secondly, this study adopted three dimensions, each out of the dimensions of relationship quality (trust, commitment, satisfaction) and service quality (tangibility, reliability, responsiveness). This is because these dimensions are apt to the estimation of internet advertising effectiveness. Despite this, this study advocates the other dimensions of both relationship quality and service quality in examining the association.

Thirdly, this study can replicate to examine the association among services industries because of the stringent regulations imposed; they provide good customer relationship with their products and services through high quality advertisement.

Fourthly, this study also recommends the need for future studies to incorporate other management-customer relationship variables such as perceived value, perceived image in the relationship because these variables are the building blocks of service transactions.

Finally, future studies can also consider incorporating other firm characteristics and organizational contingencies as control variables to measure the association between service quality, relationship quality and effectiveness of internet advertising. The

incorporation of firm characteristics and other organizational contingencies will enrich the relationship.

## **5.8 Conclusion**

This study has empirically examined the influence of relationship quality and service quality on internet advertising effectiveness in the advertising industry in Malaysia with the consideration of knowledge management as a moderating variable in the relationship. Data of 118 respondents who are CEOs/ Managers and supervisory of advertising firms were used for the study. After analyzing the data through multiple regression analysis, the findings show that there is no significant relationship between relationship quality (trust, commitment, and satisfaction) on internet advertising effectiveness, indicating that, as explicated previously, client-agent relationship quality through trust, commitment and satisfaction can enhance through internet advertising effectiveness. The findings also revealed that service tangibility and responsiveness have a significant relationship with internet advertising effectiveness, whilst, service reliability is negatively and no significant associated with internet advertising effectiveness. This implies that service quality has influence on the effectiveness of internet advertising through service tangibility and service responsiveness, but no significant influences internet advertising effectiveness through service reliability by itself.

In addition, the findings revealed that knowledge management significantly moderates the relationship between service tangibility and internet advertising effectiveness, and it moderates the relationship between service responsiveness and effectiveness of internet advertising. This indicates that knowledge management has significant influence on the association between service quality through service tangibility and responsiveness on internet advertising effectiveness; despite knowledge management does not influence the association between service quality and internet advertising effectiveness from the aspect of service reliability.

Furthermore, the findings show that knowledge management does not moderate the relationship between relationship qualities (trust, commitment, satisfaction) on internet advertising effectiveness. This indicates that knowledge management does not influence the relationship quality and internet advertising effectiveness either from the aspects of trust, commitment, and satisfaction on management.

The findings of this study are consistent with past studies such as Almsafir (2015), Kumar et al. (2016), Palmatier et al. (2006), Chumpitaz and Papparoidamis (2007), Crosby et al. (1990) on relationship quality; Bitner, Brown, and Meuter, (2000); De-Ruyter and Wetzels (2000); Li et al. (2003); Deng et al. (2009), and Ograjensek and Gal (2011), on service quality; Madjar et al. (2002), Karinet et al. (2012), Kumar and Reinartz (2012), and David and Quang (2013).

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## APPENDICES

### Appendix 1: Survey Questionnaire



**Universiti Utara Malaysia Sintok 06010, Kedah Malaysia**

**Academic Research Questionnaire**

This is an academic questionnaire that is intended to examine

**RELATIONSHIP QUALITY, SERVICE QUALITY ON INTERNET  
ADVERTISING EFFECTIVENESS WITH  
: KNOWLEDGE MANAGEMENT AS A MODERATOR**

#### **Survey Guidance**

Kindly respond to each question by *circling the appropriate response*, ticking the relevant box, or writing your answer in the space provided. Kindly answer the questions as honestly and candidly as possible. This is NOT a test. There are no rights or wrong answers. This will enable the classification of your responses.

**Thanking you in advance for your co-operation. Your participation is highly appreciated. All personal information and answer will be treated with strictest confidentiality and for academic research purposed only.**

Name: Kiew Leck Min

Address: No.76 Jalan 2/17, Taman Fadason, Off Jalan Kepong, 52000 Kuala Lumpur

Phone: 012-3813638 Fax: 603-62524850

Email: kiewvivian@yahoo.com

**Section 1: Demographic variables**

**Please tick your answer in the relevant box.**

1. Please indicate your current position: -

(a) CEO  (b) Managing Director  (c) Others

2. How many years have you been working in your Organization?

a) Less than 3 years  b) 3 to less than 10 years

c) 10 years and above

3. Gender: Male  Female

4. Age in years: (a) less than 21  (b) 22-37  (c) 38-53

(d) 54-69  (e) Above 69

5. Annual Income level: (a) less than 10K  (b) 10-20K

(c) 20-50K

(d) 50-100K  (e) > 100K

6. State location of company: (a) Kuala Lumpur  (b) Selangor

7. Type of advertising organisational are you engaged currently. Please provide your Organisational information.

(a) Company Name:

(b) Company address:

(c) Services provided:

## Section 2

Kindly tick your answer in the proper box that represents your opinion about the statement, ranging from 1 (Strongly Disagree) to 7 (Strongly Agree).

**Relationship Quality** -Interpretation of the scales:

No	Items	1	2	3	4	5	6	7
<b>Trust</b>								
1.	Advertising organizations do keep promises to their clients.							
2.	Advertising organizations are not always honest to their clients.							
3.	Advertising organizations are truly interested in their client's success.							
4.	Advertising organizations are trustworthy.							
5.	Advertising organizations find it necessary to be cautious with their clients.							
<b>Commitment</b>								
1.	Advertising organizations intend to maintain their customer relationship with their clients as long as possible.							
2.	Advertising organizations do all they can to enhance their customer relationship.							
3.	Advertising organizations are ready to invest more than usual into client customer relationship.							
4.	Advertising organizations' cooperation with the clients peacefully.							
5.	Occasionally, advertising organizations seeks for alternatives to the services it provides to the clients.							
<b>Satisfaction</b>								
1.	Clients of advertising organizations are satisfied with their customer services.							
2.	Clients are satisfied with the social status that the customer service of advertising organizations gives to them.							
3.	Clients are satisfied with advertising organizations' customer service protection.							
4.	Clients are satisfied with the quality advertising organizations' customer services provided.							
5.	Clients are satisfied with how advertising organizations help making decisions for them.							
6.	Clients are satisfied with advertising organizations' duration of service provided.							

7.	Clients are satisfied with organization delivery service								
8.	Clients are satisfied with the achievement offered to them by advertising organizations.								
9.	Clients are satisfied with the returns from the advertisement made for them.								

### Service Quality

No.	Items	1	2	3	4	5	6	7
<b>Tangibles</b>								
1.	Advertising organizations have visually attractive parking areas and building exteriors.							
2.	Advertising organizations' ads visually catch the attention of the internet users.							
3.	Advertising organizations have staff members who are clean, neat, and, well-mannered.							
4.	Advertising organizations' advertisement have good interface in keeping with the firm's image and price range.							
5.	Advertising organizations' advertisements are easily readable.							
6.	Advertising organizations' advertisements are visually attractive and reflect the firm's image.							
7.	Advertising organizations have the reception areas that are comfortable and easy to move around in for the clients.							
8.	Advertising organizations do not have rest rooms that are always clean.							
9.	Advertising organizations have reception areas that are always clean.							
10.	Advertising organizations have comfortable seats in the reception room.							
<b>Reliability</b>								
11.	Advertising organizations serve their clients in the time promised.							
12.	Advertising organizations quickly correct anything that goes wrong.							
13.	Advertising organizations are dependable and consistent.							
14.	Advertising organizations provide accurate clients' bill.							
15.	Advertising organizations provide advertisement service as exactly as the clients order it.							

<b>Responsiveness</b>								
16	Advertising organizations have employed employees that help each other and maintain speed and quality of service.							
17	Advertising organizations provide prompt and quick service.							
18.	Advertising organizations give extra effort to handle clients' special requests.							
19.	Advertising organization response to email enquiries are quick and accurately.							

Items were measured on a five-point Likert scale, ranging from 1 (Strongly Disagree) to 7 (Strongly Agree).

### **Knowledge Management**

**The following questions ask about extent of attitude towards the knowledge management in other advertising organization and you should answer based on yourself as an advertising agency point of view.**

Knowledge Management represents identification and control of the collective knowledge in an organization to enhance the organizational ability to compete.

<b>No.</b>	<b>Items</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>Codification Strategy</b>								
1.	Advertising organizations seek to write down and document the ideas gained in the process of work.							
2.	Advertising organizations seek to capture the experiences that employees narrated.							
3.	Advertising organizations seek to record important data, advertisement, and happenings for the future purpose.							
4.	Advertising organizations seek to dedicate a team of employees to archive advertisement, drawing, reports, and other useful information.							
5.	Advertising organizations seek to create a database such as an online repository for keeping ads information and others related information.							
<b>Personalization Strategy</b>								
6.	Advertising organizations' employees can share their learning and experiences with one another in the process of work.							

7.	Advertising organizations consider reviewing clients' opinions in the management meeting as a learning practice.							
8.	Advertising organizations hold informal routine meetings to review work progress and create new ideas.							
9.	Advertising organizations attempt to form small team of employees to discuss knowledge and ideas around a particular theme.							
10.	Advertising organizations seek to make available a "people directory" to help employees in their search for colleagues with certain expertise.							

**Internet Advertising Effectiveness:**

**The following questions ask about extent of attitude towards the ads and Brand in other advertising organization and you should answer based on yourself as an advertising agency point of view.**

Items were measured on a seven-point Likert scale, ranging from 1 (Strongly Disagree) to 7 (Strongly Agree).

No.	Items	1	2	3	4	5	6	7
1.	Feelings of client's regarding advertising organizations' advertisement of an online are positive.							
2.	Client's impressions about a specific online advertised by advertising organizations are good.							
3.	Client's impressions about buying online instead of conventional ones in the near future.							
4.	Client's impression about buying online is very convenient.							

We appreciate of your time and effort in completing this sampling questionnaire, this report will contribute to the University research literature study.

Thank you for your kind cooperation.

