



THE EFFECT OF FACEBOOK ADVERTISING IN GENERATING WORD-OF-MOUTH AMONGST YOUNG ADULTS:

A STUDY OF CPUT AND UWC STUDENTS

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Introduction

Social media has exploded onto society and increased the speed of communication among teenagers and young adults. Brands have also merged this new means of communication with customers into their advertising strategies. The establishment of Facebook in 2004 has altered conventional advertising by enhancing a basic human need to communicate by allowing businesses to both listen and interact with consumers directly. Facebook allows users to share and view information with other individuals who share interests. The preliminary research findings exposed few studies on Facebook in South Africa.

Facebook has become the fastest growing network amongst 13-30 year olds. Generation Y, born in the mid 1980's, have been introduced to websites that were created specifically for their use since at a teen age. These young adults have grown up and into an environment that is all about technology and connecting with one-another through technology. Little research is found on the effectiveness of Facebook advertising in SA. To understand if WOM has catalyzed this advertising process in Cape Town (CT), encouraged the researches to conduct this investigative research.

Problem statement and research objectives

The study examines the effect of Facebook advertising to generate WOM amongst young adults, namely CPUT and UWC students. The purpose of the research was to determine the perceived effectiveness of Facebook advertising in terms of WOM circulation, as well as whether usage characteristics and demographic variables influenced the perceptions of tertiary education students at CPUT and UWC.

Literature review

Through advertising on Facebook advertisers now have the ability to reach over one billion people, showcasing adverts that are relevant, engaging and have social context. Consumers gain better experiences when adverts are relevant, useful and when they are able to relate to the content. Facebook now has the ability to show adverts to a mass audience based on specific demographic factors such as gender, age, work history, education and even different interest's that consumers choose to share via Facebook. Social context may then be included into their adverts, which will further engage their audience. For example, a display of when an individual's friend likes an advertiser's Facebook Page. Sponsored Stories enable marketers to broaden the distribution of information that consumers have already shared with friends such as posting on Facebook when someone has "checked-in" (like a restaurant) at a specific place, which their friends will view in their News Feeds. Restaurants can then purchase-sponsored stories, which will automatically increase the re-posting of that story to the person's friends. By making use of sponsored stories, marketers are now able to promote and advertise stories to people that have liked their Facebook Page (Newsroom, n.d.). WOM advertising is when consumers express real interest for a product or service to other consumers. These endorsements are seen as a cost effective form of advertising and seem to emerge as spontaneous, however, it is frequently planned just as all other marketing efforts. Creating WOM depends on a business's ability to supply a quality product or service and then being able to solicit complaints from other consumers. If companies can effectively manage and adhere to those complaints in an extraordinary way, it will demonstrate a strong sense of consumer relationship management, thus giving the customer a compelling story to convey to other consumers turning them into a WOM missionary (Heckman, 1999).

Research methodology and design

The first step for researchers was to establish objectives for this research. Researchers wanted to learn what the perceived effectiveness was of Facebook advertising in creating WOM amongst Generation Y (18-25 year olds). Then researches determined its sample, which were students at CPUT and UWC. Researchers then chose an interviewing methodology. The questionnaire was selected, as it is both time and cost effective. Appropriate potential questions were discussed (in order to ensure healthy findings) and then finalised. Questionnaires were then pretested to assess if its level of communication was appropriate for its population. Once this stage was complete, the population was then interviewed. After the interview process, researchers then analysed the data by first checking for errors (invalid questionnaires) and then by capturing all the valid questionnaires, which were used to produce comparative results.

Findings, discussion and analysis

Over half of the respondents agreed that Facebook advertising created WOM (Figure 1). WOM advertising is not a traditional form of communicating to customers, but if planned and executed effectively, can lead to profitably (Heckman, 1999:2; Anon, 2011). More than half of the respondents agreed that usage through a PC, mobile device or both, created WOM (Figure 2). WOM cannot be regarded as a marketing strategy, but businesses with creative campaigns have a better chance of succeeding (Heckman, 1999:2; Anon, 2011; Ferguson, 2012). A majority of respondents agreed that utilising Facebook for 1-5 years brings about WOM regardless of the usage period (Figure 3). Micro blogging of Facebook adverts will increase usage and, therefore, brand WOM (Jansen, 2009; Dumenco, 2010:16). An interesting result revealed that a majority of respondents displayed that frequency in the usage of Facebook once a week or once a month brings about a higher result of WOM (Figure 4),

