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College Students' Perceptions of and Behaviors Regarding Facebook© Advertising: An Exploratory Study

By

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Abstract

The recent boom of social media has given marketers new opportunities to advertise to a targeted demographic -- specifically, tech-savvy young adults and students. This study examines the perceptions of and attitudes toward advertisements on one of the most popular social networking sites today, Facebook©. Results of an exploratory study show that while most college students are active Facebook© users, they are unlikely to click on Facebook© advertising or engage in purchase behaviors.

Works Cited

The social media era began about 20 years ago with Bruce and Susan Abelson's creation of the "Open Diary", an early popular form of social network (weblog), that in turned created the term "Social Media" (Kaplan and Haelein, 2010). As Kaplan and Haelein (2010, p.60) define "Social Media is a group of internet-based applications that build on the ideological and technological foundations of Web 2.0, and allow the creation and exchange of 'User Generated Content.'" As social media grows in popularity and use, its applications have been categorized by characteristics such as: collaborative projects (e.g., Wikipedia), content communities (e.g., You Tube), blogs (e.g., Word Press), virtual worlds (e.g., Second Life), and social networking sites (e.g., Facebook©). Facebook© is the most popular platform among young generations (Kaplan and Haelein, 2010).

Founded in 2004 by Mark Zuckerberg, Facebook© is one of the major social networking sites (SNS) with an astonishing 845 million monthly active users as the end of December 2011 (Facebook.com). Facebook© is a free subscription, web-based service that allows users to stay connected with the world, friends, and family by exchanging detailed personal information. Therefore, Facebook© is a very helpful tool to marketers because of its extensive and specific collection of demographic information about its users, which in turn enables marketers to reach several different target audiences. Furthermore, Facebook's© vast customer base has caught the attention of many advertisers who are trying to connect and engage with consumers on a more personal level (Chu, 2011).

Online advertising is a fundamental and powerful element that propels the Internet economy today, subsidizing many websites, services and social networking sites like Facebook© (Guha,

Cheng, and Francis, 2010; Gangadharbatla, 2008). SNS's rapid growth is forcing advertisers to use different ways (other than traditional media) to reach customers (Gangadharbatla, 2008). According to eMarketer, advertisers will spend 3.63 billion dollars in advertising this year just in the US social networking sites, helping Facebook's© ad revenue to reach an estimate of 3.75 billion dollars by 2014. As previous research shows, SNS's spreaded usage is generating billions of dollars in advertising and ad revenue. However, little is known about what attitudes college students have towards these ads (Gangadharbatla, 2008).

Attitude toward advertising has been a studied topic of many marketing reasearchers for a long time (Dutta-Bergman, 2006; Homer, 2006; Homer and Yoon 1992; Kelly, Kerr, and Drennan, 2010; Mehta, 2000; Shavitt, Lowrey, and Haener, 1998; Speck and Elliot, 1997).However, since SNS's creation in 2004, little research is found on how advertising in SNS is perceived by its users. According to Kelly, Kerr, and Drennan (2010), a consumer may perceive information offered as credible if he/she trusts the media where the content is coming from. Furthermore, a consumer is likely to pay less attention to the advertising content if he/she does not trust the media (Johnson and Kayne, 1998).

Internet ads' relevancy has also been an important element to researchers because of its close accuracy in delivering ads to its targeted users (Zeng, 2009). As Li and Bukovac's(1999) research shows, relevant ads capture more attention, thus influencing Internet advertising efficacy. Furthemore, Gangadharbatla (2008, p.6) argues that, "advertising on SNS generally is highly targeted and relevant. Because the information comes from a friend they perceive they can trust, users are more likely to pay attention to messages that come through the news feed".

Purpose of the Research

The recent boom of social media has given marketers new opportunities to advertise to a targeted demographic, young adults and students. Billions of dollars have been invested in advertising specifically to this demographic; however, there has been little research on the resulting influence social media advertising has had on young adults. For advertising attempts to be most efficient, more in depth research is needed. To gain more insight about consumers' attitudes and ad relevancy in SNS, this study's purpose was to explore college students' attitudes towards advertising on social networking sites such as Facebook©, as well as to explore Facebook©'s perceived ad relevancy and effectiveness among its users.

Research Questions

There is enormous opportunity to reach college students through social media. On almost every SNS, there are many advertisements vying to catch the consumer's attention, but how effective are they? Do students even notice certain ads, and if so, is it in a positive or negative way? Our research questions were:

1. How do students feel about advertising on social media networks such as Facebook©?
2. How much do they notice the ads?
3. Do they read any of them or do they ignore them?
4. How relevant are the ads to them?
5. Do ads on Facebook© have a negative, positive or no influence on consumer behavior?
6. Do ads on Facebook© influence purchases?

Research Design and Methodology for the Study

This study was completed using an exploratory research design and an inquiry data collection method. Surveys were distributed to college students along the Gulf Coast region using a non-probability judgment sampling method. The sample size included 283 college students along the Gulf Coast region who had an active Facebook© account. All data were collected during the Spring, 2012 semester.

The questionnaire included the following categories of questions:

1. Demographic and geographic information (age, gender, university attended, location).
2. Usage on Facebook©(active account, hours per week logged in to account, number of daily account logins).
3. Attitudes toward Facebook© and Facebook© advertising.
4. Perceptions of Facebook© advertising types (most and least liked, responses to advertising by category, perceived relevance of ads).

Survey Findings

Demographically, women (64%) outnumbered men (36%); 47% were between 18 and 24 years of age. The majority of respondents (92%) attended The University of Southern Mississippi and were pursuing a Bachelor's Degree. All of the respondents had an active Facebook© account, logging in between 0-3 times per day (45%) and spending 0-3 hours logged in (50%). Detailed results are shown in Figures 1-6.