## Appendix 2: Frequencies

### Frequency Table

#### Statistics

	Age	Experience	Gender	Income	Location	Position
N Valid	118	118	118	118	118	118
Missing	0	0	0	0	0	0
Mean	2.47	2.26	1.40	3.21	1.45	2.69
Mode	2	3	1	3	1	3
Std. Deviation	.700	.821	.492	1.183	.500	.518

#### Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	3	2.5	2.5	2.5
2	67	56.8	56.8	59.3
3	39	33.1	33.1	92.4
4	8	6.8	6.8	99.2
5	1	.8	.8	100.0
Total	118	100.0	100.0	

#### Experience

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid < 3 years	24	20.3	20.3	20.3
3 - 10 years	42	35.6	35.6	55.9
>10 years	52	44.1	44.1	100.0
Total	118	100.0	100.0	

**Gender**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid MALE	71	60.2	60.2	60.2
FEM	47	39.8	39.8	100.0
Total	118	100.0	100.0	

**Income**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid >10K	15	12.7	12.7	12.7
10-20K	10	8.5	8.5	21.2
20-50K	45	38.1	38.1	59.3
50-100K	31	26.3	26.3	85.6
100K<	17	14.4	14.4	100.0
Total	118	100.0	100.0	

**Location**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid KL	65	55.1	55.1	55.1
SEL	53	44.9	44.9	100.0
Total	118	100.0	100.0	

**Position**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid CEO	3	2.5	2.5	2.5
MD	31	26.3	26.3	28.8
OTH	84	71.2	71.2	100.0
Total	118	100.0	100.0	



### Appendix 3: Reliability

#### Scale: Advertising Effectiveness

##### Case Processing Summary

		N	%
Cases	Valid	118	100.0
	Excluded <sup>a</sup>	0	.0
	Total	118	100.0

a. Listwise deletion based on all variables in the procedure.

##### Reliability Statistics

Cronbach's Alpha	N of Items
.732	8

##### Item Statistics

	Mean	Std. Deviation	N
eATTads1	5.27	1.325	118
eATTads2	5.39	1.148	118
eATTbrand1	5.36	1.251	118
eATTbrand2	5.56	1.129	118

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
eATTads1	37.74	16.896	.531	.682
eATTads2	37.62	17.349	.604	.665
eATTbrand1	37.65	16.588	.617	.659
eATTbrand2	37.45	18.609	.468	.696

**Scale Statistics**

Mean	Variance	Std. Deviation	N of Items
43.01	24.436	4.943	8

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## Reliability

### Scale: Relationship Quality (RQ)

#### Case Processing Summary

		N	%
Cases	Valid	118	100.0
	Excluded <sup>a</sup>	0	.0
	Total	118	100.0

a. Listwise deletion based on all variables in the procedure.

#### Reliability Statistics

Cronbach's Alpha	N of Items
.930	12

#### Item Statistics

	Mean	Std. Deviation	N
RQT1	5.03	1.078	118
RQT3	5.19	1.139	118
RQT5	5.03	1.074	118
RQC2	5.46	1.051	118
RQC3	5.12	1.006	118
RQC5	5.20	1.026	118
RQS4	5.14	1.004	118
RQS5	5.10	.990	118
RQS6	5.13	1.009	118
RQS7	5.18	.984	118
RQS8	5.13	.992	118
RQS9	5.08	.971	118

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
RQT1	56.74	73.289	.613	.927
RQT3	56.58	70.912	.707	.923
RQT5	56.75	73.302	.615	.927
RQC2	56.31	71.465	.743	.922
RQC3	56.65	73.887	.629	.926
RQC5	56.57	72.709	.686	.924
RQS4	56.64	70.781	.828	.919
RQS5	56.67	72.839	.707	.923
RQS6	56.64	71.257	.792	.920
RQS7	56.59	73.816	.650	.925
RQS8	56.64	71.941	.763	.921
RQS9	56.69	74.163	.638	.926

**Scale Statistics**

Mean	Variance	Std. Deviation	N of Items
61.77	85.768	9.261	12

## Reliability

### Scale: SERVICE QUALITY (SQ)

#### Case Processing Summary

		N	%
Cases	Valid	118	100.0
	Excluded <sup>a</sup>	0	.0
	Total	118	100.0

a. Listwise deletion based on all variables in the procedure.

#### Reliability Statistics

Cronbach's Alpha	N of Items
.934	12

#### Item Statistics

	Mean	Std. Deviation	N
SQT2	5.04	1.065	118
SQT4	5.16	.987	118
SQT5	5.16	.987	118
SQT6	5.16	.924	118
SQT7	4.92	.926	118
SQR1	5.18	.949	118
SQR2	5.22	.997	118
SQR3	5.13	.939	118
SQR4	5.25	1.004	118
SQre2	5.36	.920	118
SQre3	5.37	.977	118
SQre4	5.22	.953	118

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
SQT2	57.13	68.163	.533	.936
SQT4	57.01	66.060	.726	.928
SQT5	57.01	66.008	.729	.928
SQT6	57.01	66.726	.735	.928
SQT7	57.25	67.948	.646	.931
SQR1	56.99	65.923	.769	.927
SQR2	56.95	65.690	.742	.928
SQR3	57.04	65.733	.792	.926
SQR4	56.92	66.020	.714	.929
SQre2	56.81	66.153	.780	.926
SQre3	56.80	66.078	.733	.928
SQre4	56.95	67.502	.655	.931

**Scale Statistics**

Mean	Variance	Std. Deviation	N of Items
62.17	78.672	8.870	12

## Reliability

### Scale: Knowledge Management (KM)

**Case Processing Summary**

		N	%
Cases	Valid	118	100.0
	Excluded <sup>a</sup>	0	.0
	Total	118	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

Cronbach's Alpha	N of Items
.898	9

**Item Statistics**

	Mean	Std. Deviation	N
KMC1	5.25	1.320	118
KMC2	5.42	1.127	118
KMC3	5.53	1.167	118
KMC4	5.53	1.210	118
KMC5	5.37	1.253	118
KMP1	5.54	1.203	118
KMP3	5.42	1.172	118
KMP4	5.44	1.173	118
KMP5	5.55	1.152	118

**Item-Total Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
KMC1	43.80	49.787	.677	.886
KMC2	43.63	51.142	.728	.882
KMC3	43.52	51.141	.697	.884
KMC4	43.52	50.919	.681	.885
KMC5	43.67	51.710	.603	.892
KMP1	43.50	51.893	.623	.890
KMP3	43.62	51.246	.686	.885
KMP4	43.60	51.319	.681	.885
KMP5	43.49	52.782	.600	.892

**Scale Statistics**

Mean	Variance	Std. Deviation	N of Items
49.04	64.143	8.009	9



#### Appendix 4: Factor Analysis Ad Effectiveness

	eATTads1	eATTads2	eATTad3	eATTad4
eATTads1	1.000	.610	.540	.229

#### KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.648
Approx. Chi-Square		255.002
Bartlett's Test of Sphericity	df	28
	Sig.	.000

#### Communalities

	Initial	Extraction
eATTads1	1.000	.882
eATTads2	1.000	.734
eATTbrand1	1.000	.740
eATTbrand2	1.000	.868

Extraction Method: Principal Component Analysis.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings <sup>a</sup>
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	2.875	35.936	35.936	2.875	35.936	35.936	2.343
2	1.488	18.601	54.537	1.488	18.601	54.537	1.957
3	1.121	14.017	68.554	1.121	14.017	68.554	1.519
4	.838	10.478	79.032	.838	10.478	79.032	1.752

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

**Component Matrix<sup>a</sup>**

	Component			
	1	2	3	4
eATTbrand1	.790			
eATTads2	.786			
eATTads1	.735			-.545
eATTbrand2	.650			.627

Extraction Method: Principal Component Analysis.

a. 4 components extracted.

a  
**Pattern Matrix**

	Component			
	1	2	3	4
eATTads1	.992			
eATTads2	.690			
eATTbrand2		.955		
eATTbrand1		.579		

Extraction Method: Principal Component Analysis.

Rotation Method: Promax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

**Structure Matrix**

	Component			
	1	2	3	4
eATTads1	.929			
eATTads2	.809	.591		
eATTbrand2		.927		
eATTbrand1	.681	.762		

Extraction Method: Principal Component Analysis.

Rotation Method: Promax with Kaiser Normalization.

**Component Correlation Matrix**

Component	1	2	3	4
1	1.000	.418	.066	.296
2	.418	1.000	.044	.213
3	.066	.044	1.000	.146
4	.296	.213	.146	1.000

Extraction Method: Principal Component Analysis.

Rotation Method: Promax with Kaiser Normalization.

## Factor Analysis on Relationship Quality

a

Correlation Matrix

	RQT 1	RQT 3	RQT 5	RQC 2	RQC 3	RQC 5	RQS 4	RQS 5	RQS 6	RQS 7	RQS 8	RQS 9
RQT1	1.000	.614	.435	.529	.454	.489	.525	.429	.468	.381	.396	.390
RQT3	.614	1.000	.499	.627	.480	.567	.650	.468	.559	.405	.516	.451
RQT5	.435	.499	1.000	.512	.393	.461	.449	.552	.518	.441	.511	.375
RQC 2	.529	.627	.512	1.000	.716	.698	.581	.505	.565	.458	.493	.426
RQC 3	.454	.480	.393	.716	1.000	.598	.534	.374	.490	.410	.465	.323
RQC 5	.489	.567	.461	.698	.598	1.000	.571	.493	.512	.421	.470	.405
RQS 4	.525	.650	.449	.581	.534	.571	1.000	.691	.734	.607	.790	.656
RQS 5	.429	.468	.552	.505	.374	.493	.691	1.000	.654	.525	.622	.561
RQS 6	.468	.559	.518	.565	.490	.512	.734	.654	1.000	.674	.735	.618
RQS 7	.381	.405	.441	.458	.410	.421	.607	.525	.674	1.000	.651	.469
RQS 8	.396	.516	.511	.493	.465	.470	.790	.622	.735	.651	1.000	.673
RQS 9	.390	.451	.375	.426	.323	.405	.656	.561	.618	.469	.673	1.000
RQT1		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
RQT3	.000		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
RQT5	.000	.000		.000	.000	.000	.000	.000	.000	.000	.000	.000
RQC 2	.000	.000	.000		.000	.000	.000	.000	.000	.000	.000	.000
RQC 3	.000	.000	.000	.000		.000	.000	.000	.000	.000	.000	.000
RQC 5	.000	.000	.000	.000	.000		.000	.000	.000	.000	.000	.000

Correlation

Sig. (1-tailed)

RQS	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
4												
RQS	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
5												
RQS	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
6												
RQS	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
7												
RQS	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
8												
RQS	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
9												

a. Determinant = .000

#### Kaiser-Meyer-Olkin

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.920
Approx. Chi-Square	913.434
Bartlett's Test of Sphericity	df 66
Sig.	.000

#### Communalities

	Initial	Extraction
RQT1	1.000	.725
RQT3	1.000	.726
RQT5	1.000	.567
RQC2	1.000	.816
RQC3	1.000	.834
RQC5	1.000	.703
RQS4	1.000	.792
RQS5	1.000	.665
RQS6	1.000	.773
RQS7	1.000	.646
RQS8	1.000	.814
RQS9	1.000	.647

Extraction Method: Principal

Component Analysis.

