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Social Networking Sites: The New Era of Effective Online Marketing and Advertising



Christos Papademetriou, Andreas Masouras, and Avgoustinos Ioannou

Abstract This study sought to investigate the impact of social network advertisements on providing actual information about products. Moreover, it also explored the effectiveness of online advertising in reaching out to consumers. This study was carried out using quantitative method and an online survey of 202 users of social networks, was conducted. This study has concluded that social network platforms, particularly YouTube, are very effective tools for companies to reach out the masses at a rapid pace with high cost advantage. In this work it has been found that in social media marketing, the persuasion and the valuation of the brands are indirectly but positively related to influence the consumer motivation and intention to buy. The higher the brand value, the greater the purchase intention, similarly, the greater the commercial persuasion. The higher is the purchase intention, the higher the advertising on social networks, the greater the purchase intention. The greater the advertising on social networks, the greater the valuation of the brands.

Keywords Online advertising · Digital · Social media · Networks · e-Consumers

1 Introduction

According to Elhadidi and City [1], in recent times social networking websites not only provide a space for individuals to interact with other people, but also provide a good opportunity for businesses to reach their target customers by means of advertising. The form of advertising that focuses online and is given through social networking sites is called social network advertising [2]. These type of advertising has the potential to enable near-universal free or cheap access to services and content [3]. The main purpose of the specific study, is to provide a thorough analysis on the

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matter of online advertising and modern marketing methods embedded in social media platforms, that a business can use, in order to achieve branding maximization and growth in terms of market share and awareness. To finalize, in this contentment, this study through in depth research, seeks:

1. To investigate the impact of social network advertisements on providing the actual information about products.
2. To explore the effectiveness of online advertising in reaching out to consumers.

Also, this study seeks to answer the following research questions:

- Q1. How can advertising on social networks, be effective in sales for companies?
- Q2. Which is the most preferred approach for advertising on social networking websites?
- Q3. How customers like advertisements on social networking sites?

2 Literature Review

Siakalli, Masouras and Papademetriou [4] suggest that Uses and Gratifications theory is one of the most important theories of the Mass Media research that focuses on the media use and the choice of media [5]. What distinguishes this theory from other communication theories is that the audience member is characterized as an active one. The focus of the theory is what people do with the media rather than the influence or impact of the media to the individual [6]. The Uses and Gratifications theory supports that the Users use the Media for their own benefit based on their own needs and requirements. Katz and Foulkes [7] characterized the mass media use as an “escape” for the user where actually serves concrete needs and where these needs vary according to the influences. This is also the case with social networks, since users choose their social networks according to their needs and preferences.

According to the study of De Mooij [8] the different types of internet advertising that exist can increase visits to products or services that are displayed on the internet, while interactivity in relation to user motivation plays an important role (see: Uses and Gratifications theory). These types have emerged in order to link social networks and advertising, that is, allow companies to use new strategies within this medium.

A fundamental benefit that social networks bring to companies is the ease with which they can now know the opinion that exists about their brands and products [9]. Second, for consumers, it has been very important that social networks have made great progress, since they are an accessible way of interacting and getting and sharing information, and they also allow it to be done without having to physically match [10]. As for their motivations to use them, many studies have identified the pursuit of entertainment and information as the main motivation that leads consumers to use social networks [11]. These opinions that users share in social networks, generate a lot of value both for themselves and for companies

[12]. Consumers seek information before making a purchase to make better quality decisions and it is to meet these information needs, for which consumers turn to social networks [13].

The socialisation of the consumer in social networks occurs directly through the interaction between consumers and, indirectly, to demonstrate support for a product or brand. As a result of this interaction, members of social networks will become more acquainted with each other, developing a source of trust. In other words, social networks facilitate the interaction of consumers, leading to greater confidence, which influences both the intentions of consumers and their actual behavior [14]. In particular, trust plays a very important role in the development of e-commerce or e-commerce [15].

The credibility of the source is one of the aspects that most influence trust, but with social networks, there are new factors that influence it. First, both the quality and the quantity of information, produced by the opinions and experiences shared in social networks, lead to an increase in confidence and, therefore, influence the intentions of consumers to buy [16].

3 Methodology

This study is developed using quantitative research methods and statistical analysis techniques. In this study the phenomena under consideration are the perceptions of people and businessmen of various age categories in the matter of advertising and marketing using social networks and their approach of the personal impact that the use of this new medium of social lifestyle has, as for their business model or their individual need of purchase. Both of these are different and require separate strategy to study them.

