



Social Media Advertising Value: A Study on Consumer's Perception

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Abstract: The appearance of Internet-based social media has made it possible for an individual to communicate with other people all over the world about a product or service. Social media allows individuals to interact freely, discuss and share information by using a multimedia mix of personal pictures, words, audio and videos. Over the last decade social media evolved from conventional means to web. Internet penetration in Malaysia is very high. Internet users in Malaysia are more than 17 million in year 2013. Most of them are active in social media networking. However, there's only a small number of study on social media advertising and how consumer perceived on its value in Malaysia, thus there is a huge literature gap on this issue. The study investigates the relationship of entertainment, informative and irritation of social media advertising towards product awareness and advertising values. A nationwide survey by using online survey was done and 253 valid respondents were selected. The study employs frequency, correlation and multiple regression analysis using SPSS to analyze the data. Based on the result, the study proposed a model of social media advertising in which informative as the predictor, product awareness as the mediator and advertising value as the dependent variable.

Keywords: Social media; Advertising value; Product Awareness; Consumer; Perception

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INTRODUCTION

The appearance of Internet-based social media has made it possible for an individual to communicate with other people all over the world about an organization, product or service. Social media has been around for a very long time. The word social means interaction of the individual and the groups as a member of society. Media is a system of communication and interaction. Social media is the interaction among people which they create, share, and or exchange information and ideas in virtual communities and networks. It allows creation and exchange. Social media differ from traditional media in different ways such as the quality, reach, frequency, accessibility, usability, immediacy and performance.

Social media technologies take on many different forms including magazines, internet forum, weblogs, social blogs, social networking, pictures, video and social bookmarking. Social media marketing gains attention or website traffic through social media sites. It usually creates content that attracts attention and encourages readers to share it with their social networks. Some of the examples of advertising using social media are Twitter, Facebook, Google+, LinkedIn, Yelp, Foursquare, Instagram, YouTube and Blogs. The internet brings the opportunity for marketers to get direct feedback from consumers and has the ability to customize individual messages.

However, the boundaries between the different types have become increasingly blurred. For example, Shi, Rui and Whinston (2013) argue that Twitter, as a combination of broadcasting service and social network, classes as a

"social broadcasting technology". Advertisers are moving away from the traditional media to the new media that is using social media. An increasing number of scholars have sought to study and measure the impact of social media.

However, tactics such as advertising within a social network have not been analyzed professionally. "Smart advertising" is the new generation of advertising it is possible to enable such data mining technologies and enable advertisers to customize everything in their advertisement to correspond to the user viewing it. Hewlett Packard invented new ways to reach consumers twenty times more the Return on Investment (ROI) it would have reached with traditional advertising methods (Mathieson, 2010). Realizing the importance of advertising method and the emergence of social media advertising, this study aims to examine on social media advertising towards product awareness and consumer value perception.

PROBLEM STATEMENT

Internet penetration in Malaysia is very high. Internet users in Malaysia were 17 million in 2013 (Rahim et. al, 2014) and increasing tremendously over the years. Most of them are active in business purposes. One of the benefits of internet is that it helps businesses to reach customer all over the world, so that customers can select, survey, and purchase products and services from businesses around the world (Al Kailani & Kumar, 2011). An important agent of consumer socialization is the fact that social networking sites, provide a virtual space for people to communicate through the Internet by using social media. However, there's only a small number of study on social media advertising and how consumer perceived on its value in Malaysia, thus there is a huge literature gap on this issue.

LITERATURE REVIEW

Product Awareness

Product awareness is considered one of the key pillars of a brand's consumer-based brand equity (Aaker, 1991). Product awareness can consist of consumer knowledge of brand benefits, slogan, features, tag line and other elements. Keller and Davey (2001) describe building product awareness as the way of ensuring potential customers in the certain categories. Product awareness is the information about the particular products a company offers, especially compared to those offered by its competitors. Product awareness is measured through tracking studies and surveys. Product awareness is the familiarity among consumers about the product which includes both brand recall as well as brand reorganization.

