Perception towards advertising on social networking websites

Introduction

Problem Outline

Success or failure of an advertising or promotion can be estimated by the perception of the viewers. The research project concerns the perception of customers on advertising and promotions on Facebook. It mainly deals with the perception or reaction of the students on viewing an advertisement of a product on the website, whether they are able to perceive the main message or not. It mainly focuses on university students who use the social network websites as the main source of interaction and communication. The importance or the conclusion of this research will help the advertisers understand, how the advertisements are perceived.

Online marketing has been a significant tool to convey messages. It is a mode of media through which advertising or promotion of tangible and intangible products, cultures and other messages can be done (Cho, et al., 2007). Social marketing has seen a rapid growth however it has a risk of not meeting its full potential because of the perception of potential customers (Andreasen, 2002). This research aims to find out how customers perceive the advertisement and what impact does the advertisement create on their mind plays a very important role.

" Marketing consists of individual and organisational activities that facilitate and expedite satisfying exchange relationships in a dynamic environment through the creation, distribution, promotion and pricing of goods, services and ideas" (Simkin, et al., 1997).

Advertising and promotions are important part of marketing. Social network marketing has increased these days with the increase in use of internet at universities, schools and homes. Marketing on social networking websites has been an untapped market, which big corporates have started tapping in recent years. The importance of this research is to understand and come with an outcome about how the students perceive the advertisements and promotions. It is mainly to understand their way of thinking and perception.

Aims and Objectives

Below mentioned are some of the main aims and objectives of the research.

Investigate student's perception on seeing an advertisement on Facebook.

Investigate the effect of advertisement on Facebook users.

Factors that determine the perception of students.

Investigate the willingness of users to be exposed to social network website advertising.

Company Background

Facebook launched in 2004, is one of the leading social networking website with more than 400 million users. Facebook was founded in Cambridge, Massachusetts, USA and is headquarter in Palo Alto, California. It is operated and privately owned by Facebook, Inc. They generate revenue of approximately $ 300 million.

Any person over the age of 13 with a valid e-mail address can become a user on Facebook. Users can make friends worldwide and interact with them.

They can send messages and keep their profile updated to notify their friends. Many corporates today are using Facebook as a medium of advertising to reach their target market. Users use Facebook as a mode of advertising by creating interest and fan groups. Microsoft is Facebook's exclusive partner for serving banner advertisements.

Facebook has faced many controversies and privacy issues. Syria, Vietnam, China are some of the countries who have blocked use of Facebook. Compared to their competitors Facebook has been the most popular social networking website. Reports have revealed that Facebook is planning to launch an Initial Public Offering in a couple of years.

Literature Review

Though there has not been much research done on this topic, in this part I would like to present the literature used for my research to the reader. This area of research is worth taking time and try as the number of internet users is increasing day by day.

Skul (2008) says there are ways that social network marketing can be advantageous in business. Although some businesses may find it unnecessary to position themselves on social networking sites, it is a good way to advertise products/services and know what consumers think and want. Social network marketing can be very advantageous for businesses. According to Weston (2008), social networking, if approached correctly, can help find talent, build brand awareness, find new customers, and help conduct brand intelligence and market research.

Social networking sites have captured the interest of many adolescents and young adults. Results indicated that students use Facebook approximately 30 min throughout the day as part of their daily routine (Pempek, et al., 2009). According to Calisir's (2003) research, college students believe that online advertising is not very effective in communicating brand image to consumers and is less effective in communicating corporate image. However, at the same time, they perceive websites and online advertising to be excellent in utilizing two-way communication between brand and consumer. Furthermore, they do not find online advertising to be irritating and deceiving as they find radio to be that which contradicts the research conducted by Carter (2002) who states that customers find pop-up ads irritating or annoying.

A social network can be a group of friends living within a city, or a group of college classmates who remain in frequent contact socially (Clemons, et al., 2007). The number of people using internet as a mode of connection to others has increased to around 1 billion. 17% of the world's population uses internet in their daily routine (Reid, et al., 2007). Online social networks have become a popular destination for students these days.

Large corporates are using Facebook as their medium of marketing through banner advertising. Research has shown that banner advertisements have different goals and are designed differently depending on the product and targeted web users (Dahlen, et al., 2003). Clemons et al (2007) state that Facebook, MySpace, and YouTube are simply the best known and most publicized of this new generation of social networking websites. In his research Harridge-March (2004) stated that marketers are still cautious

about spending on social network advertising as it is difficult to measure the effectiveness of such spending.

Research by Allan and Chudry (2000) has proved that advertising on the social network websites is an excellent channel for communicating with customers on an individual basis because of its immediate and direct interaction capability. However, Dahlen et al (2003) argued that banner advertisements are becoming less effective as web users get more experienced. An empirical study by Dahlen (2002) shows that click rates decrease fast for functional product banner advertisements with repeated exposures, suggesting that the consumer interest wears off quickly.

