

## **Social Media Advertising: An Investigation of Consumer Perceptions, Attitudes, and Preferences for Engagement**

*Camilla Bond, Monash University, camilla.bond@monash.edu*  
*Carla Ferraro, Monash University, carla.ferraro@monash.edu*  
*Sandra Luxton, Monash University, sandra.luxton@monash.edu*  
*Sean Sands, Monash University, sean.sands@monash.edu*

### **Abstract**

The rapid rise of social media has captured the attention of marketers and consumers on a global scale, and together with a rapidly changing communications environment marketers now confront new challenges in terms of our understanding of consumer behaviour and consumption patterns in the new millennium. Social media brings with it powerful opportunities for brands to engage with consumers, one method being through interactive advertising. To broaden our understanding and assist in managing marketing communications effectively, this exploratory research investigates the role of social media within the broader advertising and communications mix. Qualitative focus groups were conducted with consumers to assess perceptions and attitudes towards social media advertising, and preferences for brand engagement through this channel. Findings suggest that use of social media advertising in a multichannel communications approach could have powerful impact on brand loyalty and engagement.

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### **Introduction**

The changing communications landscape is well reported in the literature, as are the implications for effective communication with ever transient audiences (Ewing, 2009; Keller, 2009). The aspect of communication most recently under the spotlight is that driven by the social media phenomenon. User-centric multimedia applications such as Facebook, Twitter, MySpace, LinkedIn, and YouTube are flourishing. Whilst uptake figures are known, the impact of social media and the significance of the impact on marketing outcomes is as yet an under-researched area. In this research we seek to examine the role of social media in a bid to inform best practice in marketing communication. This is important for marketers to understand given that global online ad spend grew from six to ten percent between 2006 and 2009 (On-line Publisher's Association, 2002, cited in Keller, 2009), and growth expectations for social media marketing spend in the US will grow from US\$716 million in 2009 to more than US\$3.1 billion by 2014 (cited in Humphries, 2010). Forrester Research (cited in Martinez, 2010) claim that around 70 percent of retailers now have Facebook or MySpace accounts, and more than half use Twitter to promote their brand. Globally, consumers are integrating social media into their daily lives, with Facebook alone catering to 400 million users, 100 of which access social media via mobile devices (Facebook, 2010). Despite growth in retail and consumer usage, little is known about social media as a communication tool in terms of its perceived value for consumers, and the role it plays within the marketing communications mix. Hence, the primary objective of this study was to examine the role of social media within the broader advertising and communications mix.

### **Literature Review**

Although research exists in the area of online communications, not all of this work is easily transferable to the social media space. For instance, within the literature there are conflicting ideas regarding the definition of social media. We adopt the definition by Kaplan and Haenlein (2009), who propose that social media describes "Internet-based applications that help consumers share opinions, insights, experiences, and perspectives" (p.565). According to these authors, social media can include: collaborative projects (i.e. Wikipedia), blogs, content communities (i.e. YouTube), social networking sites (i.e. Facebook), virtual social worlds (i.e. Second Life) and virtual game worlds (i.e. World of Warcraft) (Kaplan and Haenlein, 2010). Research has focussed on areas such as user segmentation and participation (Berthon, Pitt, and Campbell, 2008; Forrester Research, 2010); motivations for adoption of social media (Gangadharbatla, 2008); electronic word-of-mouth (Okazaki, 2009; Riegner, 2007); and online brand communities (de Chernatony and Christodoulides, 2004; de Valck, Van Bruggen and Wierenga, 2009; Muniz and O'Guinn, 2001).

Social media have been acclaimed for having dramatic influences on every stage of the consumer decision-making process as well as influencing general opinions and attitude formation (Mangold and Faulds, 2009). Mangold and Faulds (2009) discuss the impact of the interactions among consumers of social media on the development and execution of IMC strategies, suggesting a new communications paradigm be developed. Keller (2009) supports this notion with his discussion of effective brand building through IMC and the customer-based brand equity model (Reid, Luxton and Mavondo, 2005).