**Principal Component Analysis**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings a
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	6.831	56.921	56.921	6.831	56.921	56.921	5.993
2	1.181	9.846	66.767	1.181	9.846	66.767	4.792
3	.698	5.817	72.584	.698	5.817	72.584	5.016
4	.652	5.435	78.018				
5	.535	4.457	82.475				
6	.421	3.510	85.985				
7	.398	3.318	89.303				
8	.371	3.093	92.396				
9	.300	2.498	94.894				
10	.257	2.140	97.033				
11	.206	1.720	98.753				
12	.150	1.247	100.000				

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

**a**  
**Component Matrix**

	Component		
	1	2	3
RQT1	.668		
RQT3	.756		
RQT5	.673		
RQC2	.785		
RQC3	.686		
RQC5	.737		
RQS4	.871		
RQS5	.765		
RQS6	.841		
RQS7	.715		
RQS8	.819		
RQS9	.706		

Extraction Method: Principal Component

Analysis.

a. 3 components extracted.

**a**  
**Pattern Matrix**

	Component		
	1	2	3
RQT1			.904
RQT3			.735
RQT5			.660
RQC2		.759	
RQC3		.994	
RQC5		.685	
RQS4	.724		
RQS5	.688		
RQS6	.797		
RQS7	.830		
RQS8	.936		
RQS9	.846		

Extraction Method: Principal Component Analysis.

Rotation Method: Promax with Kaiser

a

Normalization.

a. Rotation converged in 5 iterations.

	Structure Matrix Component		
	1	2	3
RQT1		.534	.846
RQT3	.582	.624	.844
RQT5	.578		.738
RQC2	.579	.889	.685
RQC3		.907	
RQC5	.550	.823	.645
RQS4	.875	.630	.661
RQS5	.791		.638
RQS6	.874	.587	.601
RQS7	.786	.514	
RQS8	.901	.527	.534
RQS9	.793		.510

Extraction Method: Principal Component Analysis.

Rotation Method: Promax with Kaiser

Normalization.

**Component Correlation Matrix**

Component	1	2	3
1	1.000	.588	.639
2	.588	1.000	.630
3	.639	.630	1.000

Extraction Method: Principal Component Analysis.

Rotation Method: Promax with Kaiser Normalization.



## Factor Analysis on Service Quality

**Correlation Matrix**

		SQ T2	SQ T4	SQ T5	SQ T6	SQ T7	SQ R1	SQ R2	SQ R3	SQ R4	SQ R5	SQr e2	SQr e3	SQr e4
Correlation	SQ	1.0	.49	.51	.60	.51	.40	.40	.34	.25	.32	.38	.33	.34
	T2	.00	.84	.41	.15	.57	.72	.25	.54	.42	.26	.60	.00	.44
	SQ	.49	1.0	.69	.71	.58	.49	.53	.55	.47	.39	.53	.57	.45
	T4	.84	.00	.33	.22	.44	.00	.77	.00	.79	.99	.99	.66	.33
	SQ	.51	.69	1.0	.71	.65	.49	.53	.57	.49	.51	.53	.49	.43
	T5	.43	.33	.00	.22	.00	.00	.77	.77	.55	.55	.99	.66	.55
	SQ	.60	.71	.71	1.0	.68	.53	.54	.55	.45	.41	.49	.47	.39
	T6	.15	.22	.22	.00	.44	.33	.66	.77	.55	.77	.55	.33	.66
	SQ	.51	.58	.65	.68	1.0	.45	.45	.56	.37	.42	.43	.41	.36
	T7	.57	.44	.00	.44	.00	.44	.44	.22	.00	.11	.33	.00	.88
	SQ	.40	.49	.49	.53	.45	1.0	.70	.72	.73	.64	.71	.63	.56
	R1	.72	.00	.00	.33	.44	.00	.88	.33	.55	.44	.00	.88	.11
	SQ	.40	.53	.53	.54	.45	.70	1.0	.68	.67	.57	.57	.57	.55
	R2	.25	.54	.54	.66	.44	.88	.00	.22	.11	.22	.55	.33	.11
	SQ	.34	.55	.57	.55	.56	.72	.68	1.0	.71	.75	.67	.64	.58
	R3	.25	.00	.77	.77	.22	.33	.22	.00	.99	.66	.99	.77	.99
	SQ	.25	.47	.49	.45	.37	.73	.67	.71	1.0	.71	.71	.58	.56
	R4	.42	.79	.55	.55	.00	.55	.11	.99	.00	.88	.00	.66	.88
	SQ	.32	.39	.51	.41	.42	.64	.57	.75	.71	1.0	.65	.51	.50
	R5	.26	.99	.55	.77	.11	.44	.22	.66	.88	.00	.44	.33	.44
SQr	.38	.53	.53	.49	.43	.71	.57	.67	.71	.65	1.0	.81	.65	
e2	.60	.99	.99	.55	.33	.00	.55	.99	.00	.44	.00	.22	.11	
SQr	.33	.57	.49	.47	.41	.63	.57	.64	.58	.51	.81	1.0	.64	
e3	.00	.66	.66	.33	.00	.88	.33	.77	.66	.33	.22	.00	.66	
SQr	.34	.45	.43	.39	.36	.56	.55	.58	.56	.50	.65	.64	1.0	
e4	.44	.33	.55	.66	.88	.11	.11	.99	.88	.44	.11	.66	.00	

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.925
	Approx. Chi-Square	1140.702
Bartlett's Test of Sphericity	df	78
	Sig.	.000

**KMO and Bartlett's Test**

**Communalities**

	Initial	Extraction
SQT2	1.000	.605
SQT4	1.000	.723
SQT5	1.000	.732
SQT6	1.000	.804
SQT7	1.000	.712
SQR1	1.000	.746
SQR2	1.000	.660
SQR3	1.000	.812
SQR4	1.000	.808
SQR5	1.000	.789
SQre2	1.000	.823
SQre3	1.000	.843
SQre4	1.000	.722

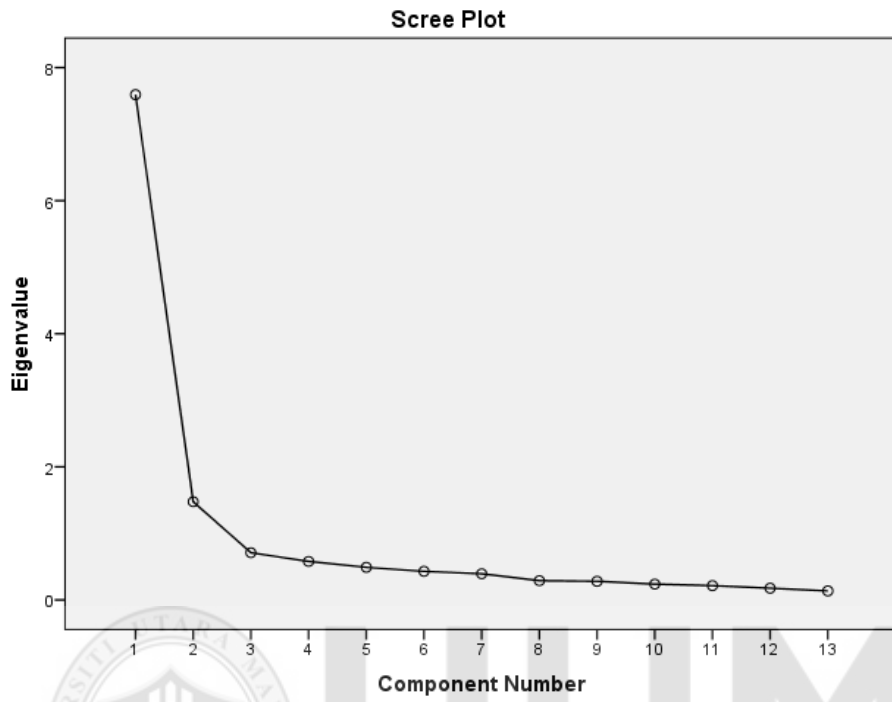
Extraction Method: Principal Component Analysis.

**Principal Component Analysis.**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings <sup>a</sup>
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	7.593	58.408	58.408	7.593	58.408	58.408	6.448
2	1.476	11.350	69.759	1.476	11.350	69.759	5.759
3	.710	5.459	75.218	.710	5.459	75.218	5.639
4	.578	4.449	79.666				
5	.489	3.765	83.431				
6	.429	3.303	86.734				
7	.393	3.024	89.758				
8	.289	2.223	91.981				
9	.279	2.149	94.131				
10	.238	1.827	95.958				
11	.214	1.647	97.605				
12	.176	1.354	98.959				
13	.135	1.041	100.000				

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.



a

**Pattern Matrix**

	Component		
	1	2	3
SQT2		.848	
SQT4		.729	
SQT5		.758	
SQT6		.886	
SQT7		.844	
SQR1	.678		
SQR2	.617		
SQR3	.794		
SQR4	.882		
SQR5	1.003		
SQre2			.689
SQre3			.900
SQre4			.842

Extraction Method: Principal Component Analysis.