Many retailers have opted for online marketing on social network websites, some with little or no guidance (Schoenbachler & Gordon, 2002). However, Clemons et al (2007) believe that most social networking websites will not work as advertising websites. Corporates advertise their products through banner advertisements to generate traffic so that consumers can learn more about the brand and satisfy their individual needs for information at their own paces (Dahlen, et al., 2003). Harridge-March (2004) in his research points that providers of services as well as providers of physical goods have found the Internet to be invaluable to their success.

Expressive products advertised are characterized by positive purchase motives, and the advertisements mainly elicit positive emotions (Dahlen, et al., 2003). Websites have the potential to provide information, entertain and be interactive in their communication (Harridge-March, 2004). Furthermore some companies have been criticized for apparently thinking that all Internet

shoppers are the same, instead of realizing that there are many reasons why a customer may visit a site. Customers find it difficult to trust the advertiser sufficiently to enter into a transaction and communicating trustworthiness remains a challenge (Chadwick, 2001). Research has proved that advertisements for functional products are most effective if the customers are able to perceive the information quickly and do not have to activate and expose themselves to the advertisements longer than necessary (Dahlen, et al., 2003).

It is said that Internet is a young medium for advertising, it has already reached a level of maturity and is already recognised as a branding medium (Harridge-March, 2004). Further he states that corporates find it much easier to attract the attention of the customers by using banner advertising, pop-up boxes, and links from other sites. Arnott and Bridgewater (2002) suggest that the potential of advertising on the social network websites is currently under-exploited by marketers. Perhaps this is because customers have shown a reluctance to commit to purchase online. Chadwick (2001) suggests that the human factor in e-commerce is present in communications from which trust can be gained, going as far as saying that " if consumers think they see signs of trust on marketing on the web sites, they will likely reciprocate with trust"

When it comes to characteristics of advertising that attract or repel consumers, Jones (2007) claims that advertising should be done in a way that it cannot be recognized as advertising. Consumer involvement in a product category is widely recognized as a major variable relevant to online advertisement (Dahlen, et al., 2003). Further he states that on website

marketing, visitors have the control of the advertisement and they choose how long they want to expose themselves to it and what information to access by clicking on various page links. Dahlen et al (2003) suggest that these products should mainly be marketed with banner advertisements.

Methodology

Assessing the researchers ' Learning Style Assessment', which was adapted from Kolb and McCarthy (1984), was one of the first exercise undertaken. The score from the test stated the researcher as a Positivist/Accommodator (Appendix). The researcher believes in concrete experience and reality and always welcomes challenges and risks. In this instance this philosophical approach suits one of the main proposed research methods, which is based on statistical analysis of data gathered by survey and questionnaires.

Research methodology refers to the rules for the evaluation of research and the validation of the knowledge gathered, while research design functions as the research blueprint (Creswell, 2003). Sekaran (2003) clarifies; research methodology may be defined as established regulatory framework for the collection and evaluation of existent knowledge for the purpose of arriving at, and validating, new conclusion. Cooper and Schindler (2005) maintain that the determination of the research methodology is an important challenge which confronts researchers. This is because the quality and value of a research are largely predicated on the extent to which the researcher has clearly articulated his methodology. It also largely depends on the selection of the most appropriate research approach.

According to the available literature reviewed on advertising and promotion on social networks has not been explored in depth so far. There is not much research done recently which would help the researcher reflect the current situation in the advertising industry as it pertains to online social networks. The main aim of this research is to investigate customer's perception on advertising and promotion on social network websites. The research approach influences design and gives the researcher the opportunity to consider how each of the various approaches may contribute to, or limit, his study (Creswell, 2003).

Qualitative and Quantitative are the two types of research strategies. A research strategy that emphasizes an inductive approach in which emphasis is placed on the generation of theories is known as a Qualitative approach. Quantitative research entails a deductive approach in which the accent is placed on the testing of theories. It embodies a view of social reality as an external, objective reality (Bryman, 2008). Marcoulides (1998) defines the deductive approach as a testing of theories. The researcher begins with a set of theories in mind and forms the hypotheses on their basis. After that, the research tests the hypotheses. The inductive approach, on the other hand, follows from the collected empirical data and forms concepts and theories on the basis of this data (Marcoulides, 1998). For the purpose of research and data collection quantitative methods will be used.

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The research requires the writer to understand the perception of advertising on the customers for which quantitative data is required. For this purpose

survey research will be done in which the information will be collected through questionnaires and the resulting data will be analysed. Data collection will consist of gathering student view from university. The research will incorporate surveys of students to identify areas of concern and beliefs or attitudes. Data generated from these research efforts will be analysed using SPSS software and will be compared to the data generated by studies of previous research. Appropriate tables, charts, and figures will be included in the final report so that it'll be easy for the reader to know the outcome.

As the researcher has to measure the customer perception, the most suitable study will be quantitative, deductive one. Understanding the customer needs and assessing what the customers think with this kind of study can really prove beneficial for the corporates who use social network websites as their new mode of advertising.

Methods

The researcher plans to distribute the questionnaire among 100 students in the university. As participation is voluntary, it will not possible to get more responses, especially when there is no direct contact between the researcher and the student respondents.