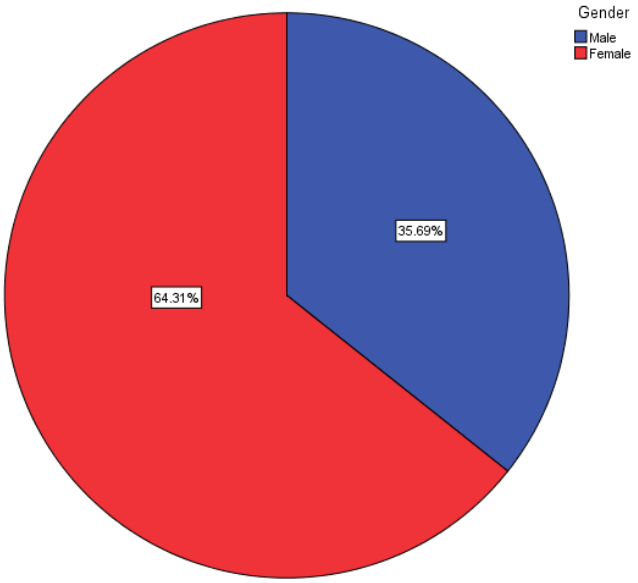

Figure 1- Gender of Respondents

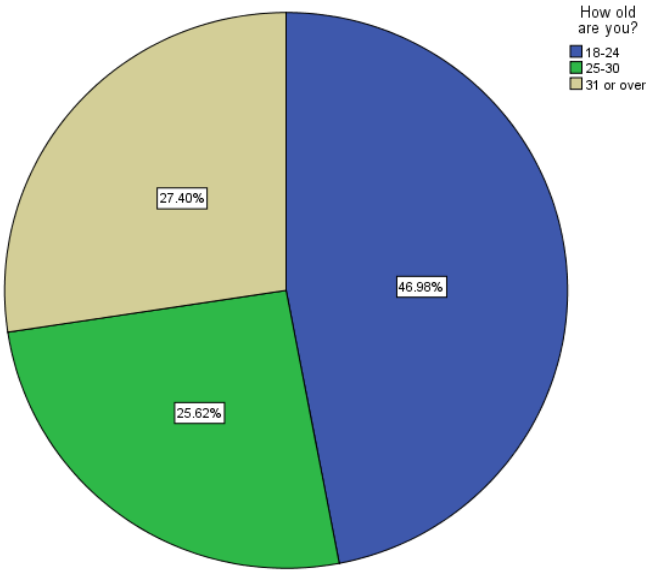

Figure 2 – Age of Respondents

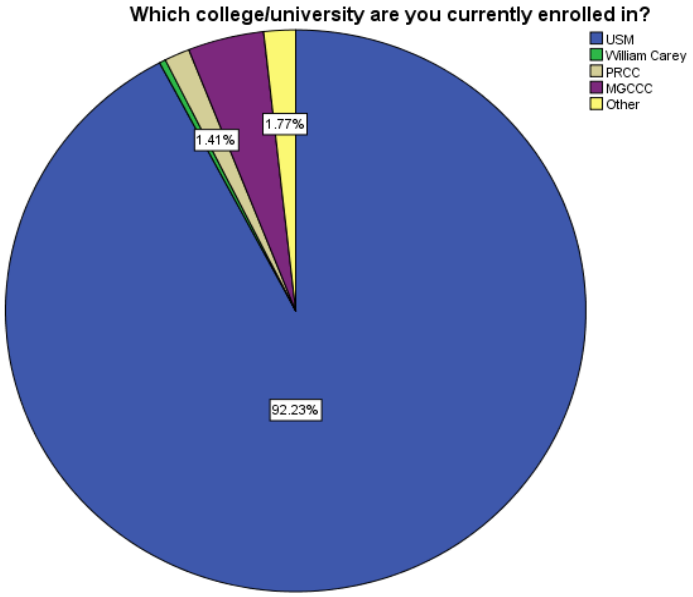

Figure 3 – College or University Attended

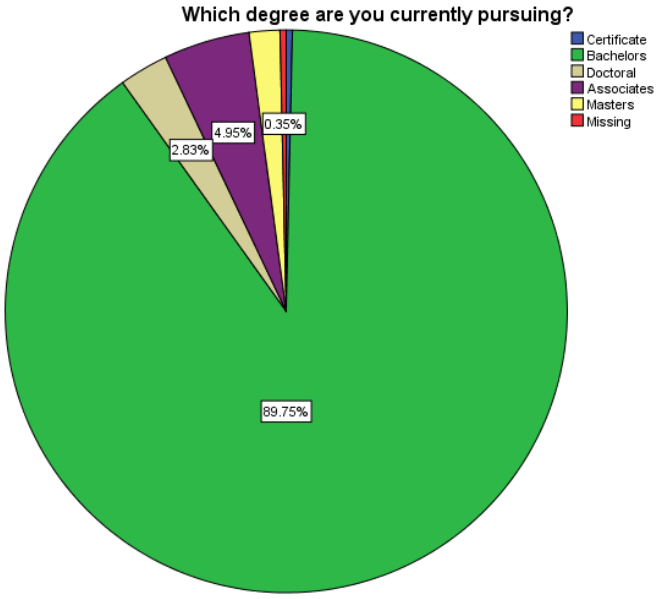

Figure 4 – Degrees Pursued by Respondents

