

## **Consumer's Perception Towards Social Media Advertising**

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### **Abstract**

Now a days marketers are using various ways to entice their customers. Usage of social media advertising is one of them with which marketers are not only able to influence their customers but can identify their demographics and get their attention by showing advertisement on basis of that. This study aims to find how customer reacts towards the advertisements and promotions being used by the companies on several social media websites. The focus of this paper is to identify the various factors which influences the customer's perception towards social media advertising. Survey questionnaires used to collect the data which includes closed ended questions and total 230 respondents participated in the study.

The results of the study show that most of the time advertisements do catch the attention of users and people tend to purchase the products they need but also buy even if they don't require them. Factors that are recognized are: informative, recall, privacy, perceived interactivity, visibility and planning.

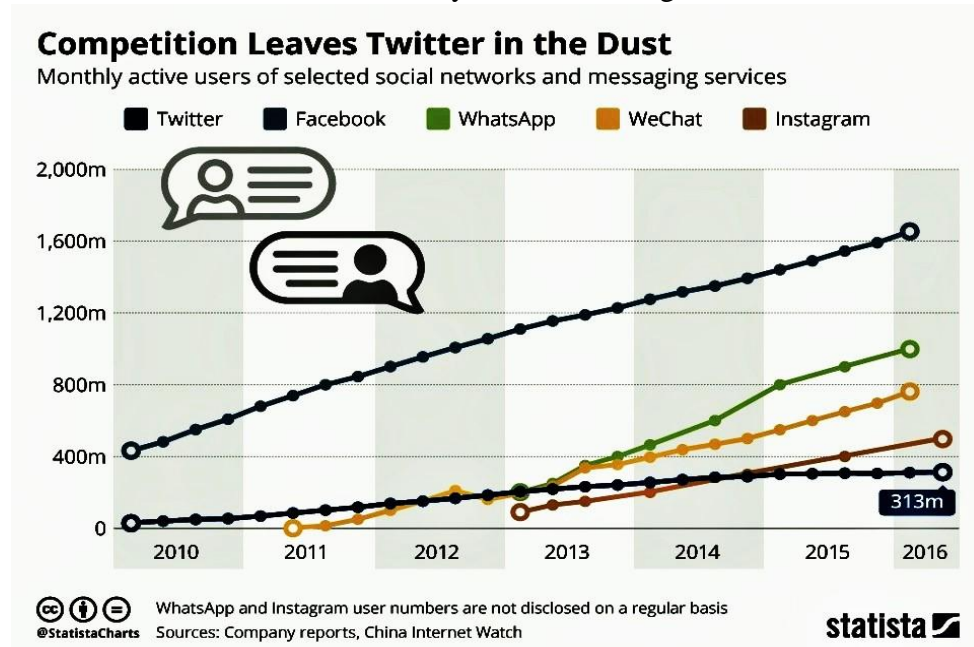
### **Keywords**

Social Media, Advertising, Perception, Information.

### **Introduction**

Many studies have been conducted on consumer's perception toward advertising throughout different countries in the world. Understanding consumer's, perception toward advertising is most important for advertisers, because the way it is perceived by consumers, determines its success. In the past advertising was limited to traditional media such as TV, Radio, billboard and magazines. With the rapid development of information technologies worldwide, advertisers now have many choices to promote products and services and engage larger potential consumers easily (Yaakop, Anuar, Omar, & Liung, 2012). Advertising on social networking sites is one of the most widely used promotion techniques in today's business world.

Social media is defined as websites and applications that enable users to create and share content or to participate in social networking. Boyd & Ellison (2007) characterized social media, as online platforms that enable internet users to expand their social network and make it visible to others, which could include friends, family and even strangers.



**Figure 1: Social Media Growth**

According to figure 1 global population is 7.39 billion with 3.41 billion users of internet in worldwide, where number of social media users are 2.3 billion. This is a relatively huge development in the digital world.

Social network advertising, also termed as social media targeting is usually used to describe forms of online advertising that focus on social networking services. Advertisers can take advantage of the users' demographic information and target their ads appropriately by using such type of online advertising.

