CONSUMER PERCEPTION AND ATTITUDE TOWARDS ADVERTISING ON SOCIAL NETWORKING SITES: THE CASE OF FACEBOOK

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Abstract
Our paper explores to what extend Facebook advertising generates purchasing intentions, and influence consumers' buying habits. We analyse consumers' opinions regarding issues of privacy and social pressure from online communities, and their effect on consumers' shopping habits. By conducting a survey, and comparing our findings with findings in the literature, we aim to compare users viewpoints of internet advertising from the late 90's with the viewpoints of young people that are constantly exposed to social media. We argue that there are minor changes in the users viewpoints during that period, and show that users rely more on the internet as a source of information, yet social pressure and eWoM are still the major mechanisms that contribute to a brand's success. The main conclusion of our study is that brands should invest in the social communication aspects of Facebook as an advertising mechanism.

Introduction
Social networking sites form a novel channel in the field of communication. Based on a number of recent research evidence (Drury, 2008; Iyengar et al., 2009; Palmer & Koenig-Lewis, 2009; Shih, 2009) it can be argued that such sites can be considered as a new medium for promoting products or services, and as a means for increasing consumption and brand awareness. Nielsen (2010) argues of how widespread the phenomenon is by demonstrating that users spend on average almost 5.5 hours per month on social networking sites. The amount of time spent, varies based on the region from 2.5 up to 6.5 hours. In addition to that, the number of active users in social networking sites has been increased by 30% within one year, with Facebook being the most popular among them, reaching 52% of the social networking sites population with an average of 19 user sessions per month.

Taking into consideration the widespread acceptance and penetration of social networking sites in the everyday lives of people in western societies, and their ubiquitous accessibility through computers as well as mobile phones and tablets (Angelopoulos et al., 2008), our study attempts to shed light on the extend in which social networking sites, offer an environment in which advertising and consumption persuasion can thrive and mature. In our approach we take into account Tuten's (2008) argument on the link between social media and marketing. Tuten (2008) argues that social media as part of a marketing campaign can contribute to the brand awareness and improve its reputation and image. He also notes the higher possibility of sales, the higher traffic to the brand's web site, and the overall enhancement of the fundamental marketing strategy.

Although there are numerous studies that provide a substantial amount of information over this area (e.g. Qualman, 2009; Ryan & Xenos, 2011), there is little research on the effectiveness of social networking sites advertising from the consumers' point of view. Our study attempts to shed more light on the gap, and provide insights regarding the effectiveness of advertising mechanisms on social networking sites, and how consumers that are currently in the higher education react towards the phenomenon. For the purpose of our study, the term *'advertising mechanism'* encapsulates all the forms of promoting tools and eWOM (electronic word of mouth) platforms, such as paid ads, groups / pages, page suggestion, and friends' recommendations. Moreover, the study attempts to explore to what extend social networking sites can be used as a stand-alone marketing platform, and as an individual marketing strategy.

The rest of the paper is organized as following: after the brief description of the study, we present our methodology, the characteristics of the population under study and our sampling approach, the analysis of the collected data and the results of our study, and we conclude with the findings and remarks, as well as with recommendations and directions for future research.

Methodology
Our study follows a positivistic approach in the form of a survey. The questionnaire was designed based on the work of Schlosser et al. (1999), which has been one of the most prominent studies on online advertising. The questions proposed by Schlosser et al. (1999) have been reformatted to reflect the research objective of the project. Whilst the term online advertising encompass the methods applicable to social networking sites, we need to stress that the term as used by Schlosser et al. (1999) does not include Facebook, since the site was launched in 2004.

The study focuses on a specific group of people that fulfils an array of criteria, which were vital for structuring the research approach. As Madden (2010) suggests, people between the ages of 18-26 can be considered as the population with the highest consumption rate. Moreover this particular age group is highly exposed to information and communication technologies. Another aspect that sets the university students as an ideal sample population is the mixture of opinion, which results from factors such as culture background and ethnicity, faculty and interests and the constant exposure to the internet due to the nature of today's education system.