Rotation Method: Promax with Kaiser

a

Normalization.

a. Rotation converged in 5 iterations.

**Structure Matrix**

	Component		
	1	2	3
SQT2	.337	.760	.409
SQT4	.527	.824	.622
SQT5	.610	.845	.512
SQT6	.559	.896	.492
SQT7	.532	.830	.383
SQR1	.848	.562	.707
SQR2	.794	.601	.633
SQR3	.895	.615	.666
SQR4	.890	.463	.670
SQR5	.881	.476	.543
SQre2	.762	.552	.884
SQre3	.649	.534	.918
SQre4	.606	.460	.849

Extraction Method: Principal Component Analysis.

Rotation Method: Promax with Kaiser

Normalization.

**Component Correlation Matrix**

Component	1	2	3
1	1.000	.600	.699
2	.600	1.000	.560
3	.699	.560	1.000

Extraction Method: Principal Component Analysis.

Rotation Method: Promax with Kaiser Normalization.

## Factor Analysis on Knowledge Management

**Correlation Matrix**

	KMC1	KMC2	KMC3	KMC4	KMC5	KMP1	KMP3	KMP4	KMP5
KMC1	1.000	.649	.537	.539	.487	.481	.462	.487	.405
KMC2	.649	1.000	.619	.666	.519	.463	.461	.494	.428
KMC3	.537	.619	1.000	.656	.531	.532	.435	.510	.323
KMC4	.539	.666	.656	1.000	.552	.407	.468	.389	.385
Correlation KMC5	.487	.519	.531	.552	1.000	.358	.398	.457	.336
KMP1	.481	.463	.532	.407	.358	1.000	.569	.495	.455
KMP3	.462	.461	.435	.468	.398	.569	1.000	.627	.687
KMP4	.487	.494	.510	.389	.457	.495	.627	1.000	.616
KMP5	.405	.428	.323	.385	.336	.455	.687	.616	1.000

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.888
Approx. Chi-Square		543.782
Bartlett's Test of Sphericity	df	36
	Sig.	.000

**Communalities**

	Initial	Extraction
KMC1	1.000	.608
KMC2	1.000	.717
KMC3	1.000	.703
KMC4	1.000	.716
KMC5	1.000	.565
KMP1	1.000	.537
KMP3	1.000	.780
KMP4	1.000	.688
KMP5	1.000	.772

Extraction Method: Principal

Component Analysis.

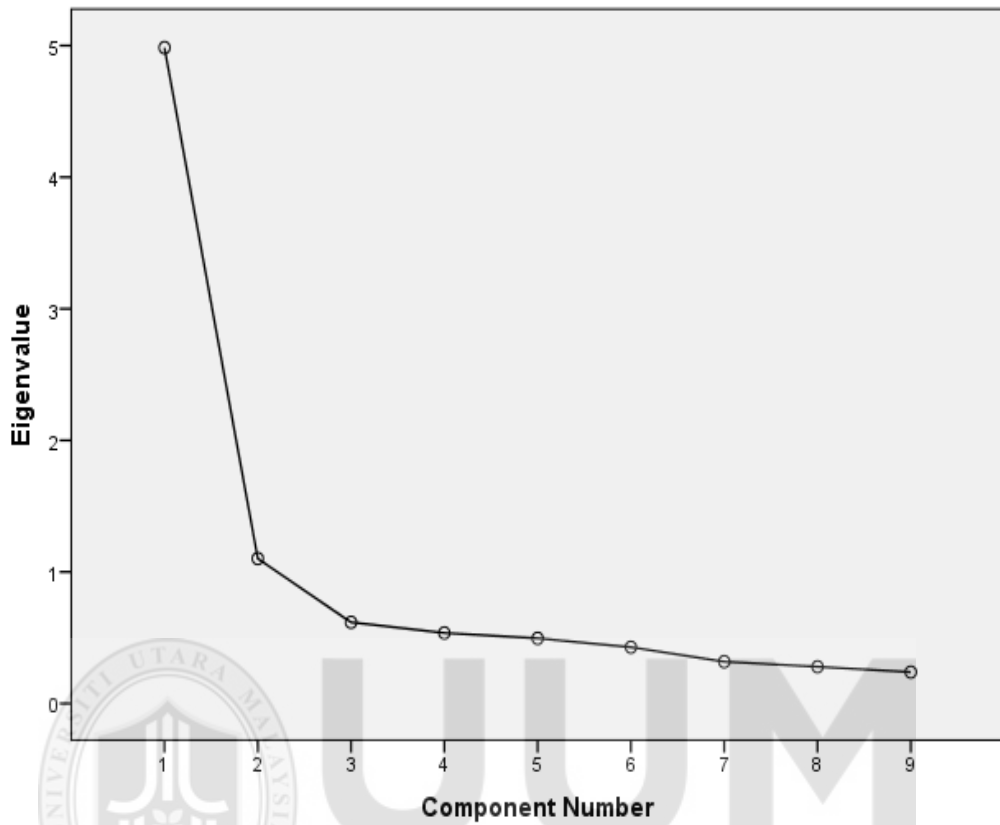
**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings <sup>a</sup>
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	4.985	55.387	55.387	4.985	55.387	55.387	4.432
2	1.102	12.244	67.631	1.102	12.244	67.631	3.974
3	.617	6.854	74.485				
4	.536	5.961	80.445				
5	.495	5.502	85.947				
6	.428	4.758	90.705				
7	.318	3.535	94.240				
8	.280	3.106	97.346				
9	.239	2.654	100.000				

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

**Scree Plot**



**a**  
**Component Matrix**

	Component	
	1	2
KMC1	.757	
KMC2	.798	
KMC3	.773	-.325
KMC4	.760	-.372
KMC5	.689	
KMP1	.708	
KMP3	.761	.448
KMP4	.757	.339
KMP5	.686	.549



Extraction Method: Principal

Component Analysis.

a. 2 components extracted.

**a**  
**Pattern Matrix**

	Component	
	1	2
KMC1	.687	
KMC2	.817	
KMC3	.845	
KMC4	.888	
KMC5	.764	
KMP1		.556
KMP3		.880
KMP4		.752
KMP5		.963

Extraction Method: Principal

Component Analysis.

Rotation Method: Promax with

a

Kaiser Normalization.

a. Rotation converged in 3 iterations.

**Structure Matrix**

	Component	
	1	2
KMC1	.772	.555
KMC2	.846	.541
KMC3	.838	.499
KMC4	.844	.464
KMC5	.751	.440
KMP1	.584	.706
KMP3	.536	.883
KMP4	.574	.824
KMP5	.428	.870

Extraction Method: Principal

Component Analysis.

Rotation Method: Promax with  
Kaiser Normalization.

**Component Correlation Matrix**

Component	1	2
1	1.000	.604
2	.604	1.000

Extraction Method: Principal Component  
Analysis.

Rotation Method: Promax with Kaiser  
Normalization.

## Appendix 5: T-Test

**Group Statistics**

	Group	N	Mean	Std. Deviation	Std. Error Mean
RQT	1 early response	55	7.5000	1.50923	.20350
	2 late response	63	7.7381	1.48882	.18757
RQC	1 early response	55	17.3545	3.13644	.42292
	2 late response	63	17.4603	3.01047	.37928
RQS	1 early response	55	31.4208	5.12072	.69048
	2 late response	63	31.6100	5.03720	.63463
SQT	1 early response	55	21.5236	3.57905	.48260
	2 late response	63	21.4984	3.42097	.43100
SQR	1 early response	55	21.2691	3.49862	.47175
	2 late response	63	22.2825	3.63879	.45844
SQre	1 early response	55	11.9394	2.04486	.27573
	2 late response	63	12.9312	1.92527	.24256
KM	1 early response	55	43.5030	8.46864	1.14191
	2 late response	63	44.9330	6.03859	.76079
eADV	1 early response	55	60.8455	5.52337	.74477
	2 late response	63	62.7288	5.46787	.68889

**Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
RQT	Equal variances assumed	.132	.717	-.861	116	.391	-.23810	.27651	-.78575	.30956
	Equal variances not assumed			-.860	113.425	.391	-.23810	.27676	-.78639	.31020
RQC	Equal variances assumed	.669	.415	-.187	116	.852	-.10577	.56649	-1.22778	1.01623
	Equal variances not assumed			-.186	112.443	.853	-.10577	.56808	-1.23130	1.01976
RQS	Equal variances assumed	.141	.708	-.202	116	.840	-.18920	.93677	-2.04459	1.66619
	Equal variances not assumed			-.202	113.330	.840	-.18920	.93782	-2.04714	1.66874
SQT	Equal variances assumed	.344	.558	.039	116	.969	.02522	.64505	-1.25238	1.30282
	Equal variances not assumed			.039	112.281	.969	.02522	.64704	-1.25677	1.30722

	Equal	.629	.429	-	116	.127	-1.01345	.65959	-	.29294
	variances			1.536					2.31984	
	assumed									
SQR	Equal			-	114.901	.126	-1.01345	.65782	-	.28957
	variances			1.541					2.31647	
	not									
	assumed									
	Equal	.440	.843	-	116	.008	-.99182	.36573	-	-.26745
	variances			2.712					1.71619	
	assumed									
SQre	Equal			-	111.671	.008	-.99182	.36724	-	-.26417
	variances			2.701					1.71948	
	not									
	assumed									
	Equal	.772	.110	-	116	.289	-1.42995	1.34189	-	1.22783
	variances			1.066					4.08773	
	assumed									
KM	Equal			-	96.089	.300	-1.42995	1.37214	-	1.29369
	variances			1.042					4.15359	
	not									
	assumed									
	Equal	.337	.848	-	116	.066	-1.88338	1.01382	-	.12461
	variances			1.858					3.89138	
	assumed									
eADV	Equal			-	113.541	.066	-1.88338	1.01452	-	.12646
	variances			1.856					3.89322	
	not									
	assumed									