Social network advertising is not necessarily the same as social media advertising. Social media targeting is a method of optimizing social media advertising by using profile data to deliver advertisements directly to individual users. Social media targeting refers to the process of matching social network users to target groups that have been specified by the advertiser.

Although there were many studies on perception toward advertising, only few of them focused on consumer's perception toward Social media advertising. Social media advertising is a form of online advertising that focuses on social media. Using social media to promote a brand or create brand awareness should be planned efficiently. A wrong approach to this new trend of promotion can harm an organization's identity or brand, since Social media can spread information to millions of users within one second. Therefore, people's perception should be studied thoroughly when organizations want to aim the positive effectiveness of advertising. Since this research studies the consumer's perceptions towards social media advertisements. Perception is an idea, a belief or an image one has as a result of how one sees or understands something.

## **Review of Literature**

Now a day's marketers are using the social networking sites more and more to reach the consumers and potential customers with their ads and promotional offers as well as personalized messages. A previous study by Yaakop et al. (2012) suggested the various factors that influence consumer's attitude towards advertising on Facebook as perceived interactivity, advertising avoidance and privacy. Another study by Bond et al. (2010) concluded that social media advertising could have powerful impact on consumer's brand loyalty and engagement. Forbes (2010) examined credibility, engagement and interactivity of three types of endorsements: a corporate endorsement, a third-party endorsement and social network endorsement and found that corporate web site are most credible where Facebook is one of the most trustworthy and engaging.

As per the results of empirical study by Schivinski and Dabrowsk (2014) user generated social media communication had a positive influence on both brand attitude and equity and that further leads to the purchase intention also. Engagement can be promoted through entertaining and interactive posts, useful and relevant content, word of mouth communication from other consumers, as well as extrinsic reinforces such as promotions and giveaways. Social media, like Facebook and Twitter helps build relationship with consumers to get product and brand related information (Smith, 2014). Haida and Rahim (2015) studied and proposed a model of social media advertising which suggested that being informative is a predictor for both product awareness and advertising value while irritation caused due to unwanted social media advertising creates negative impact towards product awareness

and do not add any value for advertising. Direct advertising by the firm is unable to influence consumers towards brand whereas social media content by firm creates viral response and attracts more customer in one go and generates more brand awareness and brand attitude (Kodjamanis and Angelopoulos, 2013).

Furthermore, some researchers found that social media advertising have positive impact on consumers but some results showed that the consumers get annoyed with the privacy and social pressure from online communities (Kelly, Kerr and Drennan, 2010) specially teenagers doesn't like advertisements on social media site and try to avoid them. Sentil, Prabhu and Bhunaeshwari (2013), found in their study that customers avoid advertising on social media and are not much convenience with the content shown by the marketers on those sites.

## **Methodology**

The research design for this study was quantitative to understand the perception towards advertising on Social Media. The data was collected from various students, as they are the heavy users of social media and able to communicate and understand (Smith, Caruso and Kim, 2010) which means they can understand the content in Facebook well and its functions.

For collecting the primary data, a questionnaire was designed based on questionnaires from Hadija (2008), Kelly (2008) and Yaakop et al. (2012) conducted in previous studies. The main reason for using these existing questionnaires was to accurately gather data. This survey method is a preferred and adequate tool when gathering data from a large research audience. The questionnaire consisted of 21 close ended questions which were divided into two parts. Part A of the questionnaire pertained to the demographic information of the respondents and their general opinion with regards to social network advertising. Part B respectively dealt with the questions related to perception toward advertising on social media. In part A, with regards to age, an interval scale was used and in part B five-point Likert scale was chosen, with a neutral option to avoid unanswered items when respondents had neither a positive nor negative opinion about advertising on social media.

To obtain the appropriate information for the research objectives, a probability (random) sampling was conducted. This sampling technique gave every member of the population an even and independent opportunity to be selected and ensured that the research population was properly represented.

Research focused on University students the reason for selecting University students as a research population was because the researcher assumed that this group of people had a certain level of knowledge about internet and was part of the major group of social media users ranging between the age of 20 and 25.

For distribution purposes, a list of bachelor students was obtained, which was then classified in gender. The participants were randomly chosen, which means that every student had even chance to be selected. A total of 230 questionnaires were handed out personally to students.

