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A Study on Advertising in Social Networking Sites and its Implications on Consumer Buying Behaviour

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ABSTRACT

The proliferation of social media platforms, especially the social networking sites (SNSs), has been changing customers' online purchasing habits during the last decades. Recently, online marketers not only release advertising on e-commerce platforms but also promote their products and services on social media platforms. In this study we focus on e-commerce adverting in SNSs. The researcher believe that customers are willing to adopt the advertising information published on SNSs for their purchase related decisions making because they trust those platforms and the advertising posted on them. With this research, it seek to explore the relation between customers' trust in SNSs, customers' trust in advertising information posted on the sites and customers' intentions of adopting advertising information to make purchase related decisions. The researcher believe that if an individual trusts the social networking site he/she uses, he/she will trust the advertising information published on it and have intentions to adopt the information to make purchase related decisions. An online survey with 134 subjects shows that trust can be transferred from SNSs to the advertising information posted on the platforms and subjects have intentions to adopt that information to make purchase related decisions. The study also discusses the implications for social commerce, focusing on commercial activities mediated by social media.

KEYWORDS   Social Networking Sites, Social commerce, SNS Advertising

Introduction:

E-commerce advertising, also known as internet advertising (IA) in electronic commerce, is not a new phenomenon. It is one of the primary ways for online marketers to promote their products or services on e-commerce platforms. However, recently, we notice that e-commerce advertising has been prevalent in social media platforms, especially in the social networking sites (SNSs) such as Facebook, Wechat, Twitter and Pinterest. The result of the Pew Internet Project's research related to social networking indicates that the ratio of online adults engaging in social networking sites has increased from 8% in 2005 to 74% as of January 2014 (Pew Research Center 2015). Another statistic reveals that Facebook, as the most popular network, has over 1.4 billion registered accounts as of March 2015, followed by QQ and Whatsapp in which the number of registered accounts is 829 million and 700 million respectively (statista.com 2015). Online marketers has been tempted by the large number of online users in SNSs to release e-commerce advertising on social networking platforms. According to the 2012 State of Inbound Marketing report, 62% of the surveyed companies revealed that social media had become more important as their sources of leads (State of Inbound Marketing 2012) and 86% of marketers indicate that social media become essential to their business (Social Media Examiner 2013). Therefore, it is worth investigating the role of e-commerce advertising in SNSs and its impact on customers' purchase related decisions. The proliferation of social media, e.g, social networking sites (SNSs), has been changing customers' purchasing habit and created some innovative business models. Social Commerce, briefly described as commercial activities mediated by social media (Curty & Zhang 2011), is an emerging and fast-growing online business model which has been widely accepted and used. According to the statistics from statista.com (statista.com 2015), the prognosis for worldwide social commerce revenue will be increased from 5 billion U.S. dollars in 2011 to 30 billion U.S. dollars in 2015. Social commerce sales in U.S. between 2012 and 2014 had raised from 3 billion to 9 billion and are forcasted to represent 5% of online retail revenue in 2015, approximately 14 billion U.S. dollars. According to adweek.com (2014), there were 33% of customers in the US had acted on a promotion on a brand's social media page.

Social Networking Sites (SNSs):

Social networking sites or web based services that allow individuals to construct a public profile within a bounded system, articulate a list of other user with whom they share a connection, and view and traverse their list of connection and those made by other within the system. The nature and nomenclature of these connections may vary site to site. Other way of defining Social networking site is that it is a place where people can use networks of online friends and group membership to keep in touch with current friends, reconnect with old friends or create real life friendship through similar interest of group. Besides establishing important social relationship, social networking members can share their interest with other like-minded members by joining groups and forums. Some networking can also help members find a job or establish business contacts. Social networking sites include Face book, Twitter, LinkedIn, Orkut and so on. Most social networking websites also offer additional features. In addition to blogs and forums, members can express themselves by designing their profile page to reflect their personality. The most popular extra feature include music and video section. Member can read bios of their favourite music artists from their artist's profile page as well as listen to their favourite songs and watch music videos. In this article four social networking sites are taken into account they are Face book, Linked In, Twitter and Talkbiznow. The Most popular online shopping sites are amazon, flipkart, ebay, snap deal, paytm, myntra, jabong, india plaza, yebhi.com, inkfruit.com, brandmile, Fashion and you, goodlife, homeshop18.com, etc..,