## Appendix 6: Correlation

### Correlations b

	RQT	RQC	RQS	SQT	SQR	SQre	KM
RQT	1	.640 <sup>**</sup>	.608 <sup>**</sup>	.626 <sup>**</sup>	.535 <sup>**</sup>	.542 <sup>**</sup>	.339 <sup>**</sup>
Pearson Correlation							
Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
RQC	.640 <sup>**</sup>	1	.652 <sup>**</sup>	.513 <sup>**</sup>	.566 <sup>**</sup>	.573 <sup>**</sup>	.350 <sup>**</sup>
Pearson Correlation							
Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
RQS	.608 <sup>**</sup>	.652 <sup>**</sup>	1	.639 <sup>**</sup>	.732 <sup>**</sup>	.710 <sup>**</sup>	.480 <sup>**</sup>
Pearson Correlation							



		**	**	**	**	**	**	1
		.339	.350	.480	.457	.465	.530	
	Pearson Correlation							
KM								
		.000	.000	.000	.000	.000	.000	
	Sig. (2-tailed)							
		**	**	**	**	**	**	**
	Pearson Correlation	.340	.364	.353	.415	.391	.440	.289
eADV								
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.002

\*\* . Correlation is significant at the 0.01 level (2-tailed).b. ListwiseN=188



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## Appendix 7: Regreesion

### Descriptive Statistics

	Mean	Std. Deviation	N
eADV	61.8510	5.55102	118
RQC	17.4110	3.05707	118
RQS	31.5218	5.05540	118
RQT	7.6271	1.49670	118
SQT	21.5102	3.48050	118
SQR	21.8102	3.59495	118
SQre	12.4689	2.03495	118

### Correlations

		eADV	RQC	RQS	RQT	SQT	SQR	SQre
Pearson Correlation	eADV	1.000	.364	.353	.340	.415	.391	.440
	RQC	.364	1.000	.652	.640	.513	.566	.573
	RQS	.353	.652	1.000	.608	.639	.732	.710
	RQT	.340	.640	.608	1.000	.626	.535	.542
	SQT	.415	.513	.639	.626	1.000	.639	.601
	SQR	.391	.566	.732	.535	.639	1.000	.775
	SQre	.440	.573	.710	.542	.601	.775	1.000
	Sig. (1-tailed)	eADV	.	.000	.000	.000	.000	.000
RQC		.000	.	.000	.000	.000	.000	.000
RQS		.000	.000	.	.000	.000	.000	.000
RQT		.000	.000	.000	.	.000	.000	.000
SQT		.000	.000	.000	.000	.	.000	.000
SQR		.000	.000	.000	.000	.000	.	.000
SQre		.000	.000	.000	.000	.000	.000	.
N		eADV	118	118	118	118	118	118
	RQC	118	118	118	118	118	118	118
	RQS	118	118	118	118	118	118	118
	RQT	118	118	118	118	118	118	118
	SQT	118	118	118	118	118	118	118

	SQR	118	118	118	118	118	118	118
	SQre	118	118	118	118	118	118	118

a

**Variables Entered/Removed**

Model	Variables Entered	Variables Removed	Method
1	SQre, RQT, RQC, SQT, RQS, SQR		Enter

a. Dependent Variable: eADV

b. All requested variables entered.

b

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.490 a	.240	.199	4.96762	.240	5.849	6	111	.000	1.307

a. Predictors: (Constant), SQre, RQT, RQC, SQT, RQS, SQR

b. Dependent Variable: eADV

a

**ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	866.042	6	144.340	5.849	.000 <sup>b</sup>
	Residual	2739.178	111	24.677		
	Total	3605.220	117			

a. Dependent Variable: eADV b. Predictors: (Constant), SQre, RQT, RQC, SQT, RQS, SQR

a  
Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Partial	Tolerance	VIF
(Constant)	42.87	3.351		12.797	.000	36.246	49.528					
RQC	.242	.219	.133	1.105	.272	-.192	.677	.364	.104	.091	.469	2.131
RQS	-.102	.157	-.093	-.648	.519	-.414	.210	.353	-.061	-.054	.334	2.998
RQT	.054	.453	.014	.118	.906	-.844	.951	.340	.011	.010	.459	2.180
SQT	.345	.195	.216	1.769	.080	-.042	.732	.415	.166	.146	.457	2.187
SQR	.043	.228	.028	.188	.851	-.408	.494	.391	.018	.016	.315	3.176
SQre	.737	.385	.270	1.913	.058	-.026	1.500	.440	.179	.158	.343	2.913

a. Dependent Variable: eADV

a

**Collinearity Diagnostics**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions						
				(Constant)	RQC	RQS	RQT	SQT	SQR	SQre
1	2	6.930	1.000	.00	.00	.00	.00	.00	.00	.00
	3	.020	18.603	.21	.07	.00	.45	.00	.03	.03
	4	.016	20.917	.69	.01	.03	.02	.00	.09	.08
1	5	.013	22.766	.00	.56	.01	.12	.31	.00	.00
	6	.009	28.249	.09	.22	.01	.39	.60	.02	.14
	7	.007	31.838	.00	.14	.89	.00	.06	.01	.20
	8	.006	34.992	.01	.00	.06	.01	.03	.85	.55

a. Dependent Variable: eADV

a

**Residuals Statistics**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	54.1407	67.7897	61.8510	2.72067	118
Residual	-10.79861	11.61153	.00000	4.83857	118
Std. Predicted Value	-2.834	2.183	.000	1.000	118
Std. Residual	-2.174	2.337	.000	.974	118

a. Dependent Variable: eADV

## Appendix 8: Hierarchical Regression

### Descriptive Statistics

	Mean	Std. Deviation	N
eADV	61.8510	5.55102	118
RQT	7.6271	1.49670	118
iKMRQT	.3358	1.01913	118

### Correlations

		eADV	RQT	iKMRQT
Pearson Correlation	eADV	1.000	.340	.118
	RQT	.340	1.000	.260
	iKMRQT	.118	.260	1.000
Sig. (1-tailed)	eADV	.	.000	.101
	RQT	.000	.	.002
	iKMRQT	.101	.002	.
N	eADV	118	118	118
	RQT	118	118	118
	iKMRQT	118	118	118

### Variables Entered/Removed<sup>a</sup>

Model	Variables Entered	Variables Removed	Method
1	<sup>b</sup> RQT		. Enter
2	<sup>b</sup> iKMRQT		. Enter

a. Dependent Variable: eADV

b. All requested variables entered.

**c**  
**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	<sup>a</sup> .340	.116	.108	5.24281	
2	<sup>b</sup> .341	.117	.101	5.26265	1.359

- a. Predictors: (Constant), RQT  
 b. Predictors: (Constant), RQT, iKMRQT  
 c. Dependent Variable: eADV

**a**  
**ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	416.724	1	416.724	15.161	<sup>b</sup> .000
	Residual	3188.496	116	27.487		
	Total	3605.220	117			
2	Regression	420.236	2	210.118	7.587	<sup>c</sup> .001
	Residual	3184.985	115	27.696		
	Total	3605.220	117			

- a. Dependent Variable: eADV  
 b. Predictors: (Constant), RQT  
 c. Predictors: (Constant), RQT, iKMRQT

a  
Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	52.234	2.517		20.755	.000	1.000	1.000
	RQT	1.261	.324	.340	3.894	.000		
2	(Constant)	52.412	2.575		20.350	.000	.932	1.072
	RQT	1.230	.337	.332	3.653	.000		
	iKMRQT	.176	.494	.032	.356	.722		

a. Dependent Variable: eADV

a  
Excluded Variables

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics		
						Tolerance	VIF	Minimum Tolerance
1	iKMRQT	.032 <sup>b</sup>	.356	.722	.033	.932	1.072	.932

a. Dependent Variable: eADV

b. Predictors in the Model: (Constant), RQT

a  
Collinearity Diagnostics

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions		
				(Constant)	RQT	iKMRQT
1	1	1.981	1.000	.01	.01	
	2	.019	10.332	.99	.99	
2	1	2.173	1.000	.01	.01	.05
	2	.810	1.638	.00	.00	.89
	3	.018	11.121	.99	.99	.05

a. Dependent Variable: eADV

a

**Residuals Statistics**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	53.4247	65.9060	61.8510	1.89519	118
Residual	-12.15892	12.34840	.00000	5.21748	118
Std. Predicted Value	-4.446	2.140	.000	1.000	118
Std. Residual	-2.310	2.346	.000	.991	118

a. Dependent Variable: eADV

**Descriptive Statistics**

	Mean	Std. Deviation	N
eADV	61.8510	5.55102	118
RQT	7.6271	1.49670	118
KM	44.2665	7.27577	118
iKMR	.3358	1.01913	118
QT			

**Correlations**

		eADV	RQT	KM	iKMR	QT
Pearson Correlation	eADV	1.000	.340	.289	.118	
	RQT	.340	1.000	.339	.260	
	KM	.289	.339	1.000	-.248	
	iKMR	.118	.260	-.248	1.000	
	QT					1.000



Sig. (1-tailed)	eADV	.	.000	.001	.101
	RQT	.000	.	.000	.002
	KM	.001	.000	.	.003
	iKMR	.101	.002	.003	.
	QT				
N	eADV	118	118	118	118
	RQT	118	118	118	118
	KM	118	118	118	118
	iKMR	118	118	118	118
	QT				

a

#### Variables Entered/Removed

Model	Variables Entered	Variables Removed	Method
1	KM, RQT <sup>b</sup>	.	Enter
2	iKMRQT <sup>b</sup>	.	Enter

a. Dependent Variable: eADV

b. All requested variables entered.