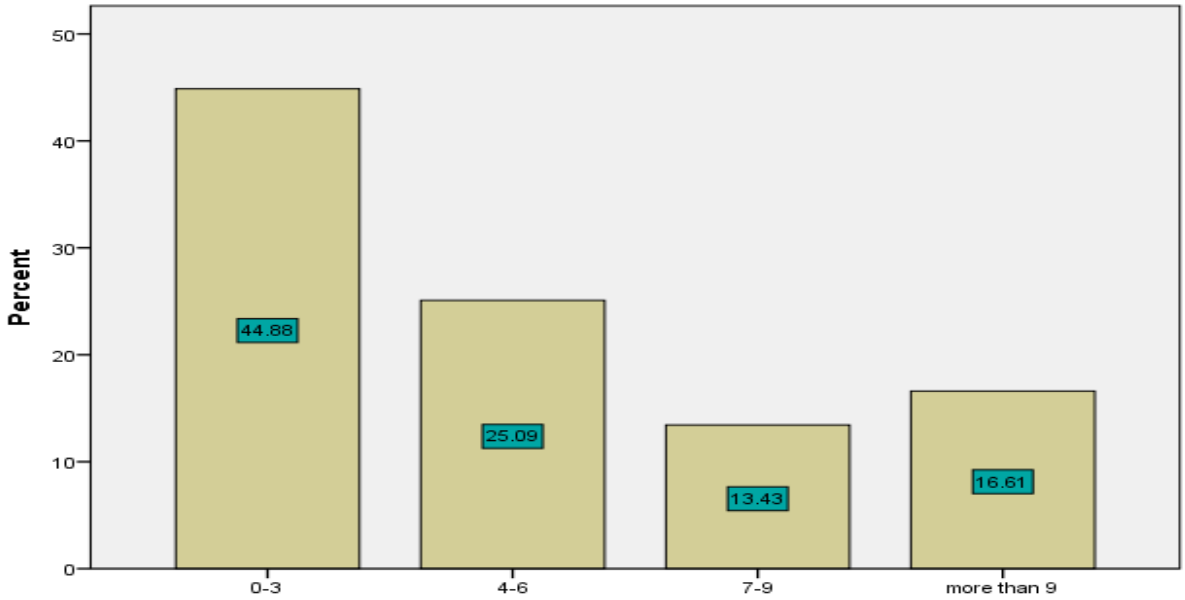

Figure 5 - Logins Per Day to Facebook Account

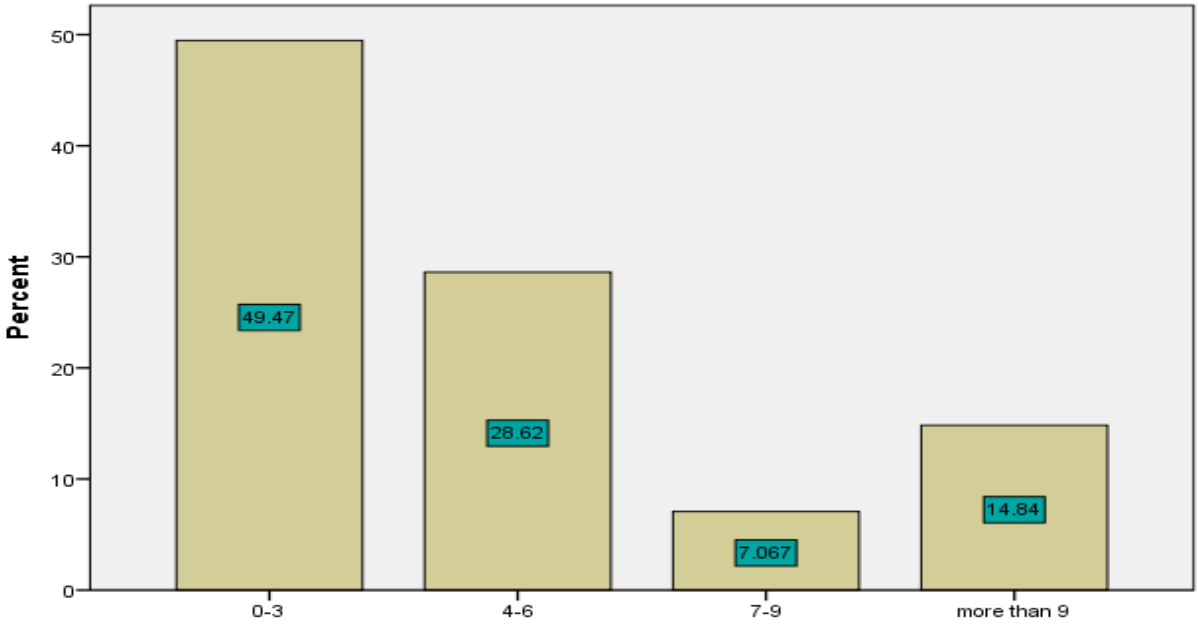

Figure 6 - Hours Per Week Logged Into Facebook Account

Most respondents (52%) did not think advertisements on Facebook were more interesting than those on other websites (Fig. 7).