### **Data Analysis and Interpretation**

The primary data collected from the questionnaires was completely quantified and analyzed by using Statistical Package for Social Science (SPSS) version 20. This statistical program enables accuracy and makes it relatively easy to interpret data. Descriptive and inferential analyses were performed. The descriptive analysis included frequencies and means statistics that were carried out to sum up main data of the respondents, to obtain an outline and to support further analysis.

Respondents in this study were of the age between 20 to 25 years who participated in the survey. The results showed that most respondents (43.3%) spent more than 6 hour per week on social media, while (15.3%) spent less than one hour per week. According to these results most of the respondents frequently use Facebook, Instagram and Twitter and therefore, these social media sites are integral part of people's daily life, in particularly students. (48.7%) respondents feel that these advertisements on social media Informative, (24.7 %) feels it Interesting and rest of them shows that they don't care about it.

Averagely, the respondents had a strong perception toward advertising on social media. This may be since they also indicated that advertisements on social media are Informative for them and it provides them valuable and latest information about products available at market.

### **Factor Analysis**

Total 15 items were used to measure the consumer's perception towards social media advertising and the results were six factors. The KMO measure in this study was 0.649 which states that values are adequate and factor analysis can be proceeded.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.649
Bartlett's Test of Sphericity	Approx. Chi-Square	289.841
	Df	105
	Sig.	.000

**Table 1: KMO and Bartlett's Test**

### Total Variance Explained

The next item shows all the factors extractable from the analysis along with their eigenvalues, the percent of variance attributable to each factor, and the cumulative variance of the factor and the previous factors. Notice that the first factor accounts for 19.146% of the variance, the second 9.485% of variance, the third 9.055%, the fourth 8.274%, and the fifth 7.801% and sixth is 7.321%. All the remaining factors are not significant.

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.872	19.146	19.146	2.872	19.146	19.146
2	1.423	9.485	28.632	1.423	9.485	28.632
3	1.358	9.055	37.687	1.358	9.055	37.687
4	1.241	8.274	45.961	1.241	8.274	45.961
5	1.170	7.801	53.762	1.170	7.801	53.762
6	1.098	7.321	61.082	1.098	7.321	61.082
7	.899	5.994	67.077			
8	.833	5.552	72.629			
9	.804	5.359	77.988			
10	.701	4.670	82.658			
11	.687	4.580	87.238			
12	.539	3.596	90.834			
13	.499	3.327	94.161			
14	.459	3.061	97.222			
15	.417	2.778	100.000			

Extraction Method: Principal Component Analysis.

**Table 2: Total Variance Explained**

### **Component (Factor) Matrix**

The table below shows the loadings of the fifteen variables on the six factors extracted. The higher the absolute value of the loading, the more the factor contributes to the variable.

	<b>Component</b>					
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
A13	.603				-.456	
A6	.591	.302		-.331	-.302	
A2	.526	-.438	-.357			
A9	.515				.391	
A3	.508	-.331				
A4	.436	.330		.401		
A5		.596		.415		
A8	.400	-.404			.326	
A15	.378		.496			
A14	.453	-.313	.490			
A7	.336		-.465	-.444		.452
A12		.332	.452			.332
A1	.439			.462	-.300	
A10					.591	
A11	.420					-0.668
Extraction Method: Principal Component Analysis.						
a. 6 components extracted.						

**Table 3: Component Matrix**

<b>Factors</b>	<b>Name of the Factor</b>	<b>Label</b>	<b>Statements</b>	<b>Loadings</b>
1	Informative	A13	-Social media advertising keeps me up to date about products/services available in the marketplaces.	0.603
		A6	- Social media advertising is a valuable source of information about latest fashion.	0.591
		A2	- I will visit a product website after being exposed to an ad on social media.	0.526
		A9	- I am a fan of at least one company or brand on social media.	0.515
		A3	- I will purchase a product advertised on social media.	0.508
		A4	- In my daily activities, I recognize brands as the ones that are advertised on social media.	0.436
		A8	-I felt that I was at risk of getting a virus by clicking an advertising link.	0.400
		A11	- Advertisements on social media provide accurate information about products/services.	0.420
2	Recall	A5	-It is easier for me to remember brands advertised through other media channels such as TV and radio as opposed to the ones advertised on social media.	0.596
3	Privacy	A15	- Users of social media will be forced to see the advertisement every time they log in.	0.496
		A14	- Advertisements on social media are intrusive.	0.490
		A12	-Because of these advertisements, people buy a lot of things that they do not really need.	0.452
4	Perceived Interactivity	A1	- Advertisements on social media catch my attention among other content.	0.462