however, WOM is generated regardless of the usage frequency. A study determined that the strongest site influences in brand-related UGC seem to stem from Facebook's culture of self-promotion (Ferguson, 2012; Smith *et al.*, 2012). It was revealed that the log in duration on Facebook of 5 hours or more results in a higher result of WOM, however, WOM is caused regardless of the log in duration (Figure 5). This is supported by the research advising that longer periods of time on a specific social network site increases the likelihood of consumers generating WOM (Anon, 2011b; Smith *et al.*, 2012). Respondents demonstrated that updating their profile anything from daily to once a month raised WOM (Figure 6), however, the less the number of updates, the higher the WOM. The finding is validated by the research, which revealed that there are too many advertisements in the public media, and hence customers are not paying attention to advertisements (Chen, 2011; Smith *et al.*, 2012). Both male and female agreed that WOM was created (Figure 7), although male participants hold a higher level of agreement. It can be seen in the results from an investigation on social demographics that men share more information on social networks than woman; therefore, it is probable that men will contribute more to the creation of WOM than woman (Bullas, 2012; Ferguson, 2012). The respondent's age exhibited a fluctuation in their opinion and belief regarding Facebook advertising generating WOM (Figure 8). Although a majority still agree that Facebook WOM is significant for their online communication, as consumers trust their family and friends recommendations more (De Clerk, 2010; Chen, 2011). Results were found that a substantial number of White, Coloured and Indian/Asian respondents seem to agree that Facebook advertising generates WOM (Figure 9). The Black respondents tended to disagree, but by a minimal percentage. A study confirmed that WOM is a key element of user interactions, specifically within online communities. Identifying patterns within these communities will assist researchers to reflect a specific group's cultural values, roles and beliefs concerning advertising (Brown, 2007; Smith *et al.*, 2012).

Conclusions and recommendations

To conclude, the findings revealed that, overall, Facebook advertising creates WOM, regardless of the device used, and is influenced in the following ways: Increased over a usage period of 3 years or more; rises when utilized once a week or once a month; upswings the longer the user is logged in to Facebook; climbs when profile updates are between daily to 2-4 times per month, but declines when updating anything less than once a month; male participant tend to generate more WOM; Generation Y, as well as a majority of the interviewed participants agree that Facebook advertising creates WOM, except the 22 year olds and Black participants, although by minuscule percentages, which could possibly be swayed. It can, therefore, be recommended that brands should create Facebook advertisements that are short, creative and attractive so that a greater target audience of 18-30 year olds can be reached, focusing key communication strategies around product and services to mobile and PC devices alike. Customer retention and a call-to-action is highly important with regard to ROI, therefore, studying consumers' online behaviour and preferences will aid marketers to personalize communication messages to consumers in their campaigns. In order to be seen as trusted and valued by consumers online, companies/brands should develop key strategies to hold a strategic advantage over competitors, and in so doing, win the hearts of consumers, making each viewer of a Facebook advertisement a brand ambassador.