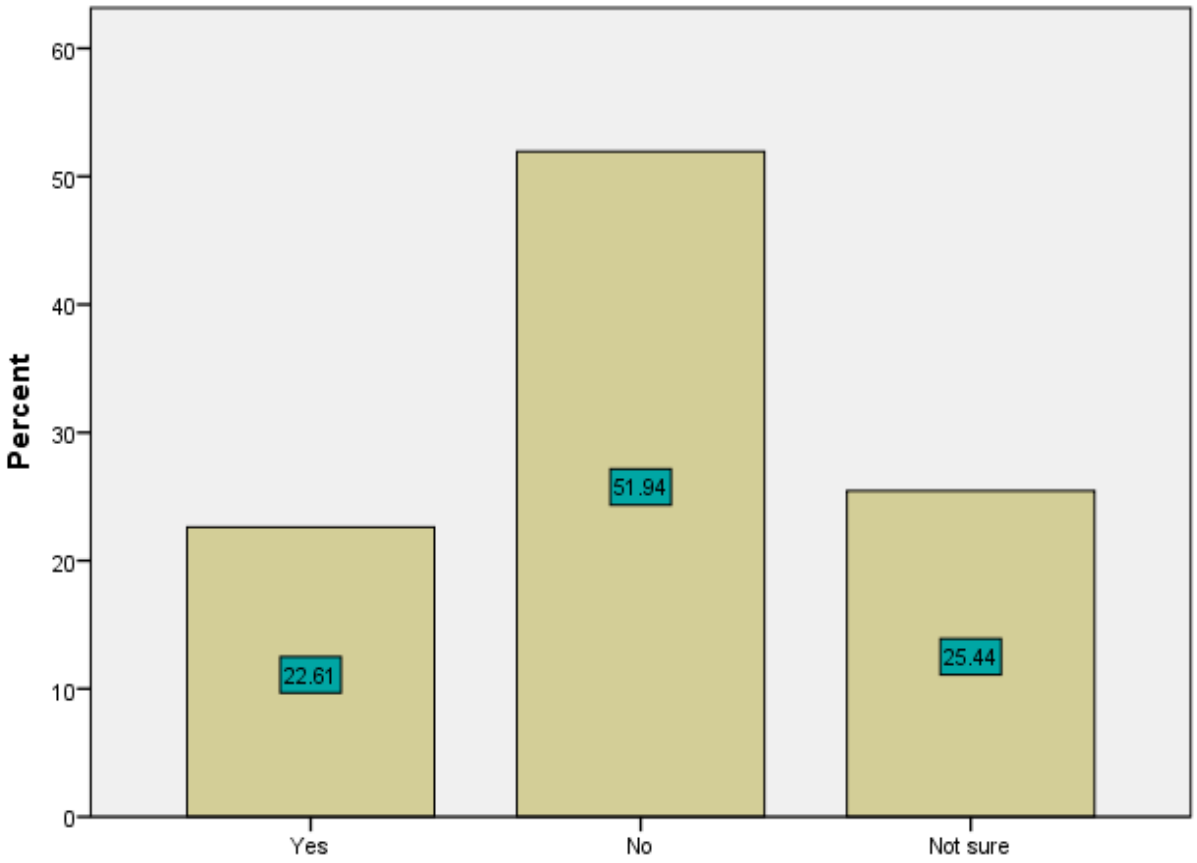

Figure 7 - Facebook Ads More Interesting Than Other Website Ads

Most respondents believed ads were irrelevant (Fig. 8), not very informative (Fig. 9) and ineffective (Fig. 10). Female respondents were slightly more positive on each perceptual measure than were males.