Review of Literature

One particular phenomenon that has taken the world by storm is the rise of social networking. Initially starting out as a means for people to stay connected globally, social networking has now evolved into an indispensible business tool for both social as well as commercial needs. With the increasing impact of social networking on daily lives, its influence spans beyond global boundaries, transcending even social and cultural limitations. The development of SNSs and the extensive use of such sites for social and business purposes has created an emergent global phenomenon, prompting interest in this paper to discuss the significance and impact that social net-

working will bring to businesses big or small relating to consumer behavior. Social networking has also attracted the attention of academic and industry researchers (Boyd & Ellison, 2007). The Internet is part of the day-to-day lives of the vast majority of the world population, and within this environment, a new form of communication has gained prominence in recent years: social networking sites (SNSs). In this Internet age, some SNSs at increasing their users at a growing pace. Connecting individuals to others is among the most effective and significant business developments of the 21st century. These sites focus on providing different ways for users to interact others with similar interests, which is done by sending messages, webcams, posting comments, file sharing, group discussion, blogging, or tweeting friends to inform them for their activities rather than preferring face to face communication. Moreover, individual groups of people who specifically relate with small communities or subdivisions can meet others and share information and experiences (Bennett, Owers, & Tucker, 2010). The term social commerce was incepted in 2005 (Wang & Zhang 2012). This phenomenon has not become prevalent until 2010 when photo- and video-sharing social networking services, including Pinterest and Instagram, and instant messaging applications, like WeChat, are embedded with social networking functions. Customers can therefore take advantage of the social media characteristics, such as virality and interactivity, to get product information and make purchases. To be more specific, the product promotion or advertising can go viral in a short time once it is posted on social media channels, and customers from different locations can get the information without any geographical limitation. If a customer is attracted by the advertising, he/she will be able to interact with the merchant directly through the social networking platform. Currently, social commerce is conducted in various types of social media platforms including micro-blog, SNSs and instant messaging. For example, in China, Wechat and Sina-blog are the two major platforms for social commerce., Tencent even has launched a new business module of online shop called We-Store on Wechat to support transactions among their users. As for western countries, Facebook, Instagram and Twitter play the active roles in the realm of social commerce. Internet and virtual communities have transformed consumers, societies, and corporations with wide spread access to information, better social networking and enhanced communication abilities (Kucuk and Krishnamurthy, 2007). Therefore social networks are defined to be websites which link millions of users from all over the world with same interests, views and hobbies. Blogs, YouTube, MySpace, Facebook are examples of social media that are popular among all level of consumers. (Sin, et al., 2012)

Objective of the study
1. Identifying the consumer profile that purchase products from online.
2. Determining the reasons for which consumers purchase products online.
3. Defining the categories of products that consumers buy online.
4. Identifying the maximum amount that consumers are willing to pay online.

Methodology
The study involves both primary and secondary data.

Primary data
The primary data were derived from the well structured questionnaire from social media users. A simple random sampling method is adopted for this study and 86 social media users have been chosen for the study.

Secondary data
The secondary data are collected with the help of books, journals, and online publications relating to social network.

Sample Size
In this study total number of sample size is 86

Sampling Method
In this research Simple random sampling methods are used and the sample area is Tamil Nadu**.**

Limitation of the study
The study is limited to find out the use of social network among a small group of respondents. The findings are based only throught selective respondents. Hence the findings may not applicable to other sector. Time and cost are the major limitation of the study.

Data Analysis and Interpretation
TABLE 1 - Demographic Characteristics of the Respondents

S.No	Particulars	No Of Respondents	Percentage Of Respondents
GENDER			
1	Male	57	66
2	Female	29	34
Total		86	100
AGE GROUP			
1	Student	19	22
2	Government sector	15	17
3	Private Employed	24	27
4	Others	28	34
Total		86	100
OCCUPATION CATEGORY			
1	Student	19	22
2	Government sector	15	17
3	Private Employed	24	27
4	Others	28	34
Total		86	100
USAGE OF SOCIAL NETWORKING SITES			
1	Facebook	25	29
2	YouTube	19	22
3	Twitter	16	18
4	Blogs	8	10
5	LinkedIn	13	15
6	Myspace	5	6
Total		86	100