The survey follows a simple random sampling approach. By following such an approach, as Henry (1990) claims, it is more feasible to obtain a variety of responses, because each unit has an equal chance of being selected. The sample of the research comes from the student population of one of the UK's top 5 universities. Based on the work of Pfeffernann and Rao (2009), we estimated that the ideal sampled population based on the total population of the university should be 376 participants. Due to the time constraints of the research, the total number of participants was 300, which is the 80% of the ideal sampled population. The population of the university shares a large number of similar characteristics, such as common age group, access to the internet, familiarity with social networking sites and information technology literacy. Based on the arguments of Henry (1990), and Rea and Parker (1992), if the responses are drawn from a sample that has been selected carefully and its representative of the population, generalization of the results can occur, and conclusions will have a high level of accuracy. Consequently, the reduction of the sample is not affecting the validity of the results.

The following table (Table 1) presents a comparison between Schlosser et al. (1999) work and the proposed questions of the survey, and how they are linked with the literature. As the table illustrates, each question is structured in such way so that the answers can fill in the literature gaps that were observed, and also demonstrate the link to the work of Schlosser et al. (1999). The majority of the questions are based on a closed ended five point Likert scale to enable comparison with the results of Schlosser et al. (1999). Two of the questions were based on Ranking Scale because they aimed to collect specific values.

By following such an approach, the responses have a unique value and the evaluation is more accurate (Fink & Kosecoff, 1998). The survey has seventeen multiple-choice questions. Each set of questions contributes to the answer of the research question, towards the objectives of the project. The questionnaire initially profiles the user based on their education background, age and gender. The second part collects information for the user's experience with social networking sites, and the purpose that the individual is a member in such web sites. The rest of the questions are designed to provide results that are related to the level of influence that is generated from such websites in terms of consumption behaviour, influence from online peer pressure, and effectiveness on increasing consumption from the

development of communities. The last set of questions examines to what extend Facebook can be seen a marketing mechanism, and whether there is a feeling of violation of users privacy.

The way of distribution was online, since the participants had the ability to complete the questionnaire at their convenience, and automatically send the results for analysis. Furthermore, online distribution according to Truell et al. (2002) has approximately 51% return rate and 64.31% complete rate of the content. In our case the expected amount of complete question was almost 11 out of 17.

Table 1: Previously published literature and how it is linked with the questionnaire

Current questionnaire	Previously published literature
Do you think that authorities like ASA (Advertising Standards Authority) should put restrictions on what it can be advertised on Facebook?	How do you feel about the amount of regulation, which the government currently places, on internet advertising? Appropriate authorities should be responsible for advertising regulations?
Do you think that privacy is violated by Facebook's product recommendation systems?	Based on Brahim et al. (2009)
How often do you feel offended (insult users intelligence) by advertisements that are visible on your profile page on Facebook?	How often do you feel offended by Internet Advertising? Most online advertising insults my intelligence
What is the level of influence that is generated from Facebook advertisements regarding your shopping habits?	How often do you use Internet advertising to help you make a purchase? How confident you are using information from online advertising to make a purchase decision?
Do you think that companies can use Facebook on its own as an advertising medium?	Based on Gibs and Bruich (2010) and Hoffman and Fodor (2010).
What is the level of influence that is generated from your Facebook Friends suggestions regarding your shopping habits? Comparing Facebook advertisements for a product or service and Facebook friends recommendations for a product/service which of the two has stronger influence?	Social pressure from social media can influence buying habits. Kim and Srivasrava (2007), Iyengar et al. (2009), Bagozzi and Dholakia (2002)

As Veal (1997), and Fink and Kosecoff (1998) suggest, a pilot study for a survey is essential in order to identify any issues with the wording, the sequence, and the layout of the questionnaire. Additionally the pilot study can minimize the biased results from questions that are misleading or inappropriately defined. Thus, in order to achieve the maximum validity of the study, the questionnaire was initially randomly distributed to a smaller sample of students in order to observe in which extend the questions can be understood. Following the pilot study, minor changes occurred between the final draft and the official version, and were mainly related to the layout rather than the actual content.