Advertising Value

Advertising value is a benchmark for advertising effectiveness and "may serve as an index of customer satisfaction with the communication products of organization". It is defined as "a subjective evaluation of the relative worth or utility of advertising to consumers' (Ducoffe, 1995). A value can be described as a specific conduct or state is personally-psychologically or socially-culturally preferable to a converse in an individual's belief to a converse mode of conduct or an opposite end state of existence (Levi, 1990). Social networking site emerged as one of the most powerful media for advertising across the globe.

Informativeness

One of the main motivations for social media is the exchange of information (Muntinga, 2011). Given the information-orientation of the social media, it is very useful for the users of these social media to be found to receptive to informative advertising sites. The cited literature relates perceived information value of advertising to consumers' overall attitudes towards advertising. It also said that perceived information value towards advertising is important for attitudes towards traditional advertising. Social media has existed for years but has recently become one of the most powerful sources of advertising and news updates due to the launch of the Internet platforms Twitter and Facebook which provide the chance for social 'networking'. Outlets of social media include blog sites such as WordPress and Blogspot, micro blogging such as Twitter, online magazines through sites content communities such as YouTube, and Flickr.

Entertainment

Entertainment of advertising information is significantly related to advertising value of traditional advertising (Ducoffe, 1995). A high degree of involvement and pleasure during interaction with social media leads to concurrent subjective perceptions of positive affect and mood of the individuals (Hoffman and Novak, 1996). People's feeling of enjoyment associated with advertisements play the greatest role in accounting for their overall attitudes towards them (Shavitt, Haefner and Lowrey, 1998). Social media users liked advertisements that engaged them, such as playing games to win ring tones. Social media has come a long way as a marketing channel. Social media gives

everyone a global podium from which to be heard. When you Tweet or “like” something on the social media, the entire world is your audience. Entertainment send out its full ability to satisfy individuals needs for “escapism, enjoyment, diversion or emotional release” (McQuail, 1983).

Irritation

The irritation variable serves as a negative indicator, as for the informativeness and entertainment variables are positive. It’s clear that social media is a well-oiled marketing machine, perfect for letting individuals know about something new, finding out what people liked or didn’t like about a show, or simply creating buzz for a product that could use a little extra backing. But somehow, consumers are less likely to be persuaded by advertising as they perceived it as offensive, annoying or manipulative (Brehm, 1966). Attitude toward advertising has been a focus of research in a range of traditional and social media.

RESEARCH DESIGN

A nationwide survey by using online survey was done and 253 valid respondents were successfully received. Only respondents who declared that they are active media social users were accepted to this study. The questionnaires were adopted from previous studies by Mathew, et.al (2013) and Nazeer, et.al (2013). Questionnaire is made in a form of closed-ended questions. 5-point Likert scales ranging from strongly disagree to strongly agree was employed. Frequency, reliability, correlation and regression analysis were tested in this study. Figure 1 illustrates the conceptual framework of this study.

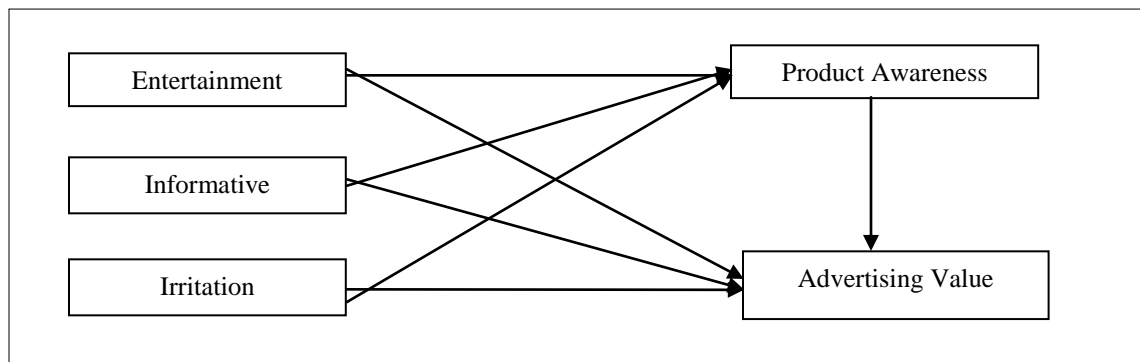


Figure 1: Conceptual Framework

The research questions are as follows:

- i. Does entertainment has significant relationship with product awareness?
- ii. Does informative has significant relationship with product awareness?
- iii. Does irritation has significant relationship with product awareness?
- iv. Does entertainment has significant relationship with advertising value?
- v. Does informative has significant relationship with advertising value?
- vi. Does irritation has significant relationship with advertising value?
- vii. Does product awareness mediates entertainment and advertising value?
- viii. Does product awareness mediates informative and advertising value?
- ix. Does product awareness mediates irritation and advertising value?

FINDINGS

Demographic Analysis

From the table, female respondents are the major sampling that is being tested in the conducting research with 130 (51.4%) respondent followed by male with 123 (48.6%). From the 253 respondents. Kuala Lumpur has the most respondent (n=67, 26.5%). This is followed by Selangor with a total of 36 respondents (14.2%). Johor, Pahang and Perak have 16 respondents each (6.3%). Kedah and Melaka shares the same respondent with 15 respondents (5.9%). Sarawak, Penang, Perlis have 13 (5.1%), 12(4.7%) and 11 (4.3%) respondents respectively. Terengganu and Sabah

have 10 (4.0%) respondents respectively. The lowest respondent is from Negeri Sembilan, which is only 7 (2.8%) . The group age 20 – 29 has the most respondents which is 172 (68.1%) out of 253 individuals. In this group the age 23 year old individual contributed the most response that is a total of 56 (22.1%) online users. The least respondent from this group is the individual from 20 and 29 years old with an equal results of 8 (3.2%) each. This is followed by the group age 30 – 39 which gives a result of 48 (19.1%). From this group 30 years old individual gave the most respondent that is 11 (4.3%) and the least is from the 32 years old which are 2 (0.8%) online users. From the group age 40 – 49 years old, it gives a result of 23 (9.2%) respondent. Most of this comes from the 44 year olds online users which is 10 (4.0%) individuals. The remaining age group is from the below 19 and above 50 which gives a results of 3 (1.2%) and 7 (2.4%) respectively.

| Variable | Attributes | N | % |
|---------------|-----------------|-----|------|
| Age | Below 19 | 3 | 1.2 |
| | 20-29 | 172 | 68.1 |
| | 30-39 | 48 | 19.1 |
| | 40-49 | 23 | 9.2 |
| | Above 50 | 7 | 2.4 |
| Gender | Male | 123 | 48.6 |
| | Female | 130 | 51.4 |
| State | Kuala Lumpur | 67 | 26.5 |
| | Selangor | 36 | 14.2 |
| | Johor | 16 | 6.3 |
| | Kedah | 15 | 5.9 |
| | Melaka | 15 | 5.9 |
| | Pahang | 16 | 6.3 |
| | Perlis | 11 | 4.3 |
| | Terengganu | 10 | 4.0 |
| | Kelantan | 9 | 3.6 |
| | Negeri Sembilan | 7 | 2.8 |
| | Perak | 16 | 6.3 |
| | Penang | 12 | 4.7 |
| | Sabah | 10 | 4.0 |
| Sarawak | 13 | 5.1 | |

Table 1: Demographic

Reliability Analysis

In this study, Cronbach Alpha is used as an estimate of the reliability of the questions in each constructs. This is to ensure that the data is appropriately proceeded to be tested on the real respondents with sample size of 253 respondents. Cronbach's Alpha is a reliability coefficient that indicates how well the items in a set are positively correlated to one another. According to Sekaran (2006), the closer the Cronbach's Alpha is to 1.00, the higher internal consistency reliability. The variables' Cronbach's Alpha ranges from 0.764 to 0.906 which are within the recommended value. Thus the constructs are deemed reliable.