Opinion towards Social Networking Advertising
The five different sections are identified to analyze the opinion towards the Social Networking Advertising. The respondent's opinions are interpreted with a five point scaling technique. The weighted mean score for each facility is calculated by: $X=£wx/£$

TABLE 2- Opinions towards Social Networking Advertising
(SA-strongly agree, A- Agree, NE- Neutral, DA- Disagree, SDA- Strongly Disagree)

S.NO	STATEMENT	SA	A	NE	DA	SDA	Total	Weight Mean score	Rank
	INFORMATIVENESS:								
1	Social networking sites ads are a valuable source of product/service information.	38	20	11	8	9	86	3.81	3
2	Social networking sites ads are a convenient source of product/service information	48	10	9	7	12	86	3.87	1
3	Social networking sites ads help keep up to date	41	16	12	9	8	86	3.84	2

	ENTERTAINMENT:								
4	Social networking sites ads are fun to watch or read	27	18	24	11	6	86	3.57	1
5	Social networking sites ads are clever and quite entertaining	19	28	15	9	15	86	3.31	2
6	Social networking sites ads do not just sell - they also entertaine me	15	20	33	7	11	86	3.24	3
	SELF- BRAND CONGRUITY:								
7	The brands are advertised through Social networking sites cater to people like me	19	34	24	5	4	86	3.68	2
8	The brands advertised through Social networking sites reflect who I am	38	20	11	8	9	86	3.81	1
	INVASIVENESS:								
9	I find ads shown on Social networking sites distracting	40	21	10	8	7	86	3.91	1
10	I find ads shown on Social networking sites intrusive	36	20	15	9	6	86	3.82	3
11	I find ads shown on Social networking sites irritating	48	10	9	7	12	86	3.88	2
12	I find ads shown on Social networking sites interfering	15	20	33	7	11	86	3.24	4
	ATTITUDE TOWARDS SOCIAL NETWORKING SITES ADS:								
13	I like banner product and brand advertising on Social networking sites profiles	28	15	34	6	3	86	3.68	5
14	I like Social networking sites profiles created by the sponser company of the product or brand	32	20	23	10	1	86	4.18	1
15	I like You Tube videos created by the sponser company of the product or brand	38	19	16	9	4	86	3.90	3
16	I like Twitter feeds for the product or brand	30	25	17	9	5	86	3.76	4
17	Overall attitude towards social media advertising	40	21	12	6	7	86	3.95	2

From the Table 2 it is observed that, from informativeness section in advertising on social networking sites the ads are a convenient source of product/service information is ranked in the first places and ads keep up to date information scored the second place. On entertainment section the ads are fun to watch or read in social networking sites ranked the first place. In the Self-Brand congruity the first rank holds that the brand advertised through Social Networking Sites reflect the customer themselves about the product brand. From the Invasiveness section the Ads on SNS are distracting the consumer is ranked the first places and Ads are irritating scored the second place. Finally, the attitude towards social networking sites ads section out of various advertisement the Ads created by the sponser company of the product or brand scored the first places, the second rank goes to Overall attitude towards social media advertising and the third place goes to the You Tube videos created by the sponser company of the product or brand. Twitter feeds for the product or brand and banner product and brand advertising on Social are ranked on fourth and fifth place respectively. Hence it is clear that the Advertisement on social networking sites is Informative and Self brand congruity even though it entertained and invasiveness the consumers.

Effectiveness of Advertising on Media
The effectiveness of advertising on media is classified into attitude towards advertising, attitude towards brand, purchase intention and effectiveness of interactive advertising. The weighted mean scores are used to analyze the effectiveness of Advertising on SNS.