c

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.387 <sup>a</sup>	.150	.135	5.16309	
2	.401 <sup>b</sup>	.161	.139	5.15063	1.298

a. Predictors: (Constant), KM, RQT

b. Predictors: (Constant), KM, RQT, iKMRQT

c. Dependent Variable: eADV

a  
**Anova**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	539.613	2	269.807	10.121	.000 <sup>b</sup>
	Residual	3065.607	115	26.657		
	Total	3605.220	117			
2	Regression	580.914	3	193.638	7.299	.000 <sup>c</sup>
	Residual	3024.306	114	26.529		
	Total	3605.220	117			

a. Dependent Variable: eADV

b. Predictors: (Constant), KM, RQT

c. Predictors: (Constant), KM, RQT, iKMRQT

a  
**Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	47.487	3.321		14.298	.000		
	RQT	1.014	.339	.274	2.993	.003	.885	1.130
	KM	.150	.070	.196	2.147	.034	.885	1.130
2	(Constant)	47.051	3.332		14.123	.000		
	RQT	.843	.365	.227	2.308	.023	.759	1.317
	KM	.184	.075	.241	2.461	.015	.764	1.308
	iKMRQT	.650	.521	.118	1.248	.215	.805	1.242

a. Dependent Variable: eADV

a  
**Excluded Variables**

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics		
						Tolerance	VIF	Minimum Tolerance
1	iKMRQT	.118 <sup>b</sup>	1.248	.215	.116	.805	1.242	.759

a. Dependent Variable: eADV

b. Predictors in the Model: (Constant), KM, RQT

a  
**Collinearity Diagnostics**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	RQT	KM	iKMRQT
1	1	2.965	1.000	.00	.00	.00	
	2	.022	11.563	.08	.96	.27	
	3	.013	15.150	.92	.04	.73	
2	1	3.105	1.000	.00	.00	.00	.01
	2	.863	1.896	.00	.00	.00	.78
	3	.019	12.800	.20	.99	.14	.12
	4	.012	16.003	.79	.00	.86	.08

a. Dependent Variable: eADV

a  
**Residuals Statistics**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	54.9467	68.5031	61.8510	2.22825	118
Residual	-11.53550	12.81099	.00000	5.08417	118
Std. Predicted Value	-3.099	2.985	.000	1.000	118
Std. Residual	-2.240	2.487	.000	.987	118

a. Dependent Variable: eADV

**Descriptive Statistics**

	Mean	Std. Deviation	N
eADV	61.8510	5.55102	118
KM	44.2665	7.27577	118
RQC	17.4110	3.05707	118
iKMRQC	.3474	1.20901	118

**Correlations**

		eADV	KM	RQC	iKMRQC
Pearson Correlation	eADV	1.000	.289	.364	-.088
	KM	.289	1.000	.350	.099
	RQC	.364	.350	1.000	-.093
	iKMRQC	-.088	.099	-.093	1.000
Sig. (1-tailed)	eADV	.	.001	.000	.171
	KM	.001	.	.000	.144
	RQC	.000	.000	.	.158
	iKMRQC	.171	.144	.158	.
N	eADV	118	118	118	118
	KM	118	118	118	118
	RQC	118	118	118	118
	iKMRQC	118	118	118	118

a

**Variables Entered/Removed**

Model	Variables Entered	Variables Removed	Method
1	b RQC, KM		. Enter
2	b iKMRQC		. Enter

a. Dependent Variable: eADV

b. All requested variables entered.

c

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	a .402	.162	.147	5.12555	
2	b .410	.168	.146	5.12839	1.337

- a. Predictors: (Constant), RQC, KM
- b. Predictors: (Constant), RQC, KM, iKMRQC
- c. Dependent Variable: eADV

**a**  
**ANOVA**

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	584.027	2	292.014	11.115	.000 <sup>b</sup>
	Residual	3021.193	115	26.271		
	Total	3605.220	117			
2	Regression	606.972	3	202.324	7.693	.000 <sup>c</sup>
	Residual	2998.248	114	26.300		
	Total	3605.220	117			

- a. Dependent Variable: eADV
- b. Predictors: (Constant), RQC, KM
- c. Predictors: (Constant), RQC, KM, iKMRQC

**a**  
**Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	46.175	3.433		13.451	.000	
	KM	.140	.070	.184	2.019	.046	.877
	RQC	.543	.165	.299	3.283	.001	.877
2	(Constant)	46.268	3.436		13.464	.000	
	KM	.150	.070	.196	2.130	.035	.860
	RQC	.522	.167	.287	3.122	.002	.861
	iKMRQC	-.372	.398	-.081	-.934	.352	.972

- a. Dependent Variable: eADV

**a**  
**Excluded Variables**

Model	Beta In	t	Sig.	Partial Correlation	Collinearity Statistics			
					Tolerance	VIF	Minimum Tolerance	
1	iKMRQC	<sup>b</sup> -.081	-.934	.352	-.087	.972	1.029	.860

a. Dependent Variable: eADV

b. Predictors in the Model: (Constant), RQC, KM

**a**  
**Collinearity Diagnostics**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	KM	RQC	iKMRQC
1	1	2.969	1.000	.00	.00	.00	
	2	.018	12.729	.02	.48	.84	
	3	.012	15.427	.98	.52	.16	
2	1	3.078	1.000	.00	.00	.00	.01
	2	.892	1.858	.00	.00	.00	.96
	3	.018	13.156	.03	.49	.85	.03
	4	.012	15.708	.97	.51	.15	.00

a. Dependent Variable: eADV

**a**  
**Residuals Statistics**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	54.8387	65.5232	61.8510	2.27767	118
Residual	-10.38677	13.35575	.00000	5.06222	118
Std. Predicted Value	-3.079	1.612	.000	1.000	118
Std. Residual	-2.025	2.604	.000	.987	118

a. Dependent Variable: eADV

**Descriptive Statistics**

	Mean	Std. Deviation	N
eADV	61.8510	5.55102	118
KM	44.2665	7.27577	118
RQS	31.5218	5.05540	118
iKMRQS	.4759	1.14596	118

**Correlations**

		eADV	KM	RQS	iKMRQS
Pearson Correlation	eADV	1.000	.289	.353	.063
	KM	.289	1.000	.480	-.214
	RQS	.353	.480	1.000	.171
	iKMRQS	.063	-.214	.171	1.000
Sig. (1-tailed)	eADV	.	.001	.000	.248
	KM	.001	.	.000	.010
	RQS	.000	.000	.	.032
	iKMRQS	.248	.010	.032	.
N	eADV	118	118	118	118
	KM	118	118	118	118
	RQS	118	118	118	118
	iKMRQS	118	118	118	118

a

**Variables Entered/Removed**

Model	Variables Entered	Variables Removed	Method
1	b RQS, KM		. Enter
2	b iKMRQS		. Enter

a. Dependent Variable: eADV

b. All requested variables entered.

**a**  
**ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	516.973	2	258.487	9.626	.000 <sup>b</sup>
	Residual	3088.247	115	26.854		
	Total	3605.220	117			
2	Regression	526.935	3	175.645	6.505	.000 <sup>c</sup>
	Residual	3078.285	114	27.002		
	Total	3605.220	117			

a. Dependent Variable: eADV

b. Predictors: (Constant), RQS, KM

c. Predictors: (Constant), RQS, KM, iKMRQS

**c**  
**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.379 <sup>a</sup>	.143	.128	5.18212	
2	.382 <sup>b</sup>	.146	.124	5.19639	1.256

a. Predictors: (Constant), RQS, KM

b. Predictors: (Constant), RQS, KM, iKMRQS

c. Dependent Variable: eADV

**a**  
**Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	46.959	3.464		13.555	.000		
	KM	.118	.075	.155	1.575	.118	.770	1.299
	RQS	.306	.108	.279	2.837	.005	.770	1.299
2	(Constant)	46.790	3.485		13.426	.000		
	KM	.135	.080	.177	1.683	.095	.679	1.472
	RQS	.284	.114	.259	2.487	.014	.691	1.447
	iKMRQS	.275	.453	.057	.607	.545	.857	1.167



a. Dependent Variable: eADV

**a**  
**Excluded Variables**

Model	Beta In	t	Sig.	Partial Correlation	Collinearity Statistics			
					Tolerance	VIF	Minimum Tolerance	
1	iKMRQS	<sup>b</sup> .057	.607	.545	.057	.857	1.167	.679

a. Dependent Variable: eADV

b. Predictors in the Model: (Constant), RQS, KM

**a**  
**Collinearity Diagnostics**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	KM	RQS	iKMRQS
1	1	2.974	1.000	.00	.00	.00	
	2	.013	14.885	.18	.99	.30	
	3	.013	15.420	.82	.01	.69	
2	1	3.173	1.000	.00	.00	.00	.02
	2	.803	1.987	.00	.00	.00	.83
	3	.013	15.854	1.00	.25	.21	.00
	4	.011	16.737	.00	.75	.79	.15

a. Dependent Variable: eADV

**a**  
**Residuals Statistics**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	57.2671	67.7443	61.8510	2.12220	118
Residual	-11.43633	13.58519	.00000	5.12934	118
Std. Predicted Value	-2.160	2.777	.000	1.000	118
Std. Residual	-2.201	2.614	.000	.987	118

a. Dependent Variable: eADV

**Descriptive Statistics**

	Mean	Std. Deviation	N
eADV	61.8510	5.55102	118
KM	44.2665	7.27577	118
SQT	21.5102	3.48050	118
iKMSQT	.4532	1.34913	118

**Correlations**

		eADV	KM	SQT	iKMSQT
Pearson Correlation	eADV	1.000	.289	.415	.117
	KM	.289	1.000	.457	-.312
	SQT	.415	.457	1.000	.080
	iKMSQT	.117	-.312	.080	1.000
Sig. (1-tailed)	eADV	.	.001	.000	.103
	KM	.001	.	.000	.000
	SQT	.000	.000	.	.194
	iKMSQT	.103	.000	.194	.
N	eADV	118	118	118	118
	KM	118	118	118	118
	SQT	118	118	118	118
	iKMSQT	118	118	118	118

a

**Variables Entered/Removed**

Model	Variables Entered	Variables Removed	Method
1	<sup>b</sup> SQT, KM		. Enter
2	<sup>b</sup> iKMSQT		. Enter

a. Dependent Variable: eADV

b. All requested variables entered.

