



Evaluating Consumer Perception of Advertising Value in Social Media

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Abstract:

The advent of internet-based social media has revolutionized communication, enabling individuals to connect globally and discuss products or services. Social media facilitates free interaction, allowing users to share information through a multimedia blend of personal images, text, audio, and videos. Over the past decade, social media has transitioned from traditional to web-based platforms, and with high internet penetration in India, boasting over 17 million users in 2013, a significant portion actively engages in social media networking. Despite this, there remains a limited number of studies on social media advertising and its perceived value among consumers in India, leading to a substantial literature gap. This study delves into the relationship between entertainment, informativeness, irritation in social media advertising, and their impact on product awareness and advertising values. Conducting a nationwide survey through online channels, 253 valid responses were collected. The study employs statistical methods, including frequency analysis, correlation, and multiple regression analysis using SPSS. The results contribute to the development of a model for social media advertising, highlighting informativeness as the predictor, product awareness as the mediator, and advertising value as the dependent variable.

Keywords: Social media; Advertising value; Product awareness; Consumer; Perception.

INTRODUCTION

The emergence of internet-based social media has redefined communication, enabling global interaction on organizational, product, or service levels. Social media, rooted in the concept of social interaction within societal frameworks, has evolved over time. The term 'social' emphasizes individual and group interaction, while 'media' constitutes a system for communication and interaction. Social media facilitates the creation, sharing, and exchange of information and ideas within virtual communities and networks. Its characteristics differ from traditional media in terms of quality, reach, frequency, accessibility, usability, immediacy, and performance.

Diverse social media technologies encompass forums, weblogs, networking platforms, multimedia sharing, and bookmarking. Social media marketing, operating through platforms like Twitter, Facebook, and YouTube, focuses on creating shareable content to attract attention and engage users. The internet's interactive nature allows marketers to receive direct feedback and tailor individualized messages. In this context, the study explores the landscape of social media advertising in India, investigating its impact on consumer perceptions, with a particular focus on entertainment, informativeness, and irritation as key factors. The research employs statistical analysis techniques, aiming to fill existing gaps in the literature and propose a comprehensive model for understanding the dynamics of social media advertising.

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 India is very high. Internet users in India were 17 million in 2013 (Rahmet.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 India, 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 along 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).

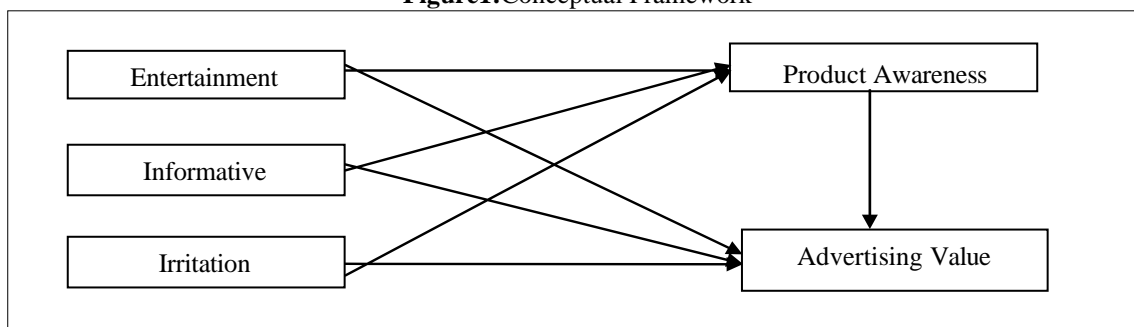
Irritation

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.

Figure1:Conceptual Framework



The research questions are as follows:

- Does entertainment has significant relationship with product awareness?
- Does informative has significant relationship with product awareness?
- Does irritation has significant relationship with product awareness?
- Does entertainment has significant relationship with advertising value?
- Does informative has significant relationship with advertising value?
- Does irritation has significant relationship with advertising value?
- Does product awareness mediates entertainment and advertising value?
- Does product awareness mediates informative and advertising value?
- 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%).

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 – 19 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	Below19	3	1.2
	20-29	172	68.1
	30-39	48	19.1
	40-49	23	9.2
	Above50	7	2.4
Gender	Male	123	48.6
	Female	130	51.4

Table1: 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

Table2:Reliability Analysis

Pearson Correlation Analysis

Pearson correlation coefficient analysis has been conducted to determine the strength and direction of relationships of each construct. Table3 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)

Table3: 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,informationandirritation).TheDurbin-Watsonvalue(1.508)indicatesindependenceofresidualand there is no problem of serial correlation

DV-Product Awareness

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

Table4: Model Summary1

In table 5, the adjusted R square result is0.458 means that this model explained 45.8% of the variation independent 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.

DV-Advertising Value

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

Table5:Model Summary2

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.

DV-Advertising Value

	Construct	Adjusted R square	Durbin-Watson
Model	Product Awareness	0.201	1.451

Table6:Model Summary3

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

Dependent Variable: Product Awareness

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

Table7: Coefficient Analysis1

Table8 indicates that entertainment ($\beta=0.382,p < 0.05$)and informative($\beta=0.421,p < 0.05$) both positively influence advertising.

Dependent Variable : Advertising Value

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

Table 8: Coefficient Analysis2

Table9 indicates that product awareness positively influence advertising value ($\beta=0.452, p<0.05$).

Dependent Variable: Advertising Value

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

Table9: Coefficient Analysis3

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.

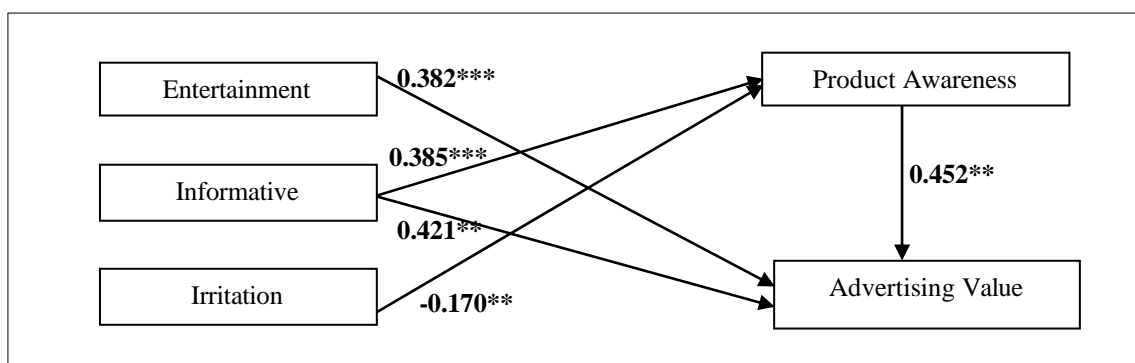


Figure2: Hypotheses Result

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.

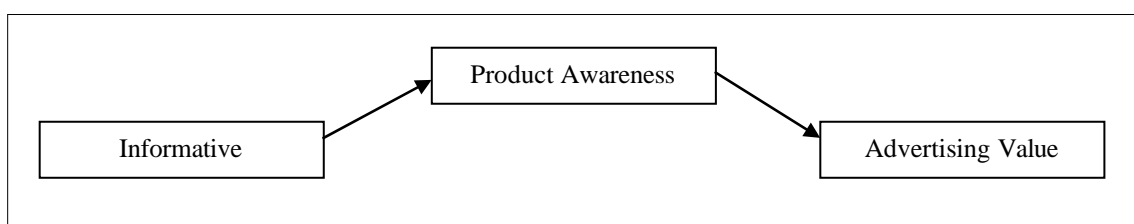


Figure3: Suggested Model for Social Media Advertising

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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