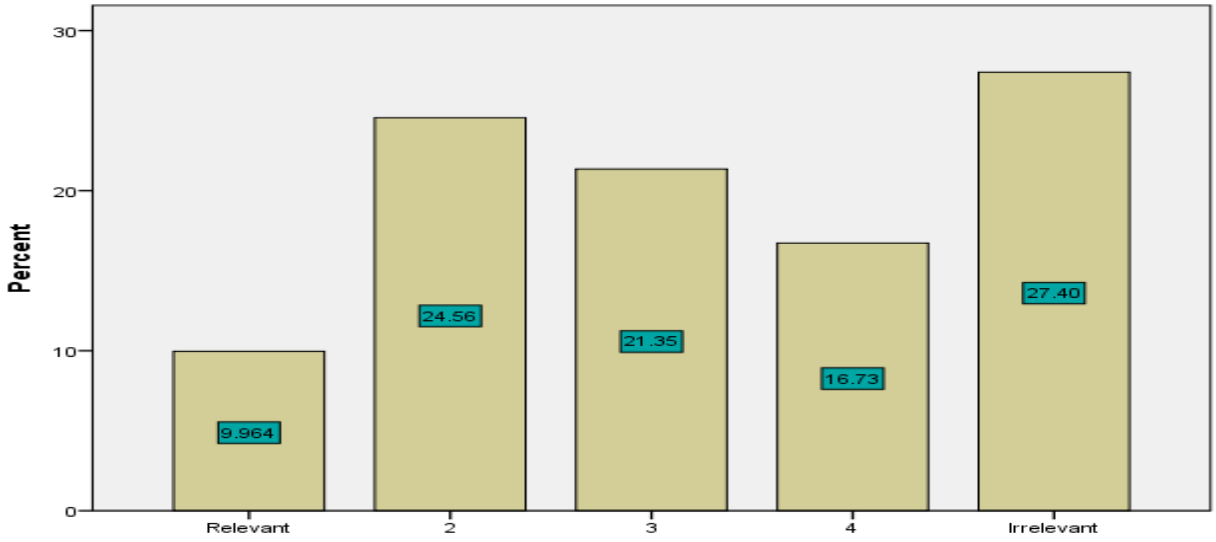

Figure 8 - Perceptions of Facebook Ad Relevance

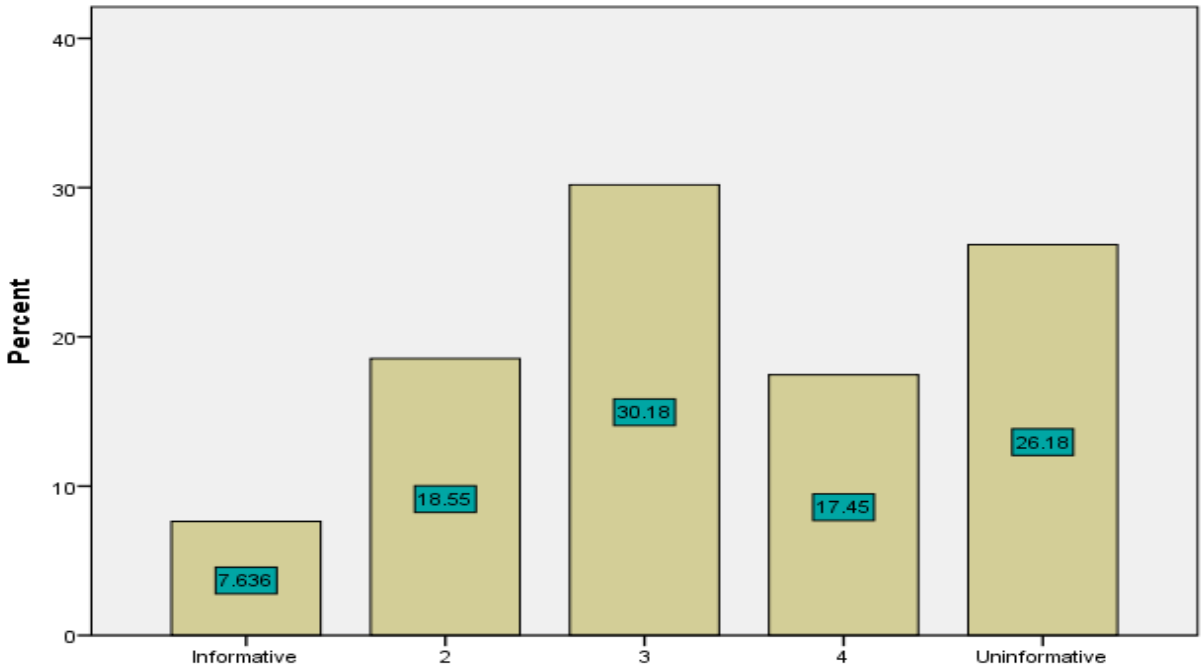

Figure 9 - Perceptions of Facebook Ad Informative Value

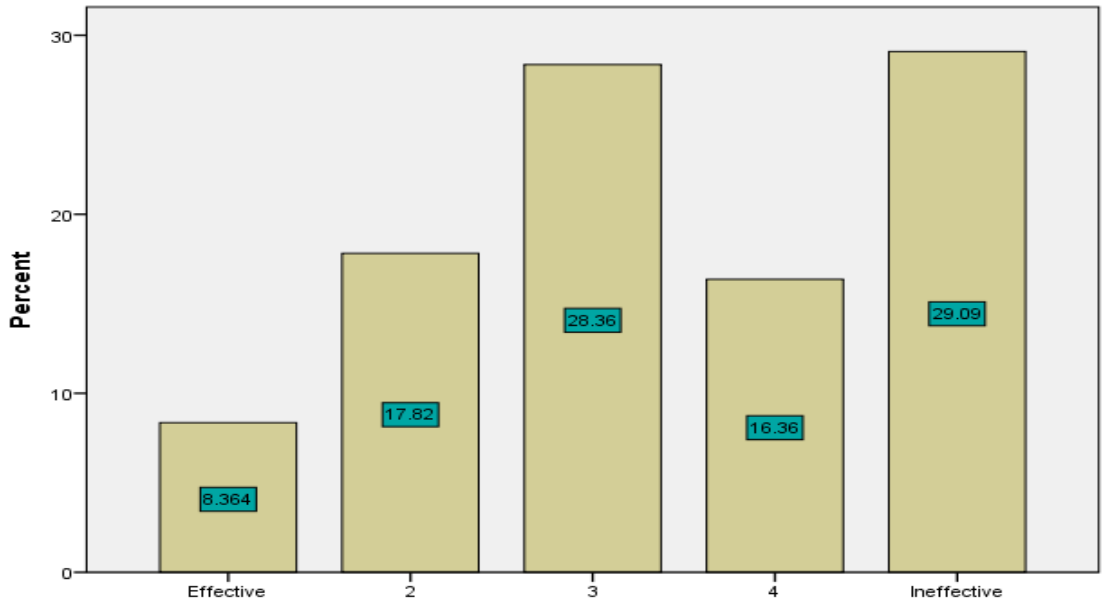

Figure 10 - Perceptions of Facebook Ad Effectiveness

Respondents were somewhat more positive about advertisements for events (Figure 11), other websites (Figure 12), and promotional pages for products and services (Figure 13).