5	Visibility	A10	- The position of an advertisement is the biggest factor that prevents me looking at ads.	0.591
6	Planning	A7	-I visit on social media with a bit of a plan of what I am going to do.	0.452

**Table 4: Factors after Principal Component Analysis.**

### **Factor I**

Table3 reveals that the ‘Informative’ is the most significant factor with 19.146 percent of total variance.

The eight statements loaded on factor 1 are highly correlated. The analysis reveals that users of social media consider social media advertisements as an important source of information related to latest products available in market and that helps the users for making purchase decisions.

### **Factor II**

‘Recall’ has emerged as the second factor which explains 9.485 percent of total variance. It is second important factor with single statement loaded on it. The factor reveals that users of social media thinks it is easier to remember brands advertised on social media rather than any other media.

### **Factor III**

Third important factor is ‘Privacy’ which explains 9.055 percent of total variance. Three statements have been found to be loaded on this factor and all are highly correlated. The factor clearly specifies that the social media users have fear regarding their privacy. They think that advertisements on social media are intrusive.

### **Factor IV**

The fourth factor is ‘Perceived Interactivity’ with 8.274 percent of the total variance only with one statement. It clearly revealed that advertisers should make catchy advertisements that can catch the attention of users immediately.

### **Factor V**

Factor five ‘Visibility’ contain only one statement with 7.802 percent of total variance. This factor shows that position of advertisements on social media was another biggest factor that prevents user to see the advertisement.

Therefore, advertisements should be on that place where it can be easily noticed.

## **Factor VI**

The last factor 'Planning' explains approximately 7.321 percent of the total variance only with on statement, related to planning of users regarding login. Results reveals that users visit on social media with a bit of plan, like whether only visiting social media to get updates about people or wanted to go for online shopping.

## **Conclusion**

The respondents were visiting the social media for more than 10 times a week and spending more than 3 hours to 4 hours a day. Facebook is the frequently used social media site followed by Instagram and twitter. Users felt advertising on social media was informative and interesting. 80 percent of the users agreed that advertisements on social media catch their attention and people do visit products websites with interest. More than 90 percent people tend to buy the product being advertised and were able recognize the various brands with the information being displayed by the marketers on their websites. The position where the advertisement was another factor that catches the attentions of users. Respondents agreed that the information displayed by various sellers about their products on social media provides information as well as keep them up to date. People do buy the products by watching those advertisements and tend to buy them even if they don't require them. Some of the companies use social media sites for their product promotions and users of those site tend to involve in impulse purchase. Very few people agreed about being affected by virus while assessing the commercial link and some of them were annoyed also with such promotional efforts being used by marketers on Facebook or any other social media as they didn't want to share their personal information with anyone.

A factor analysis (PCA) was performed on the independent variables to reduce the complexity of variables into less variables. After performing PCA on fifteen variables 6 Factors came out. Factors like informative, recall and interesting were the prominent ones, whereas some respondents showed the negative response towards the advertising on social media as they find it annoying and were conscious about their privacy. Some of the respondents exhibited the positive aspect about advertising and agreed that they like purchasing through those websites and do visit the social media with plans

of shopping. Outcomes also shows that consumer's likes the advertisements on social media but due to risk of getting virus by clicking an advertising link consumers avoid the advertisements on social media.

### **Limitations and Future Research Recommendation**

The research was limited to university, Colleges students and any conclusion drawn from this sample could not represent the total population. Further, during field research most participants in the survey were students because they were easy to reach due to their full-time schedule and daily visits at the University.

Future research may consider a more general and representative population of internet or social media users.

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