Social media advertising literature is very limited, with most research to date focussing broadly on online or interactive advertising. Of relevance to this study, interactive advertising research has addressed motivations, perceived interactivity, and advertising outcomes (Ko, Cho and Roberts, 2005; Zeng, Huang and Dou, 2009), gender differences and interactivity (McMahan, Hovland and McMillan, 2009), consumer attitudes towards interactive advertising within online and mobile contexts (Cheng, Blankson, Wang and Chen, 2009), and the relationship between online engagement and advertising effectiveness (Calder, Malthouse and Schaedel, 2009). Social media research by Hoy and Milne (2010) focussed on gender differences in privacy beliefs; Kelly, Kerr and Drennan (2010) studied the teenage perspectives, and Nielsen and Facebook (2010) published a report based on the effectiveness of Facebook as form of media. Lastly, an interesting study by Zeng et al. (2009) focussed specifically on social factors relating to user perceptions and responses to advertising via social networks, finding that responses to advertising in this context depended on perceptions of advertising relevance and value, as well as being influenced by social identity and group norms. Given the significant potential for growth of the online advertising industry in Australia, these types of issues pose considerable challenges and demand for further research in the area of advertising perceptions, relevance and value. Online advertising expenditure in Australia totalled \$512.5 million in the first quarter of 2010, a growth rate of 17 percent year on year allowing for predictions of reaching \$2 billion for the 2010 financial year (PricewaterhouseCoopers, 2010).

With limited empirical research in this area, there is a need for research to further explore social media advertising. The questions that this study addresses are: What are current consumer perceptions and attitudes towards social media advertising? What are consumers' preferences for social media advertising? And lastly, what role could social media play as part of the broader marketing communications mix?

### **Methodology**

The exploratory nature of this research commanded a qualitative methodology, consistent with that described by Daymon and Holloway (2002). Through an inductive, then deductive process, this study aimed to uncover rich, detailed descriptions with a holistic focus (Daymon and Holloway, 2002). We conducted a series of three focus groups with consumers. Convenience sampling (Aaker, Kumar, Day, Lawley, and Stewart, 2007) was used to recruit 21 undergraduate and postgraduate University students. Discussions centred around the role of social media in everyday life and consumption, consumers' perceptions of the advantages and disadvantages of social media relative to traditional media, the acceptance and impact of social media advertising, the level of engagement with brands through social media, and the role of other media in reinforcing social media communications. During the focus groups, respondents were shown two social media marketing campaigns to generate more focussed discussion around the positive and negative aspects of social media advertising, and respondents' attitudes towards engagement with brands in this way. The first campaign was run by KFC through Facebook and Twitter (access at [http://www.facebook.com/KFCAustralia#!/KFCAustralia?v=app\\_11007063052](http://www.facebook.com/KFCAustralia#!/KFCAustralia?v=app_11007063052) and <http://www.towerburgertweets.com/connect.php>); and the second was the BCF (Boating, Camping, Fishing) interactive website (access at <http://www.bcf.com.au/brag-board/default.aspx>).

## Findings

In congruence with uses and gratifications theory (Ko, Cho and Roberts, 2005; Rubin 2009), consumers' purpose for engagement with social media centred on desires for connectedness, social interaction, relaxation and entertainment, convenience, information, and in some cases, professional advancement; however these were not all necessarily to exact a positive end. Perceptions of and experiences with social media encapsulated themes of participation, socialisation and community, as well as some strong temporal experiences relating to routine and daily structure. We find this range of media experiences to lie parallel to those explored by Calder, Malthouse and Schaedel (2009) in their examination of online engagement and advertising effectiveness. The issue of control quickly surfaced and was multifaceted, leaving consumers faced with a trade-off between an apparent lack of message frequency control, and an increase in control over participation with social media compared with traditional forms, *"You don't have control over traditional media whereas you can often opt in or out for social media"*. Some noted that the constant barrage of online communications (for instance, through email marketing) adds more pressure to already reduced personal time. Furthermore, whilst advertising must be targeted to be meaningful, this tends to raise privacy concerns for consumers. Some respondents expressed particular concerns regarding spam advertising, which was also deemed to be detrimental to the brand that is sending it. One participant stated, *"Spam should be outlawed, it's unsolicited"*. Some social media advertising was criticised for being inappropriately targeted or insensitive; *"When I was looking for a venue for my 40th Birthday I received an abundance of advertising offers for that age group which I was not ready for, and a similar thing happened with an online dating service after a recent relationship split"*.