4 Analysis

In marketing researches, it is considered important to segment the consumers on the basis of age and gender. Though, the ratio of people under 18 and over 60 years is relatively very low, which suggest either a low presence of these groups on social network or a lower response to online surveys among these groups, it is however a fact, since this is not the concern of this study, hence the overall sample size of this dissertation, from the above results appears fairly balanced, to reflect the perspective of social media users in relation to social media advertisement and its sales effectiveness.

Due to the high spread of age segmentation in the questionnaire, the method of amalgamation is used in order to formulate the results in smaller segments, by combining the data results in five “age related” categories rather than ten separate age categories.

In order to further assess the validity of sample, social media users in the survey were inquired about their exposure to social media advertisement.

These issues were very important in context of this research that is to include those people who have good or a reasonable exposure, however, researcher did not have any intention to establish this as an exclusion criterion in sample recruitment. The result however, show that all social media users have exposure and understanding of social media advertisement. This is a major fact that highlights the vast intrusion and involvement that social networks have achieved in the short time of their global presence, to the everyday life of the average human.

When social networks users in the survey were inquired of their general rating of advertisements on the Social networks compared with other medium, majority of the participants find social media advertisement better than other. These results present a clear indication of consumer interest in the commercial of products and services presented on social networks. Also, when social media users in this survey were asked to classify the advertisement on social networks which described the product/service, the majority of the participants rated the product/service presentation was exceptionally well or well, whereas only a minor fraction of the participants thought otherwise.

These results clearly indicate the effectiveness of different content oriented interactive commercial communication, in social media marketing. Previous studies show that quality content in social media commercials is especially valued by consumers, by providing added value in terms of information. More to that, these contents not only capture the attention of internet users, but also, they arouse interest and push them to buy.

Social Networks users in the survey were inquired whether advertisement on social network promoted them to buy that advertised products or services. Their reaction to that question had a positive overall response. A reasonable majority of the social network community is motivated by the advertisement on the net to buy either occasionally or more frequently. These findings are highly critical from the marketing perspective, as an indirect influence of social media's ads is established on the consumers buying intention, as the positive formation of the customer's intention to buy a product or service, represents the ultimate objective of advertisement in any medium.

In order to assess the effectiveness of the advertisements on social network it was important to assess the credibility of these assessments, because the vast body of evidence on consumer behaviour has established that trust and reliability is one of the most effective tools to influence consumer buying decision, especially in the repeat purchase. Hence, the survey questionnaire inquired the social networks users, whether they have found credible the affirmations made in the advertisement on social networks about the product/service. The results indicate that the overall credibility of products promoted on social networks is not very high.

These results compared to previous studies, have again exposed an important era of improvement for social media marketing. Though it argues that the interactivity, medium dependency from the medium credibility dimension and argument strength from the message credibility dimension are main determinants of the

information credibility, the consumer however still finds at times low credibility of product/service ads on social networks, despite having less credibility, are seen as less saturated.

5 Conclusion

Social networks have a major impact on the consideration and evaluation of the product, but not on the visibility or the purchase decision. In addition, they help to create an emotional link of the brand with the user. The social network is important but it is not everything, managing Facebook as the only means without resorting to other support systems, or another digital system, is not enough to achieve the sale. Spontaneously, groups have been created in which social network's users and postulants interact, in which information about various products and services is shared among users. This shows that potential social network's users are researching and reviewing fan pages, however, as noted, the final decision is a mix of several factors.

Companies and their marketing department as their extent, that wish to expand its influence to the global market through the internet, should approach social media as a valuable marketing tool, but also one with potential consequences. It can be tough to strike a balance between professional and personal, but well-organized social accounts can be very beneficial to a business.

The results of this study show that in the case of a buying decision, the positive comments create an affirmative influence, especially if the person is not convinced to make some decision, the comments of others can assist in a risk assessed buying decision. Additionally, the research findings of this dissertation show that the intention in general, does not merely focus on methods to attract customers, but to generate an emotion in the potential client, as to awaken at the same time their interest to seek more information about the advertised product or service. In the past, decisions were influenced by the family, since they did not have this means to investigate, but now it is possible to consult on Facebook and wait for the advice of others, freely and in extended scale.

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