Outcomes Of The Study

From a total of 364 responses, the 315 were fully complete, and the rest 49 were partially complete. For the purpose of this study only the fully completed questionnaires are analysed. The following graphs present the results that occurred from the survey. The first tier of questions is profiling the participant.
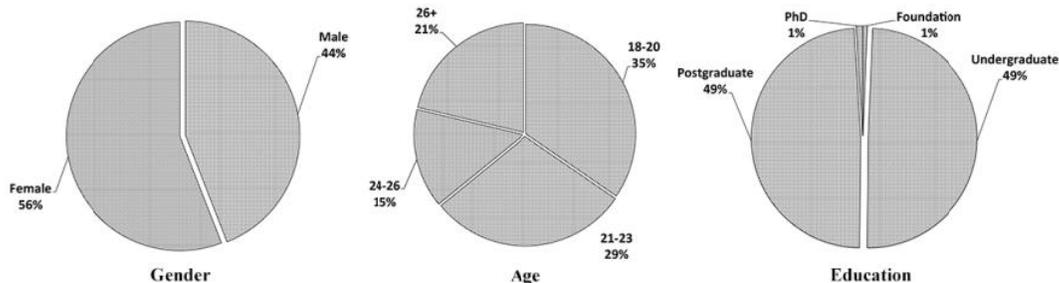
Figure 1: Profiling the participant by gathering general information

In terms of participants profile the above results occurred: 44.1% males and 55.9% female response with 34.6% being 18-20 years old, 29.5% being 21-23 years old, 21.3% being above 26, and 14.6% being 24-26. The majority of the students were undergraduate (49.5%), and postgraduate students (48.9%). From the above charts the following trends can be observed: a slightly higher amount of female responses compared to male, and a well balanced split between the age groups. Moreover by looking at the level of education, we see a balance between the two categories with approximately 49% from each category.

In terms of popularity, Facebook is the first out of the four. The results of the study are presented in the Figures 2a and 2b. As the results suggest, 98.4% of the sample are members on Facebook. The majority of the Facebook members use the service for communication (96.2%), and multimedia sharing (63.8%). A total of 17.8% uses Facebook to show their support and interest to communities and organization, while 14.9% uses the site to gain information and read reviews about product or services, and 14.9% use the site for job searching. Only a total of 14.3% uses Facebook to meet new people.

As a next step, we examined the level of influence that various advertising platforms generate, and which resources a consumer will most likely consider to gather additional information for a product or a service. The results of the study are presented in the Figures 3a and 3b. The score is a weighted calculation. Items ranked first are valued higher that the following ranks, the score is the sum of all weighted rank counts.