TABLE 3 - Effectiveness of Advertising on Media
(SA-strongly agree, A- Agree, NE- Neutral, DA- Disagree, SDA- Strongly Disagree)

S.NO	STATEMENT	SA	A	NE	DA	SDA	Total	Weight Mean score	Rank
	ATTITUDE TOWARDS ADVERTISING								
1	I like online advertising	26	32	15	9	4	86	3.78	2
2	Online advertising helps me keep up-to-date about product and services that I am interested in	25	37	13	12	9	86	4.01	1
3	Online advertising is disturbing	18	23	13	20	12	86	3.17	3
	ATTITUDE TOWARDSADVERTISED BRAND								
1	After viewing online advertisements ,I am more in love with the advertised brand	28	15	34	6	3	86	3.68	3
2	After viewing online advertisements ,I developed preference for the brand in the advertisement	32	20	23	10	1	86	3.83	2
3	After viewing online advertisements ,my impression for the product brand is strengthened	38	19	16	9	4	86	3.90	1
	PURCHASE INTENTION								
1	After viewing online advertisements ,I am willing to try using the product	36	18	13	10	9	86	3.72	2
2	After viewing online advertisements ,I become interested in making a purchase	29	21	18	10	8	86	3.61	3
3	After viewing online advertisements ,I will purchase the brand being advertised	38	19	16	9	4	86	3.90	1

	EFFECTIVENESS OF INTERACTIVE ADVERTISING								
1	I found online advertising interesting and informative	19	34	24	5	4	86	3.68	1
2	I found online advertising entertaining and fun to watch	16	37	21	4	8	86	3.57	2
3	I could relate to the people in the advertisement who tried the product	16	34	19	5	12	86	3.43	3
4	The host or celebrity in the advertisement made me feel the product was a good one	19	28	15	9	15	86	3.31	4

Table 3 shows the effectiveness of advertising on media, from the attitude towards advertising section the Online advertising helps me keep up-to-date about product and services that the consumers interested in ranked the first place. In the advertised brand segment, the user after viewing online Ads impression for the product brand is strengthened scored the first place and it developed preference for the brand in the advertisement scored the second places. From the purchase intention section After viewing online advertisements, the consumers will purchase the brand being advertised on SNS are ranked in the first place and the consumers become interested in making a purchase scored the second place. In the effectiveness of interactive advertising section, the consumers found online advertising interesting and informative are ranked in the first place and the second rank goes to the online advertising entertaining and fun to watch. The effectiveness of advertising on media states that the Ads on SNS intention the consumers to purchase the product after viewing of Ads and it is interactive to them which based on Brand promotion.

Conclusion

Every day people are making purchases according to their requirements both online as well as in person. Simultaneously, they are also making several decisions regarding purchasing. Merseyet al. (2010) noted that the development and quick growth of online social networks enables customers to do several kinds of activities that include blogging, chatting and interaction, gaming and entertainment, as well as messaging. According to Ross et al. (2009), Facebook has been acknowledged as the most popular and widely used SNS. People who sign into Facebook make lively and dynamic profiles, share many kinds of information with people they have added, and so interact with others in a lively manner. Social relations and dealings with individuals play a great role in changing people's mind sets regarding their purchasing decisions. Networking through social media lets consumers express their opinions, thoughts, and perceptions, and share their knowledge and experiences with other users. This feature aids marketers in appealing to potential customers at low price and electronically. The ability to address inquiries, rectify comments, and revise online marketing approaches competently is one of the advantages of advertising using social media networking. Brand awareness and brand mage can be endorsed using the Internet if marketers make use of the opportunity. Marketers can also arrange ways for consumers to seek brands online and cause circulation among social media programs and organizational websites. Online associations are simplified by the influential components of social media. Individuals are continuously engrossed in dialogue that may range from general to specific, discussing anything that is of mutual interest among them. These dealings involve sharing perceptions, knowledge, or other elements that may affect a consumer's final decision. Real time dialogues or content a recreated by innovative methods that allow consumers as members of the audience to be engaged in numerous networking sites. To reach the audience, social media offers brands an expression, a comprehensive audience, and openness to influence the audience; these aspects contribute to form the gains of advertising by social media networking. Customers realize that they have influence and authority over social media, and, as a result, it is important that effective, efficient, and interactive marketing strategies are in place that allow customers to give feedback to the retailers. Social media is a social tool that allows people to communicate and interact with one another. Social media is not just related to reading and analyzing information from a customer; it also allows the customer to share and spread information as well as to make content that can help others to participate. Social media has been growing in popularity and usage in recent years. This shows that since social media helps connect people and improve interactions among people around the world, people appreciate that SNSs can be helpful and effective for them. Social media is a great platform for brands to reach their customers.

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