**c**  
**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	<sup>a</sup> .430	.185	.170	5.05596	
2	<sup>b</sup> .452	.204	.183	5.01722	1.206

a. Predictors: (Constant), SQT, KM

b. Predictors: (Constant), SQT, KM, iKMSQT

c. Dependent Variable: eADV

**a**  
**ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	665.503	2	332.752	13.017	<sup>b</sup> .000
	Residual	2939.717	115	25.563		
	Total	3605.220	117			
2	Regression	735.552	3	245.184	9.740	<sup>c</sup> .000
	Residual	2869.668	114	25.173		
	Total	3605.220	117			

a. Dependent Variable: eADV

b. Predictors: (Constant), SQT, KM

c. Predictors: (Constant), SQT, KM, iKMSQT

**a**  
**Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	45.348	3.391		13.375	.000		
	KM	.096	.072	.125	1.325	.188	.791	1.264
	SQT	.570	.151	.358	3.777	.000	.791	1.264
2	(Constant)	44.269	3.426		12.921	.000		
	KM	.147	.078	.193	1.884	.062	.669	1.496
	SQT	.502	.155	.315	3.231	.002	.736	1.359
	iKMSQT	.626	.375	.152	1.668	.098	.840	1.191

a. Dependent Variable: eADV

**a**  
**Excluded Variables**

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics		
						Tolerance	VIF	Minimum Tolerance
1	iKMSQT	<sup>b</sup> .152	1.668	.098	.154	.840	1.191	.669

a. Dependent Variable: eADV

b. Predictors in the Model: (Constant), SQT, KM

**a**  
**Collinearity Diagnostics**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	KM	SQT	iKMSQT
1	1	2.973	1.000	.00	.00	.00	
	2	.014	14.579	.02	.86	.57	
	3	.013	15.391	.97	.14	.43	
2	1	3.106	1.000	.00	.00	.00	.01
	2	.870	1.890	.00	.00	.00	.81
	3	.013	15.625	.58	.02	.85	.01
	4	.011	16.467	.41	.98	.15	.16

a. Dependent Variable: eADV

**a**  
**Residuals Statistics**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	53.4989	69.8046	61.8510	2.50734	118
Residual	-10.77996	12.15531	.00000	4.95248	118
Std. Predicted Value	-3.331	3.172	.000	1.000	118
Std. Residual	-2.149	2.423	.000	.987	118

a. Dependent Variable: eADV

**Descriptive Statistics**

	Mean	Std. Deviation	N
eADV	61.8510	5.55102	118
KM	44.2665	7.27577	118
SQR	21.8102	3.59495	118
iKMSQR	.4609	1.26841	118

**Correlations**

		eADV	KM	SQR	iKMSQR
Pearson Correlation	eADV	1.000	.289	.391	.027
	KM	.289	1.000	.465	-.340
	SQR	.391	.465	1.000	.017
	iKMSQR	.027	-.340	.017	1.000
Sig. (1-tailed)	eADV	.	.001	.000	.386
	KM	.001	.	.000	.000
	SQR	.000	.000	.	.426
	iKMSQR	.386	.000	.426	.
N	eADV	118	118	118	118
	KM	118	118	118	118
	SQR	118	118	118	118
	iKMSQR	118	118	118	118

**a**

**Variables Entered/Removed**

Model	Variables Entered	Variables Removed	Method
1	<sup>b</sup> SQR, KM	.	Enter
2	<sup>b</sup> iKMSQR	.	Enter

a. Dependent Variable: eADV

b. All requested variables entered.

**c**

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	<sup>a</sup> .409	.167	.153	5.10903	
2	<sup>b</sup> .416	.173	.151	5.11456	1.342

a. Predictors: (Constant), SQR, KM

b. Predictors: (Constant), SQR, KM, iKMSQR

c. Dependent Variable: eADV

**a**

**ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	603.472	2	301.736	11.560	<sup>b</sup> .000
	Residual	3001.748	115	26.102		
	Total	3605.220	117			
2	Regression	623.125	3	207.708	7.940	<sup>c</sup> .000
	Residual	2982.095	114	26.159		
	Total	3605.220	117			

a. Dependent Variable: eADV

b. Predictors: (Constant), SQR, KM

c. Predictors: (Constant), SQR, KM, iKMSQR

**a**  
**Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	46.212	3.386		13.648	.000		
	KM	.104	.073	.137	1.423	.157	.784	1.276
	SQR	.505	.148	.327	3.405	.001	.784	1.276
2	(Constant)	45.450	3.502		12.979	.000		
	KM	.132	.080	.172	1.648	.102	.663	1.509
	SQR	.478	.152	.309	3.142	.002	.749	1.335
	iKMSQR	.352	.406	.080	.867	.388	.845	1.183

a. Dependent Variable: eADV

**a**  
**Excluded Variables**

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics		
						Tolerance	VIF	Minimum Tolerance
1	iKMSQR	<sup>b</sup> .080	.867	.388	.081	.845	1.183	.663

a. Dependent Variable: eADV

b. Predictors in the Model: (Constant), SQR, KM

a

**Collinearity Diagnostics**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	KM	SQR	iKMSQR
1	1	2.973	1.000	.00	.00	.00	
	2	.014	14.572	.00	.70	.77	
	3	.013	15.189	1.00	.30	.23	
2	1	3.121	1.000	.00	.00	.00	.02
	2	.854	1.911	.00	.00	.00	.81
	3	.013	15.282	.43	.06	.93	.01
	4	.011	16.673	.56	.93	.07	.16

a. Dependent Variable: eADV

a

**Residuals Statistics**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	57.2938	68.2355	61.8510	2.30778	118
Residual	-11.43640	11.95259	.00000	5.04856	118
Std. Predicted Value	-1.975	2.767	.000	1.000	118
Std. Residual	-2.236	2.337	.000	.987	118

a. Dependent Variable: eADV

**Descriptive Statistics**

	Mean	Std. Deviation	N
eADV	61.8510	5.55102	118
KM	44.2665	7.27577	118
SQre	12.4689	2.03495	118
iKMSQre	.5257	1.18469	118



**Correlations**

		eADV	KM	SQre	iKMSQre
Pearson Correlation	eADV	1.000	.289	.440	-.034
	KM	.289	1.000	.530	-.349
	SQre	.440	.530	1.000	-.123
	iKMSQre	-.034	-.349	-.123	1.000
Sig. (1-tailed)	eADV	.	.001	.000	.357
	KM	.001	.	.000	.000
	SQre	.000	.000	.	.091
	iKMSQre	.357	.000	.091	.
N	eADV	118	118	118	118
	KM	118	118	118	118
	SQre	118	118	118	118
	iKMSQre	118	118	118	118

a

**Variables Entered/Removed**

Model	Variables Entered	Variables Removed	Method
1	<sup>b</sup> SQre, KM	.	Enter
2	<sup>b</sup> iKMSQre	.	Enter

a. Dependent Variable: eADV

b. All requested variables entered.

c

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	<sup>a</sup> .445	.198	.184	5.01402	
2	<sup>b</sup> .447	.200	.179	5.02959	1.233

a. Predictors: (Constant), SQre, KM

b. Predictors: (Constant), SQre, KM, iKMSQre

c. Dependent Variable: eADV

a  
ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	714.069	2	357.035	14.202	.000 <sup>b</sup>
	Residual	2891.151	115	25.140		
	Total	3605.220	117			
2	Regression	721.387	3	240.462	9.506	.000 <sup>c</sup>
	Residual	2883.834	114	25.297		
	Total	3605.220	117			

a. Dependent Variable: eADV

b. Predictors: (Constant), SQre, KM

c. Predictors: (Constant), SQre, KM, iKMSQre

a  
Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	45.664	3.269		13.971	.000		
	KM	.059	.075	.077	.783	.435	.719	1.391
	SQre	1.089	.269	.399	4.054	.000	.719	1.391
2	(Constant)	45.043	3.476		12.959	.000		
	KM	.073	.080	.096	.916	.361	.637	1.569
	SQre	1.078	.270	.395	3.988	.000	.715	
	iKMSQre	.226	.420	.048	.538	.592	.873	1.146

a. Dependent Variable: eADV

a  
Excluded Variables

Model		Beta In	t	Sig.	Partial Correlation	Collinearity Statistics		
						Tolerance	VIF	Minimum Tolerance
1	iKMSQre	.048 <sup>b</sup>	.538	.592	.050	.873	1.146	.637

a. Dependent Variable: eADV

b. Predictors in the Model: (Constant), SQre, KM

a  
**Collinearity Diagnostics**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	KM	SQre	iKMSQre
1	1	2.975	1.000	.00	.00	.00	
	2	.013	14.934	.99	.31	.16	
	3	.012	15.639	.01	.69	.83	
2	1	3.174	1.000	.00	.00	.00	.02
	2	.802	1.989	.00	.00	.00	.83
	3	.013	15.848	.62	.01	.80	.01
	4	.011	17.050	.38	.99	.19	.14