Ranking the mediums of adverting, the following ranking occurred: Television 1852 points, Newspapers and general interest magazines 1416 points, Special interest magazines 1330 points, online adverting 1294 points, Billboards 1059 points, Leaflets and flyers 998 points, and SMS promotions 596 points.
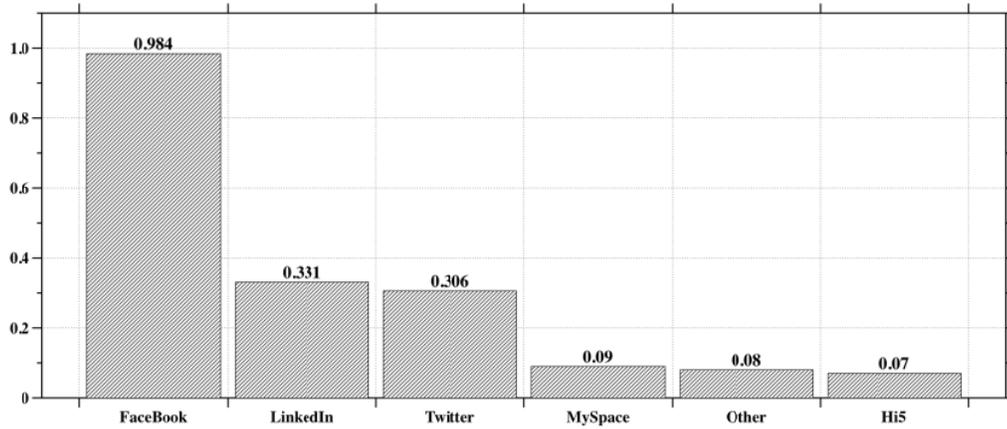
Figure 2a: In which of the following Social Networking Sites are you an active member.
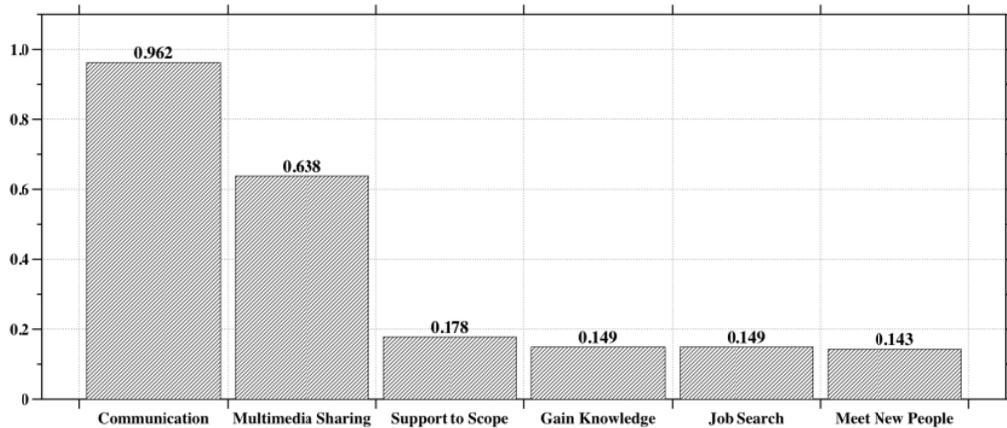

Figure 2b: Whats is the main purpose that you will use a Social Networking Site

The participants use official brands websites as well as special interest websites as primary sources to gain additional information for a product or service. Resources like YouTube channels, and Facebook pages and groups scored approximately half the points of the above two.
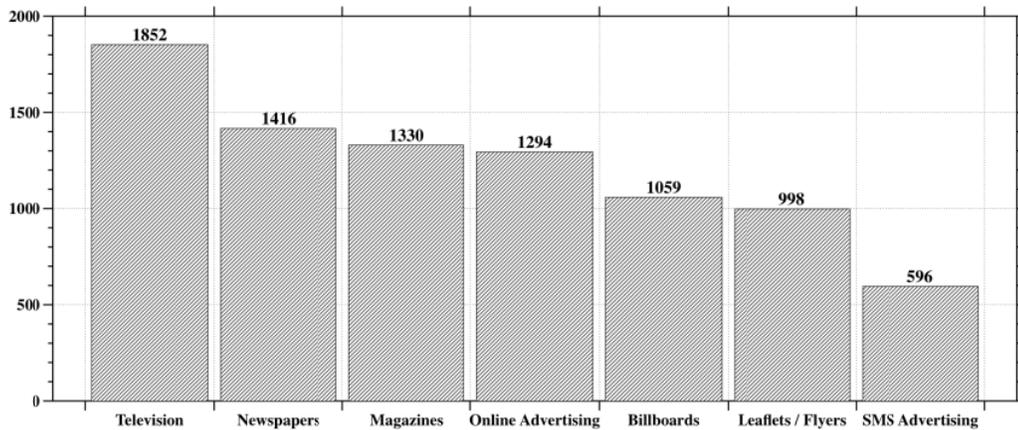

Figure 3a: Ranking the above mediums of advertising, which one do you think has the highest level of influence to you as a consumer?