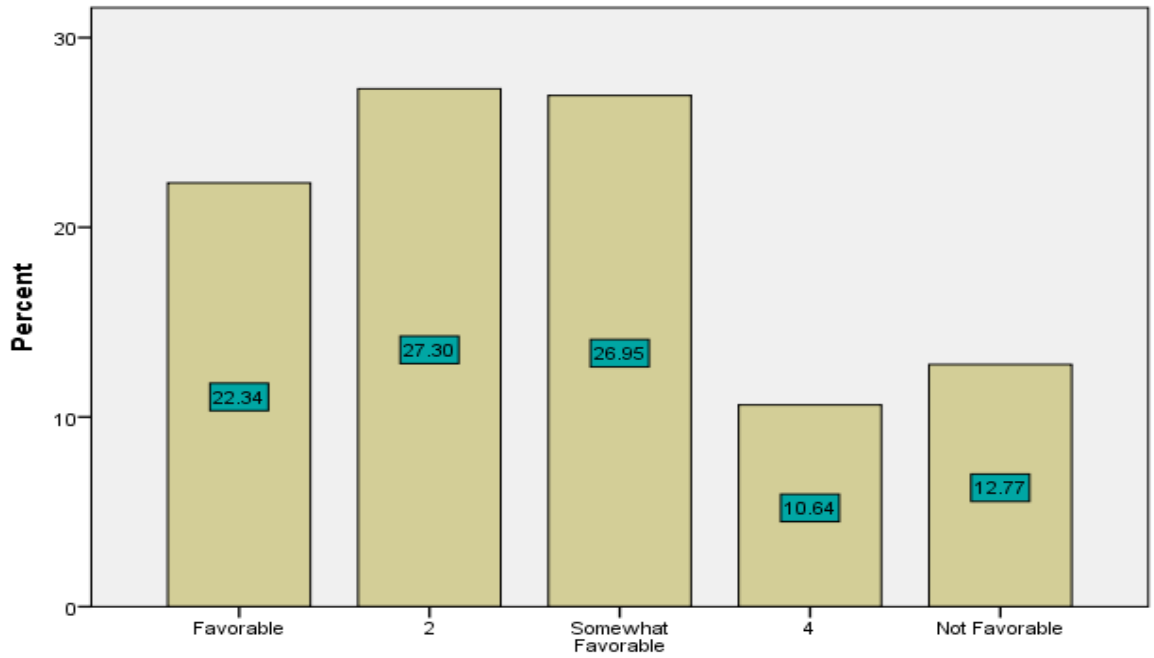

Figure 11 - Perceptions of Event Ads on Facebook

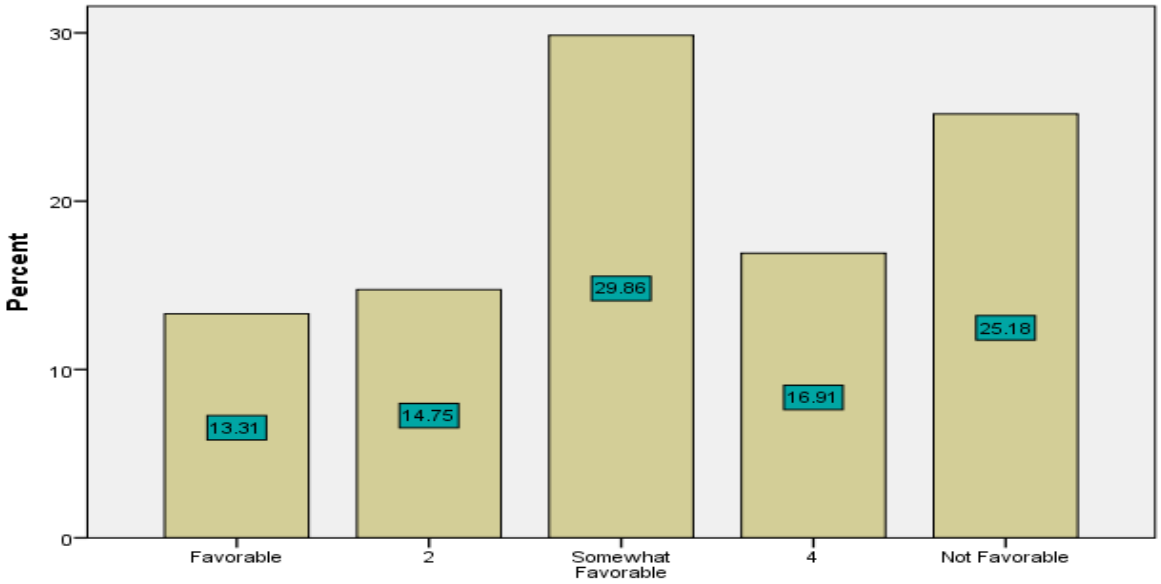

Figure 12 - Perceptions of Other Websites' Ads on Facebook

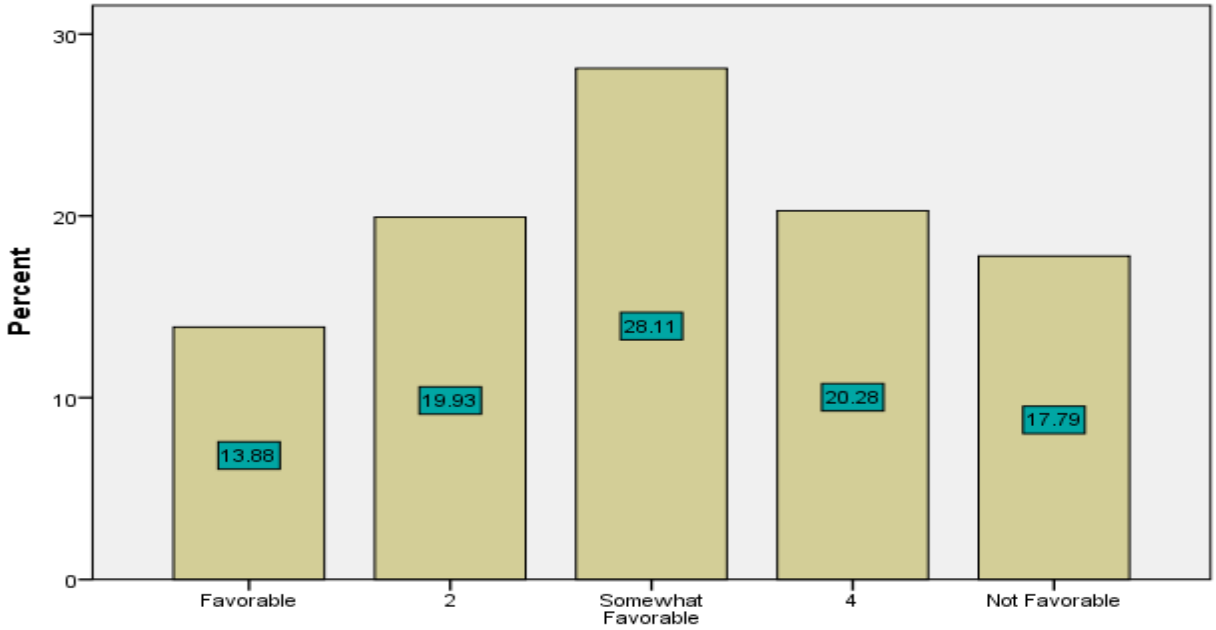

Figure 13 - Perceptions of Promotional Ads for Products and Services on Facebook

Respondents were asked how likely they were to click on Facebook© advertisements, games, events, jobsites, or dating sites. Results are shown in Table 1.