a. Dependent Variable: eADV

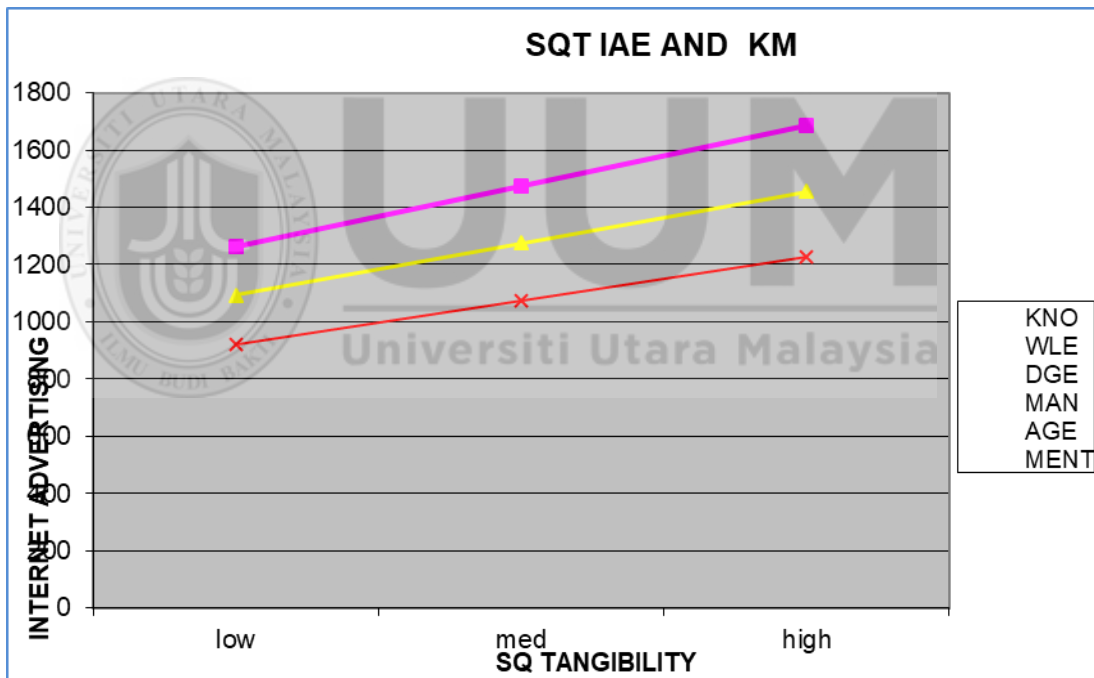
a  
**Residuals Statistics**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	55.9785	67.5537	61.8510	2.48308	118
Residual	-10.72795	13.60967	.00000	4.96469	118
Std. Predicted Value	-2.365	2.297	.000	1.000	118
Std. Residual	-2.133	2.706	.000	.987	118

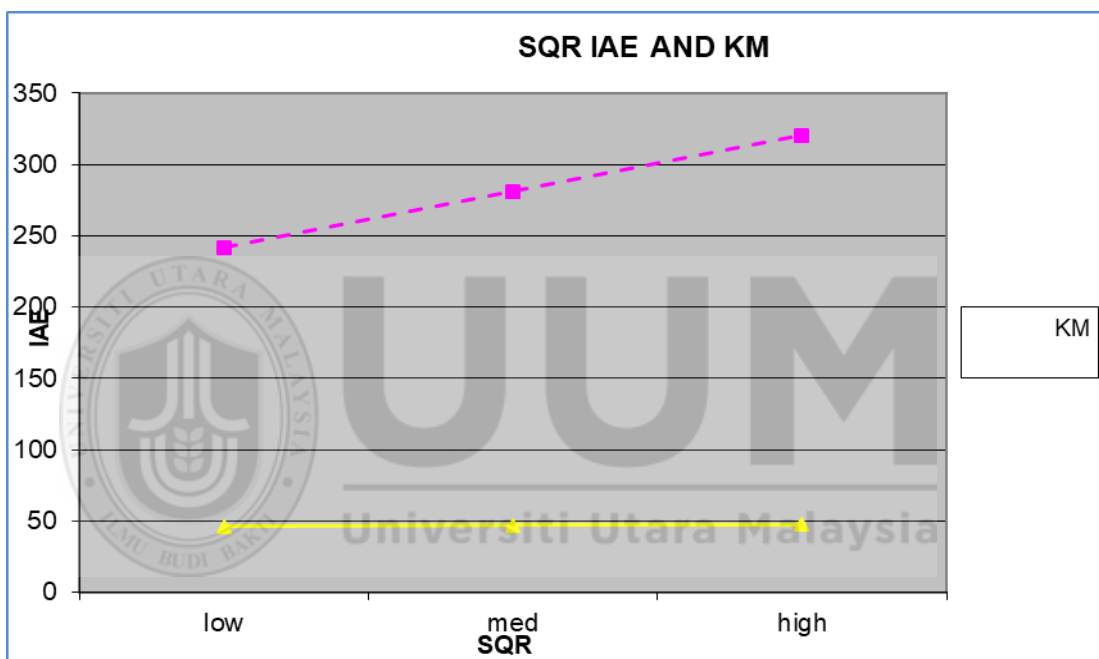
a. Dependent Variable: eADV

### Appendix 9: Mod Graph

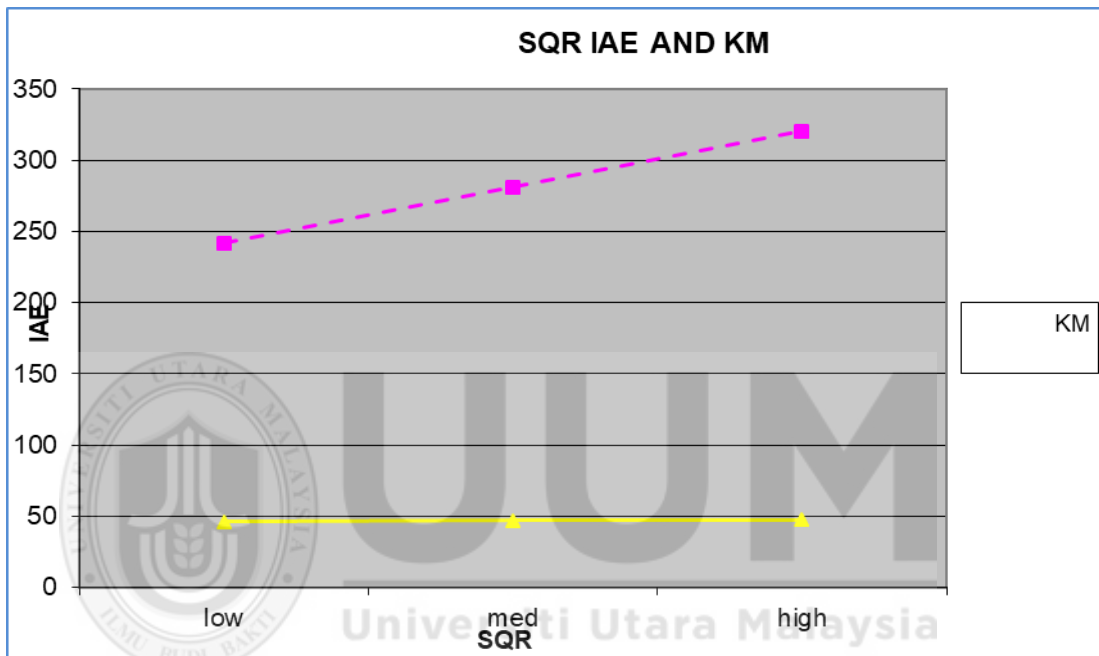
Mod Graph for Moderation Services Quality Tangibility, Internet Advertising effectiveness and Knowledge Management.



Mod Graph for moderation Services Quality Reliability, Internet Advertising effectiveness and Knowledge Management.



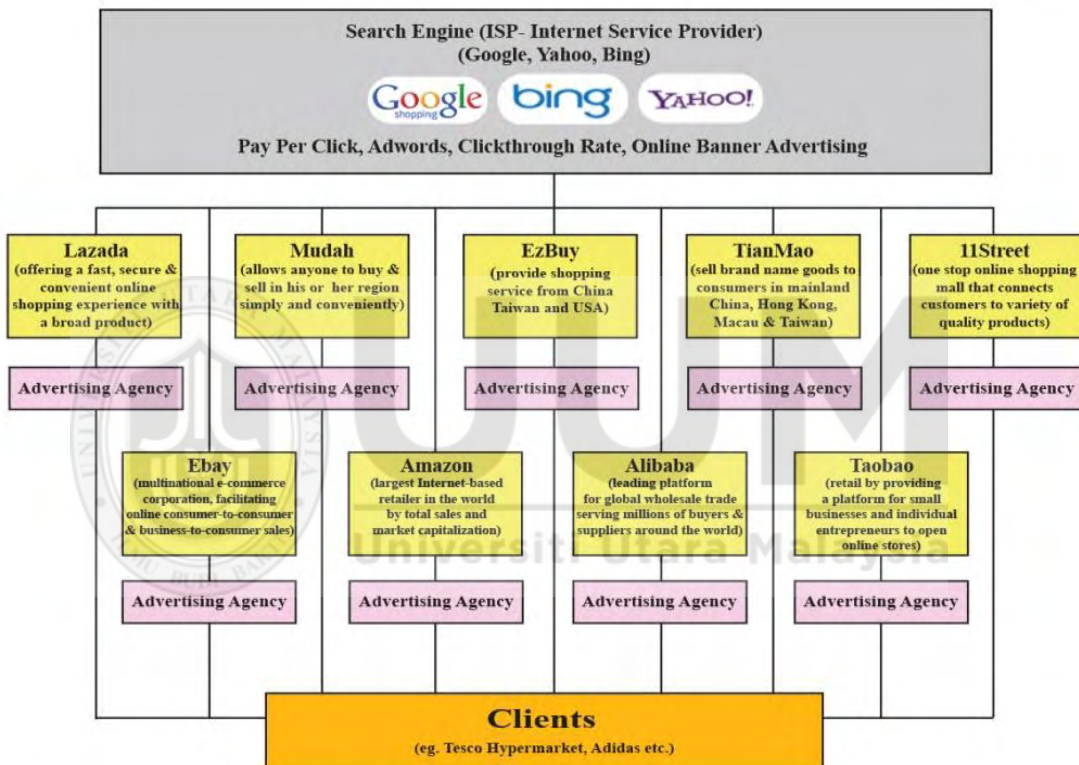
Mod Graph for moderation Services Quality Responsiveness, Internet Advertising effectiveness and Knowledge Management.





## Appendix 10: Internet Advertising Agency - Organization Unit of Analysis

Title Study: RQ, SQ on Internet Advertising Effectiveness Knowledge Management as a Moderator

Online Advertising Agency Flow Chart



 Multinational e-commerce corporation, facilitating online consumer-to-consumer and business-to-consumer sales.

 Internet Advertising Agency marketing approach is based around client's business targets. They can help the clients to reach their target audience.



## Appendix 11: Internet Advertising Services Platform and Model