As the following bar chart demonstrates, Facebook groups / pages are the category with the lowest ranking regarding the gathering of information and reviews for a particular product or service. Only about 30% of the responses are coming from people that are members in corporate groups. From that amount less than 37% is a member in more that 3 corporate groups. More specifically, a total of 30.2% from the sample claims to be a member of corporation groups like Apple, Coca-Cola etc. with 63.5% being members to 1-3 groups, 18.3% being a member in 4-6 groups, 5.8% a member in 7-9 groups, and the remaining 12.5% being a member in more than 10 groups. Having the above in mind it can be said that the participants of the study do not trust or follow large numbers of groups. Comparing this statement with the previous bar chart it can be argued that the majority of users doubt the trustworthiness of groups.
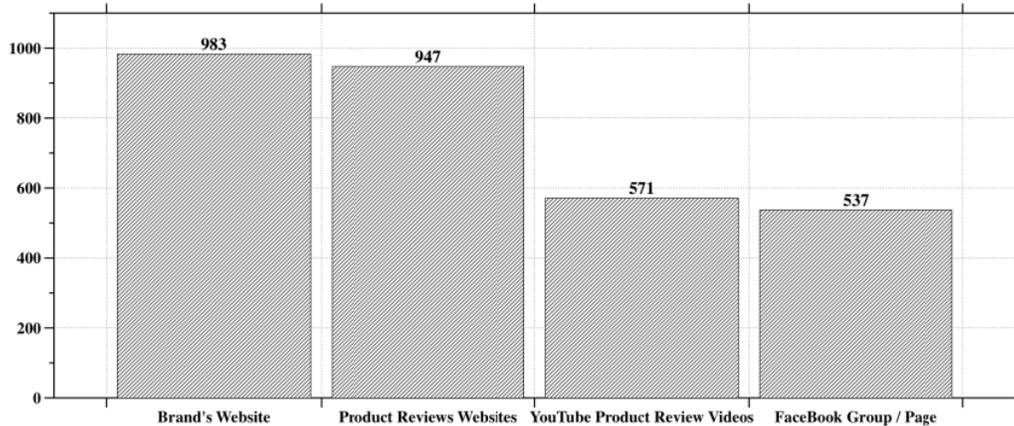
Figure 3b: Which of the following you will first consider as a resource for product/service review and additional information

In order to understand the level of influence that Facebook generates, we devoted three questions in our survey, and more specifically the participants were asked to provide an answer regarding:

- The level of influence generated from Facebook advertisements regarding their shopping habits
- The level of influence generated from Friends suggestions regarding their shopping habits
- The influence of Facebook advertisements compared to Facebook friends recommendations

Based on the results, more than 50% of the sample claims that Facebook has not any influence to their shopping habits, while 34.6% claims that Facebook generates low levels of influence to their shopping habits. Moreover, friends suggestions does not influence the shopping habits of the 43.2%, while 35.2% claimed that friends suggestion have a low level of influence to their shopping habits, and 16.2% believe that friends suggestions have an average level of influence. The remaining 5.4% claims that friends' suggestions generate high/very-high levels of influence. More than half of the sample believes that friends' recommendations have stronger influence compared to Facebook ads. Only 6.7% of the sample believes the opposite. A relatively large percentage of the sample (34.3%) believes that zero influence is generated neither from Facebook ads nor friends suggestions. While the above results outline a first negative impression for the effectiveness of Facebook as an advertising medium, 45% of the participants claimed that advertising through Facebook could be a substitute for the traditional media of advertising.

In terms of users privacy and quality of the advertised contend approximately 64% of the sample claims that authorities like ASA should be responsible for the control of the advertising content. Additionally most of the responders believe that the content of Facebook ads are not insulting their intelligence, and they rarely fill offended from the advertised content. Additionally, in terms of users privacy violation the responses vary. An amount of 48% sees Facebook recommendations systems as a clear violation of users privacy due the collection of personal data. Moreover, approximately 25% of the respondents disagree with the statement, and 27.3 % have a neutral response towards the issue.
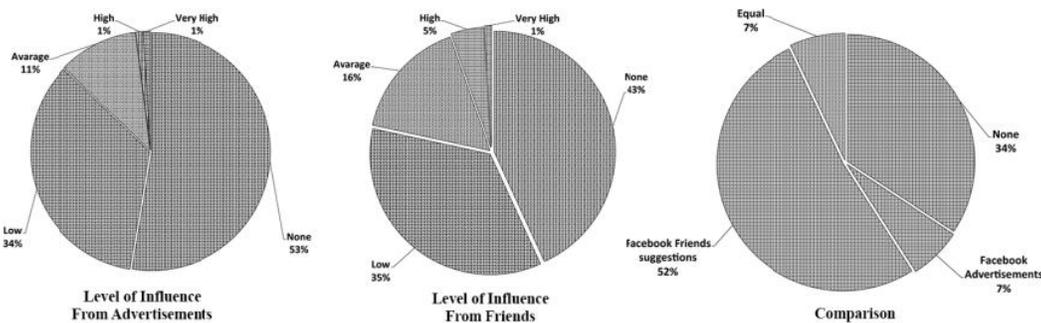