Table 1 - How likely are you to click on the following while on Facebook©?

Type of Advertisement	Very Likely	Likely	Somewhat Likely	Not Likely	Not At All Likely
General Ads	7.3	15.3	14.2	18.2	44.9
Other Website Ads	7.1	13.2	20.7	17.7	41.4
Event Ads	14.2	19.7	32.5	13.5	20.1
Product & Service Ads	10.3	15.8	20.5	20.9	32.6
Movie/TV Ads	12.7	21.4	24.6	17.8	23.6
Games	10.8	15.6	17.5	16.4	39.8
Educational Programs	5.4	13.4	16.7	24.3	40.2
Jobsites	7.4	18.2	18.6	17.8	37.9
Dating Sites	3.6	6.5	10.9	7.6	71.6

Our results show little positive behavioral response to most advertising on Facebook©. Respondents were least likely to click on dating site ads (72% very unlikely) and more likely to click on ads for events (14.2%), movies or television programs (12.7%) or games (10.8%). In spite of the fact that respondents were active users of Facebook© for social networking purposes, they were most negative about dating site advertisements. Collectively, the results show a negative consumer behavioral response (i.e. click-through rate) for all types of advertising on Facebook©.

When asked about their likeliness to make a purchase as a result of Facebook advertisements, respondents were not likely to make a purchase (Figure 14). Less than 10% of the respondents said they were very likely or likely to make a purchase as a result of a Facebook© advertisement; over 69% said they were unlikely or very unlikely to engage in purchase behavior.

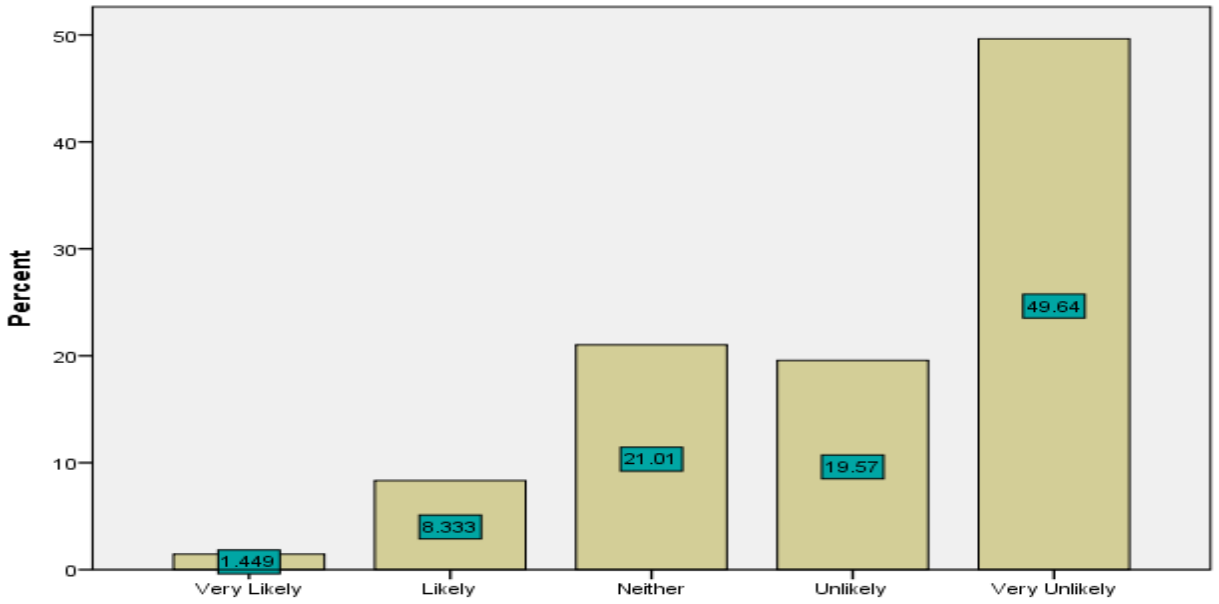

Figure 14 - Likeliness to Purchase Due to a Facebook Ad

When asked to rate their overall feelings toward Facebook© advertisements, most respondents reported indifferent or negative attitudes (Figure15).