| No | Variable | No of items | Cronbach's Alpha |
|----|-------------------|-------------|------------------|
| 1 | Product Awareness | 4 | 0.764 |
| 2 | Entertainment | 5 | 0.900 |
| 3 | Informative | 5 | 0.877 |
| 4 | Irritation | 5 | 0.855 |
| 5 | Advertising Value | 5 | 0.906 |

Table 2: Reliability Analysis

Pearson Correlation Analysis

Pearson correlation coefficient analysis has been conducted to determine the strength and direction of relationships of each construct. Table 3 indicates that there are positive relationship between advertising value with entertainment (0.551), informative (0.571) and product awareness (0.452). However, there is a negative relationship between advertising value with irritation (-0.245).

| Variable | Entertainment | Informative | Irritation | Product Awareness | Advertising Value |
|--------------------------|---------------|-------------|------------|-------------------|-------------------|
| Entertainment | 1 | .364** | -.282** | .299** | .551** |
| Informative | .364** | 1 | -.193** | .459** | .571** |
| Irritation | -.282** | -.193** | 1 | -.276** | -.245** |
| Product Awareness | .299** | .459** | -.276** | 1 | .452 |
| Advertising Value | .551** | .571** | -.245** | .452** | 1 |

** Correlation is significant at the 0.01 level (2-tailed)

Table 3: Pearson Correlation Coefficient Analysis

Multiple Regression Analysis

Further analysis was performed using multiple regression. In table 4, the adjusted R square result is 0.248 which means that this model explained 24.8% of variance in product awareness based on the independent variables (entertainment, information and irritation). The Durbin-Watson value (1.508) indicates independence of residual and there is no problem of serial correlation.

| | Construct | Adjusted R Square | Durbin-Watson |
|-------|--|-------------------|---------------|
| Model | Entertainment Information Irritation | 0.248 | 1.508 |

DV-Product Awareness

Table 4: Model Summary 1

In table 5, the adjusted R square result is 0.458 means that this model explained 45.8% of the variation in dependent variable (advertising value) by the three independent variables (entertainment, information and irritation). The Durbin-Watson value (1.638) indicates independence of residual and there is no problem of serial correlation.

| | Construct | Adjusted R Square | Durbin-Watson |
|-------|--|-------------------|---------------|
| Model | Entertainment Information Irritation | 0.458 | 1.638 |

DV-Advertising Value

Table 5: Model Summary 2

In table 6, the adjusted R square result is 0.201 which means that this model explained 20.1% of variance in advertising value based on the independent variable (product awareness). The Durbin-Watson value (1.451) indicates independence of residual and there is no problem of serial correlation.

| | Construct | Adjusted R Square | Durbin-Watson |
|-------|-------------------|-------------------|---------------|
| Model | Product Awareness | 0.201 | 1.451 |

DV-Advertising Value

Table 6: Model Summary 3

Table 7 indicates that only informative positively influence product awareness ($\beta = 0.385$, $p < 0.05$), while irritation negatively influence product awareness ($\beta = -0.170$, $p < 0.05$).

| | Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 2.201 | .287 | | 7.674 | .000 |
| | Entertainment | .082 | .044 | .111 | 1.844 | .066 |
| | Informative | .347 | .053 | .385 | 6.535 | .000 |
| | Irritation | -.142 | .048 | -.170 | -2.969 | .003 |

a. Dependent Variable: Product Awareness

Table 7: Coefficient Analysis 1

Table 8 indicates that entertainment ($\beta = 0.382$, $p < 0.05$) and informative ($\beta = 0.421$, $p < 0.05$) both positively influence advertising.

| | Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---------------|-----------------------------|------------|---------------------------|--------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .677 | .276 | | 2.452 | .015 |
| | Entertainment | .317 | .043 | .382 | 7.456 | .000 |
| | Informative | .429 | .051 | .421 | 8.411 | .000 |
| | Irritation | -.054 | .046 | -.056 | -1.162 | .246 |

a. Dependent Variable: Advertising Value

Table 8: Coefficient Analysis 2

Table 9 indicates that product awareness positively influence advertising value ($\beta = 0.452$, $p < 0.05$).

| | Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|-------------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.433 | .211 | | 6.804 | .000 |
| | Product Awareness | .512 | .064 | .452 | 8.024 | .000 |

a. Dependent Variable: Advertising Value

Table 9: Coefficient Analysis 3

DISCUSSION

Based on the result (Figure 2), it shows that entertainment is a predictor for advertising value however not for product awareness. Informative is a predictor for both product awareness and advertising value. While irritation has negative impact towards product awareness and do not act as predictor for advertising value.