Figure 4: Level of influence between friends and advertisements on Facebook

Discussion

Schlosser et al. (1999) identify that 60% of the respondents believe that the government should be more flexible with internet advertising regulations, and reduce its efforts towards them. Additionally, 67% of the same sample claimed that appropriate authorities should be responsible for advertising restrictions online. In terms of the overall regulation for the online advertising, more than half of the sample argued that the authorities are applying the right amount of regulation towards online advertising. Only 22% claimed that this amount is too little. From the current questionnaire, more than 64% of the responses are resulting from people who claimed that ASA or similar authorities should put restrictions on what is advertised through Facebook. Thus, a lower amount of people believes that advertising through Facebook should be more restricted. Taking into account that major changes occurred in the online advertising environment, people are more comfortable online ads. Since brands are investing a high amount of their marketing budget in the social media advertising it can be assumed that the amount of the advertised content has been increased exponential in the recent years. Additionally, due to the adoption of various data mining mechanisms, the advertised content results from a variety of sources that are promoting the same or very similar goods. As a result, in some cases a Facebook page can become over-crowded with paid ads, ads with social content, and suggestions. Consequently users rely on the restriction of various ads or ad contents in order to have a Facebook profile that is not bombarded with advertisements.

The majority of firms use various mechanisms to collect specific information from users. As Van den Poel and Buckinx (2005), and Shen et al. (2009) argued, following browsing patterns, search queries, visited links and other techniques, companies are able to partly predict the future online behaviour of the user. Even Facebook has dedicated settings on how to target specific user groups via corporate pages. By observing the results collected from the questionnaire it can be said that a large number of users recognize the issue. Almost 50% of the responses believe that there is a violation of the users privacy when it comes to the recommendation systems of Facebook.

Facebook can be described as a vault of personal data. Although most people recognize the issue, it cannot be argued that is illegal. Since the user agrees to all the terms and conditions and the third party applications that are associated with this service, automatically agrees to personal data exposure. Companies take advantage of such vulnerability, and develop targeted campaigns for specific groups of users. Combining the results with the massive amount of registered Facebook users it can be argued that users are not highly concerned with this matter. Since micro-targeted marketing is well spread in social media services, the majority of the users feel comfortable to expose personal information over time.

Taking in to account that data mining and recommendation systems are highly applicable in Facebook, it cannot be expected that a high amount of users will be offended by the advertising content. As Schlosser et al. (1999) identify, 71% of the respondents are never-to-seldom offended from internet advertising in general. A total of 54% disagree that content from internet ads insult their intelligence, and 22% have no strong feeling regarding the issue. Based on the survey, an amount of 61% claims that they rarely-to-never feel offended by Facebook ads, with only 17,5% of the overall sample being offended in regular basis by Facebook ads. By comparing the results it can be argued that online advertisements were never related with insulting issues. Moreover, since data mining is becoming highly sophisticated, the majority of the ads are based on users previously expressed preferences. Hence, a significant number of such ads reflects the users taste or purchasing desire, and could not be offending or insulting.