Desk Research

In order to get the current scenario of the topic, thorough research will be conducted by the researcher before starting the main data collection and analysis. A thorough desk research will be done on the literature review and the related topics. Secondary data will primarily be collected through desk-based research. According to Jackson (1994) the value of a research is

related to its data collection methods and importantly, whether or not it includes both secondary and primary data.

Survey

Questionnaire Design

After conducting the required research a suitable questionnaire will be prepared keeping in mind the aim if the research. Survey will be collected through a survey questionnaire with both open ended and close ended questions to increase the amount of information collected. Questions such as simple direct, Likert scale, Rank and open ended will be used in the questionnaire. While designing the questions utmost care will be taken that the feelings of participants are not hurt and they get to express their positive and negative responses.

Sample Selection

The research will be conducted on the university students so sampling method will be used, as it won't be possible for the researcher to cover the whole population. Quota sampling method can be used for the surveys. In this type of sampling the population is divided into specific groups and each group is given a quota. After dividing the group representative samples from each group are taken and correlated with each other which at the end provides full sample. Quota sampling is used for large populations and it does not require a sampling frame. The main drawback of quota sampling is that it does not represent the whole target population and is expected from probability sampling. After the questionnaire is prepared, it will be distributed personally by the researcher to the participants. In order to keep

the samples consistent in size with one another, the researcher will

distribute only 25 questionnaires to the customer respondents at one time.

These will be distributed over a single weekend from 11 a. m. to 1 p. m. Even

though the questionnaire will be short, the researcher will be able to

approach a large percentage of the potential respondents.

Data Analysis

The outcome of the survey will be based on quantitative method. Different

techniques will be applied on the data collected from all the sources to

evaluate the findings. SPSS will be used to analyse the quantitative data. To

establish a relationship between the quota groups, the data collected will be

analysed using the software. The results will be given out in forms of graphs,

tables, bar graphs, median ranges and descriptions. Analysis will be done

through the determination of patterns and themes to elicit implications to

the research outcome.

Suitability

Researcher's Personal Skills and Knowledge

The researcher is a graduate in Bachelors of Management Studies from

University of Mumbai and achieved a first class honour with majors in

Marketing. The researcher has worked on many projects during his course of

management studies. In addition the researcher has also worked on an

individual coursework which was submitted to the University of Mumbai. The

topic of the course work was Event Management. The proceedings on the

course work were done keeping in mind the audience perspective. The

researcher conducted some surveys and distributed questionnaires during

different events to understand the needs and demands of the audiences. As a result the researcher considers his research experience suitable to conduct the research on such a project.

Suitability of The Researcher's Position to carry out the Research

The researcher has worked with ICICI Prudential Life Insurance Company Ltd. He has worked for their Marketing and Sales department for a period of one year. The researcher's job profile was to source new business for the company and carry out marketing activities with prior research. The researcher conducted certain research activities which mostly resulted in the success of the campaigns. During his work tenure the researcher has learned many new skills and has improved his knowledge in the field of marketing and understanding the customer behaviour. With continuous learning and the skills and knowledge which he gained over the years the researcher finds he is suitable to conduct the research on the project.

Originality

As discussed in the literature review there has been research done on this topic earlier and all had different outcomes, however there is still a potential to come up with a new conclusion. Most of the previous researches were on perception of advertisements however the researcher aims to research the perception of university students on advertising and promotion on Facebook.

In addition, trying to discover what message the corporates wants to convey, the researcher aims to understand what the students perceive about

promotion on the social networking websites. This research will prove useful

not only for the potential customers but also for the big corporates.

Project Management

A draft project plan has been prepared using Microsoft Office Project 2007

(Appendix). The project is expected to be completed by the end of November

2010. The initial design phase of the project will be completed very soon and

further procedures will be followed according to the plan. Proper timeline has

been allotted and the project has been divided into different phases. As the

research is based on the university students, distribution and collection of

questionnaires won't incur any cost. The researcher is planning to shift to

London for better opportunities so he may incur a cost while travelling and

staying in a hotel. He may also incur cost for the printing of the

questionnaires which will be paid from his private funds.

Other Issues

Ethical Issues

The research will be conducted keeping in mind the ethical values of the

students. It will be made sure that questions will be framed in such a manner

that they are clear and easy to understand and do not hurt any of the

participant's feelings. The views expressed and the outcome of the survey

will be confidential and it will be used only for academic purposes. The data

collected will be stored safely and it will be accessed only by the researcher.

Once the main aim of the research is achieved the collected data will be

destroyed. The survey will be a voluntary participation and students will

have complete anonymity and confidentiality about their views. Any time the

university or the students feel this is not maintained they can withdraw the information with the permission from the researcher.

Limitations

Every research has their positives and negatives. The study will only observe the perception of students in Liverpool John Moore's University. Perception of different students from different universities will vary. The time span for the research is very short because of which the researcher will not be able to cover a wider population. However the research can later be carried on a wider population which can include university students and general population. Because of the short time span the researcher will also face difficulty for his research. The researcher may also face problem while collecting data as he has plans to shift to London for better opportunities.

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