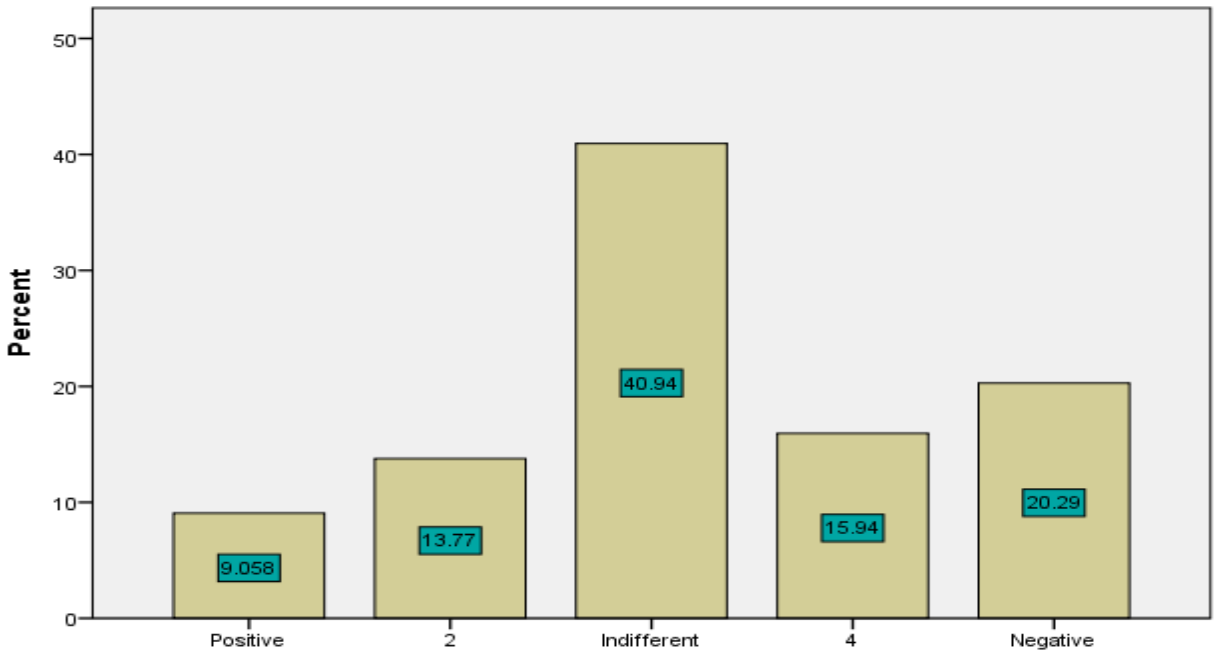

Figure 15 - Overall Attitude Toward Facebook Advertising

When asked how likely one is to click Facebook© advertisements in general, both male and females said they were very unlikely to click on ads (Figure. 16).

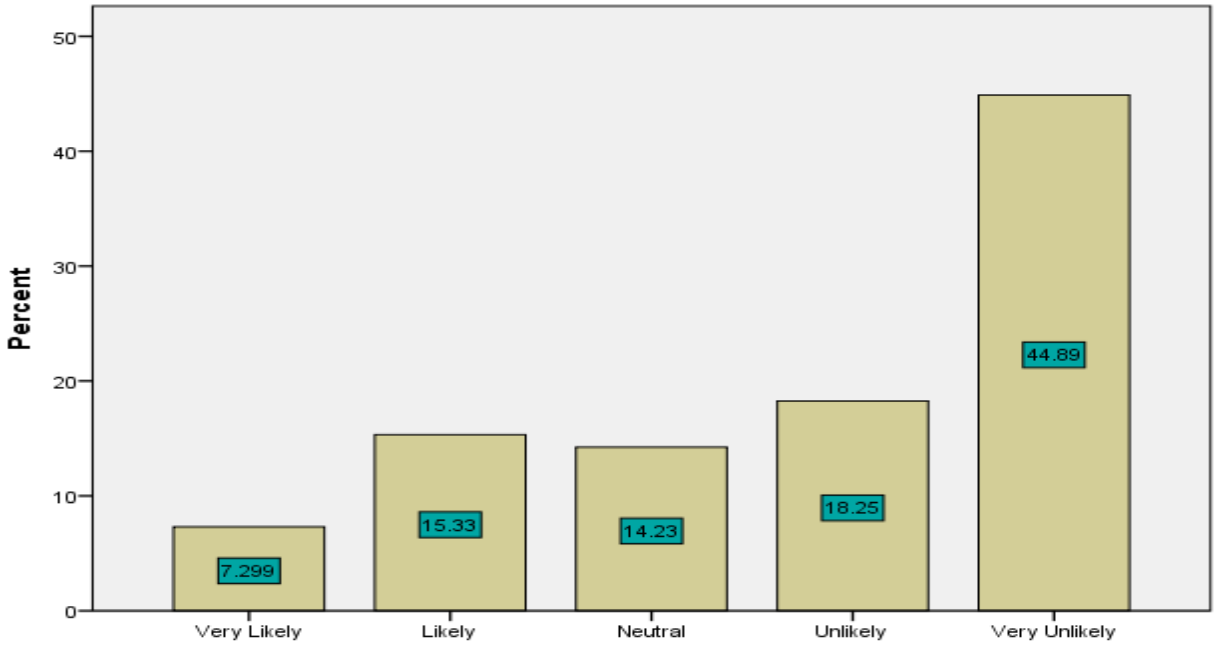

Figure 16 - Likelihood of Clicking on Facebook Ads in General

Scope and Limitations

The results best reflect opinions and self-reported behaviors of Facebook© users who attend USM. Findings reflect the opinions of female users more than males. Results might differ with a probability sample.

Conclusion

Based on our findings, overall feelings towards Facebook© advertisements were either negative or indifferent. Respondents were more likely to click on advertisements for events, movies/television programs or games but generally believed Facebook© advertisements were irrelevant, uninformative and not of interest. While their attitudes toward Facebook© were more positive, this did not translate into advertising or purchase behavior.

Surprisingly, our results appear to coincide with the Facebook© initial public offering (IPO) and advertisers pulling ads from Facebook©. As Raice (2012) explains in the "Inside Facebook's Push to Woo Big Advertisers" article recently published on wallstreetjournal.com, Facebook© has seen its stock value drop 46% since the company went public in May of 2012. In addition, Raice argues that the drop has occurred because advertisers are concerned with Facebook's© ad effectiveness as well as its ability to promote continual growth in the ad business. Advertisers such as General Motors have discontinued Facebook© ads due to this issue. Therefore, advertisers feel that Facebook© ads are not translating into click-through behavior (i.e., advertising exposure), sales or return on investment. The findings of this exploratory study confirm these concerns about the consumer behaviors and perceptions of Facebook© users in the college student population.

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