A high amount of the respondents (67%) seldom-to-never use internet advertising as a help for their purchases. Additionally, 30% of the sample does not feel confident to use advertisements as a source of information that will determine their purchasing decisions. Although 62% agrees that internet advertising is informative in general it can be said that it is not a highly trusted source for subjective decisions. Television is considered the most influential mechanism for advertising. Facebook groups or pages are the ones with the least responses. The vast majority of the respondents believe that Facebook generate no influence through advertising. Although the results are not encouraging, and definitely do not suggest that Facebook is an influential advertising platform, a significant percentage of the sample agrees that Facebook can be used on its own as an advertising medium. Taking that into account it can be argued that Facebook generates an environment that attracts consumers from an aesthetic point of view. Since the majority of the sample clearly argues that television and print media are generating a higher amount of purchasing intention compared to Facebook and internet advertising in general, the only assumption that it can be supported is the aesthetical capabilities of Facebook. Furthermore, the recall of the ad is an important parameter that has to be taken into consideration. So at this point it can be argued that television and print media are acting as the information senders, and Facebook as the environment that the consumer has the chance to explore, and understand the brand or the product. Hence, users see Facebook as an interacting environment rather than an information broadcaster. Our results are in line with Eikelman et al. (2008), and Drury (2008) regarding message generation and message distribution.

One of the areas that it has been extensively covered throughout the project is the implication of social pressure when it comes to purchase decisions. As the majority of the resources claim, social groups play a significant role on influencing and forming opinions of individuals. Based on those parameters the study tried to explore the extend to which such statements reflect the *status quo* on Facebook. A significant amount (43.2 %) argued that suggestions from facebook friends do not affect their purchasing intentions. Combining all the positive responses to that question, almost 57% of the total sample confessed that friends on facebook are generating a level of influence, and their opinion has an impact on what they want to buy. Based on what it has been discussed so far, eWOM might be more beneficial when it comes to influencing consumers. Assuming that people with an extensive knowledge on a specific topic generate eWOM in most cases the chances of influencing are higher. Influence from social pressure might result from people that are known to the user not as friends, but as active people in an online community that holds extensive knowledge upon a specific topic. In addition to the above, since brands are adopting the idea of social advocates, the above can occur in a higher frequency with the support of specialized individuals. To conclude with, social pressure and social influence shift towards individuals with deep understanding of a product or a service rather than individuals with links to an influential consumer.

As the results suggest, Facebook friends' suggestions develop a significantly higher amount of influence compared to ads that are generated directly from Facebook. In addition to that, an total of 34.3% indicates that neither of the two methods generates any influence regarding their shopping habits. A similar situation as the one proposed by Iyengar et al. (2009) occurred. The generation of various status groups is responsible for the responses that resulted from the questionnaire. As the results indicate, ads with social context are the ones with higher chances of succeeding.

Conclusion

Facebook is a platform that has as a main purpose to connect people, and encourage social interactions; companies should invest on such features, and put effort to create campaigns with the above as foundations. Taking into account the results of the study, Facebook is becoming a promising platform for promoting a product or a service. Although a number of the results do not provide substantial amount of information for the future of such a mechanism, users are aware of the phenomenon. Social pressure is a key factor when it comes to the success of a marketing campaign that is executed via social media.

Social networking sites are the link between the brand and the consumer. Based on that, the majority of the firms are following this route to attract consumers, and generate eWOM for their products and services. As the survey suggests, the succeeding parameter is not entirely based on the brand and the development of the campaign, but also to the social advocates that will occur from that process. Although Facebook can be used on its own as an advertising channel, it cannot be established that it will be beneficial for the brand. A safer approach is the blending of Facebook with the traditional media of advertising and the generation of an interacting environment between user and brand prior the purchase.

As the results from the survey suggest, firms should follow a social-centric approach, and embed interactive engagement in the marketing campaign that will be used as the primal force in the generation of eWOM and social advocates. Based on the nature of the service, the exposure of personal information is almost unavoidable. Since the internet has became a part of our everyday lives, various authorities that are responsible for the safety of personal data are trying to minimize the exposure of personal data with application of various restriction, and terms and condition that must be clearly visible in any web site that relies heavily on the personal data of the user. Future research endeavours could employ interpretivistic approaches to explore the concepts in depth, by also using various Higher Education Institutions for a comparative analysis to investigate how students understand the advertising mechanisms of Facebook. In addition to the above the future study can take a slightly different focal point and explore the effectiveness of eWOM through Facebook and how users react to the phenomenon.

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