Significantly, social networking sites such as Facebook were not seen as a suitable stage for advertising. The nature of Facebook as a personal medium for interaction with friends produced a firewall against use of this space *"to be marketed at"*. However, social media was acknowledged as a useful platform for starting conversations with brands, and there is a general willingness to receive permission-based social media advertising, or opt-in to become part of a fan base. There was agreement amongst most participants of their interest in engaging with their favourite brands, companies, groups and bands, in most cases by electing to 'like' a page, join a group or add an application via Facebook, or following a company via MySpace or Twitter. Indeed, in the case of 'favourite' brands, carefully targeted social media advertising could potentially be welcomed as these would likely be perceived as 'updates' on the brand's latest news and offerings. However there was severe caution against irrelevant advertising, and the majority of respondents agreed that in most instances banner advertising and Facebook advertisements were ignored, unless they were specifically relevant at an individual level (for instance, one participant had clicked on a personally relevant University book rebate advertisement). Targeted communications were thought to have more impact when sent via email, rather than through a social networking tool such as Facebook. Platforms such as MySpace were seen as useful business tools for brands and organisations to use in building awareness and sharing content with consumers, *"All you have to do is be updated"*.

Social media advertising should be complemented by traditional media (such as radio or print media) to reinforce communications and provide credibility for brands; *"If I'd only heard about it online, I might think it was dodgy"*. This indicates the effectiveness of using a multi-channel marketing communications strategy, to reach consumers via multiple touchpoints. One participant noted, *"Sure there's some things you're going to miss, but you might check something else out like through MX or Facebook... brands can't rely on one medium"*.

Respondents also agreed they often look to the brand's traditional media for reinforcement of social media campaigns, in essence to say "*yes, it's real*".

### **Conclusion and Discussion**

Whilst social media has not yet reached the position of a strong, robust marketing communications tool, this study proposes that there is significant scope for marketers to embrace the concept in this way, developing strategy which can potentially have powerful impact within this rapidly changing consumer environment. The results of this study suggest that brands can successfully engage with consumers via social media, with clear potential for building a strong, loyal following who ultimately become ambassadors for the brand. Keller (2009) states, "Interactive marketing communications allows consumers to learn from and teach others about a brand, as well as express their commitment to a brand and observe the brand loyalty of others" (p. 149). Consumers manifest desires for social interaction, entertainment, convenience, and information, which can be brought to action by marketers through providing innovative and engaging platforms for participation, socialisation and community building, as well as providing benefits to aid routine and daily structure.

The results presented here suggest that consumers harbour significant perceived differences between brands that use social media purely for publicity, and those which use social media to engage with consumers in relationship building conversation. Where brands do achieve a successful position in the social media space, it becomes essential that they not only maintain an attractive presence, but they must also interact with consumers in two-way communication, through actions such as responding to consumer-generated content. Furthermore, brands must have a clear value proposition for consumers, given the sheer volume of messages and media noise encountered every day. To be successfully engaging and achieve cut-through, social media advertising needs to be honest, relevant, and entertaining (Belch, Belch, Kerr and Powell, 2009). Consumer acceptance and attitudes towards receiving communications from brands via social media could be improved considerably through the use of permission-based communications or subscription-only content. In summation, consumers in this study felt that relevant, interactive, non-intrusive, and permission-based advertising could be, a) acceptable, and b) effective in engaging their interest.

Social media's rapid and widespread growth does not need to occur at the expense of traditional media. From the consumers' perspective, this enhances and reinforces communications and provides much needed credibility for the brand in an online environment. In light of this finding, social media could be effectively leveraged off traditional forms of media to foster attitude formation and enduring feelings, as well as enhancing consistency in brand image through highly integrated messages (Keller, 2009). With this in mind, the objective must be to create a dialogue with the consumer, rather than purely using the media as a promotional vehicle to drive return on investment (ROI). The notion of integrated marketing communications through multiple channels must be inherent in the planning and execution of any strategic social media marketing, and measurement of the success of social media campaigns must be assessed holistically from a brand building perspective, rather than using metrics alone (Fisher, 2009; Keller, 2009).

The insights gained from this study have been used to guide a quantitative phase, which is currently under development. This will involve a national survey of consumers to empirically examine the effects of social media consumption, experiences, and engagement with brands (including via advertising) on behavioural outcomes such as brand awareness, word-of-mouth, and purchase intention.

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