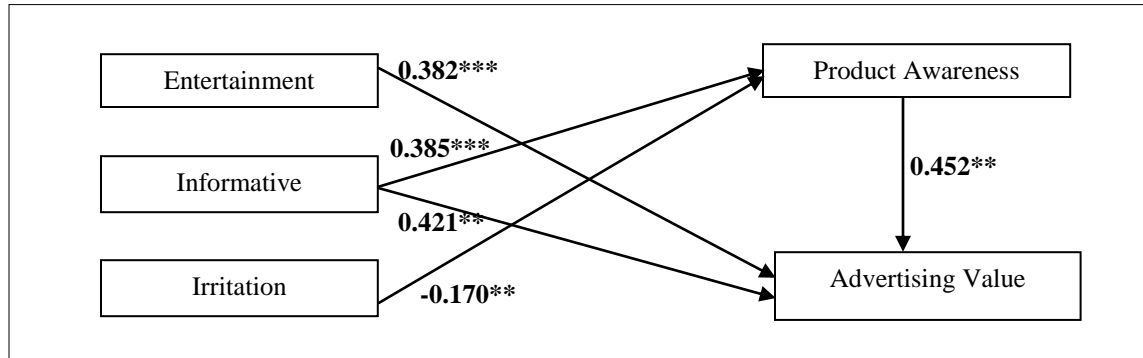


Figure 2: Hypotheses Result

What we could interpret from the result is that though both entertainment and informative are predictors for advertising value, informative has higher influence ($\beta = 0.421$) towards advertising value compared to entertainment ($\beta = 0.382$). Furthermore, informative is the only variable that positively influence product awareness, and product awareness has the highest regression weight ($\beta = 0.452$) thus having the highest predictive power among all variables towards advertising value. Hence, this study shows that the best model to achieve advertising value is as shown on Figure 3.

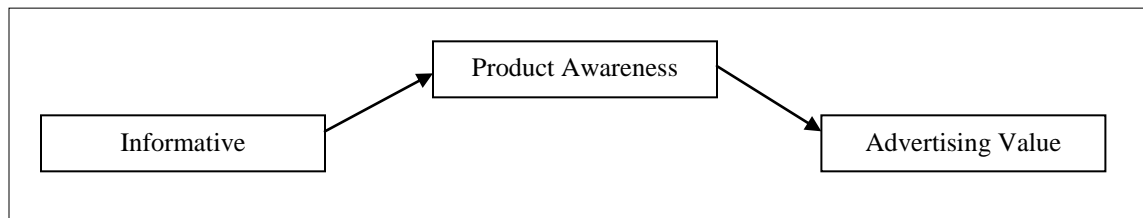


Figure 3: Suggested Model for Social Media Advertising

Therefore, in terms of applying and using social media advertising, it is suggested to focus on being informative that will create product awareness and advertising value consequently. It is the best path of action as being proved empirically in this study. However, unwanted social media advertising that spams and cause irritation to the online users should be avoided as it has no influence towards advertising value and has negative effect on product awareness.

CONCLUSION

Social media advertising affect most if not all online consumers on a daily basis. The understanding of consumer's interaction with social media and how it could be exploited for advertising purposes is still limited, and as a result, it may not be designed to fulfil their greatest potentials to both satisfy the consumer and generate business value. Today, consumers gain a new role with social media. The result shows that the best way of social media advertising is by being informative, not by entertaining and spamming that irritates users, as some of social media advertisers

believed as the way to attract attention. This study hopes to contribute to the literature on this field and as a guide for the social media advertiser on creating more effective social media advertisements. Further research could be done by reconfirming the framework of this study as well as understanding the demographics factors that may differ from one another in terms of social media advertising.

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