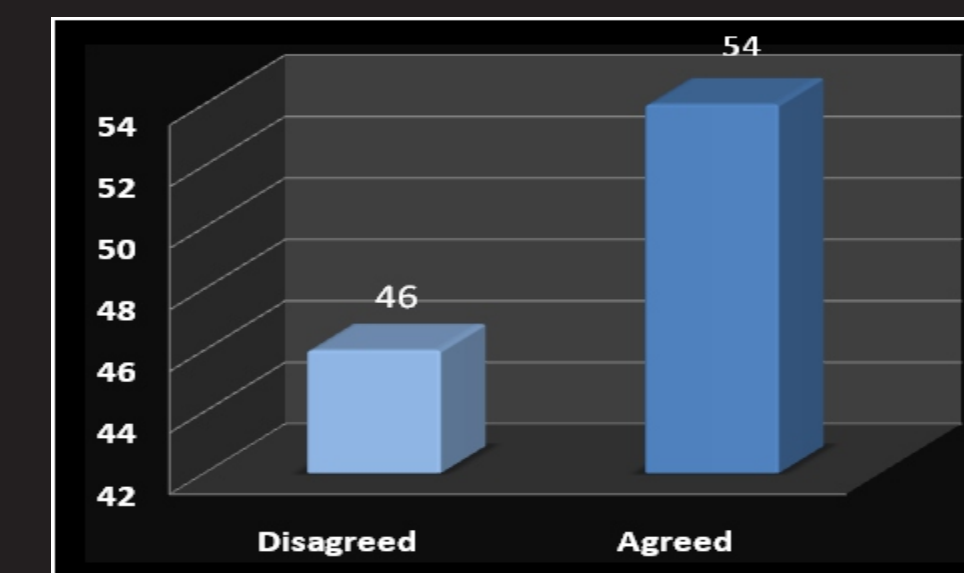


Figure 1: General Facebook WOM

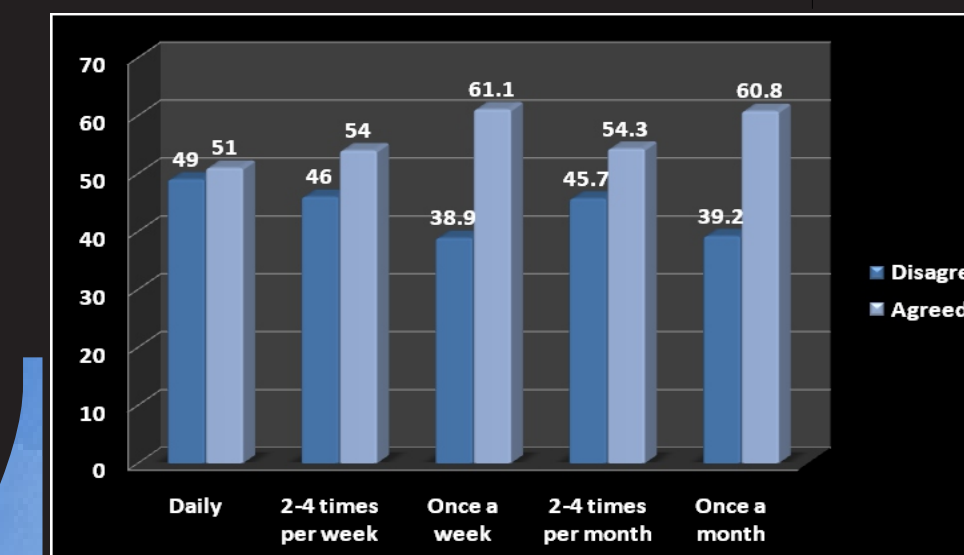


Figure 2: Access Aspects

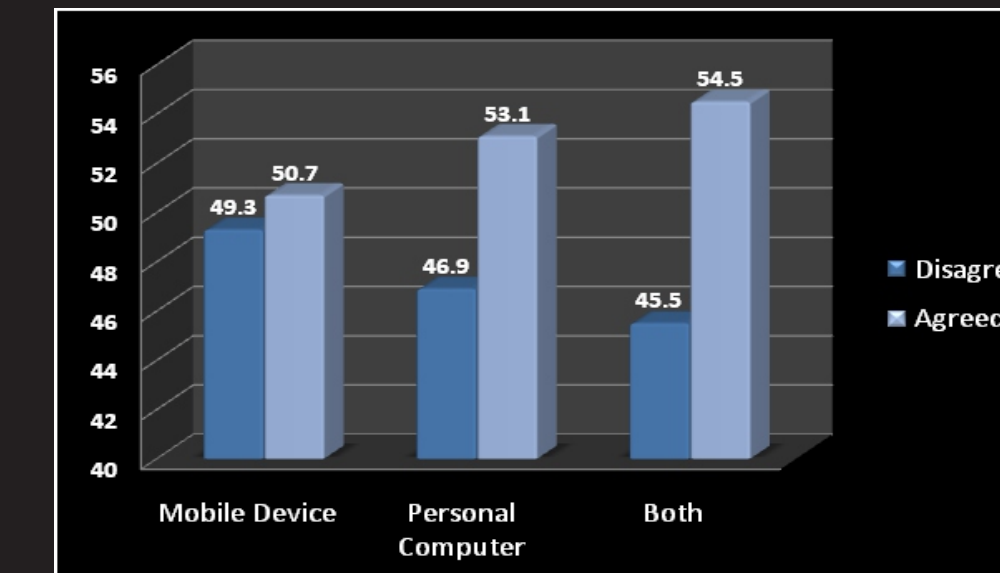


Figure 3: Period of Usage

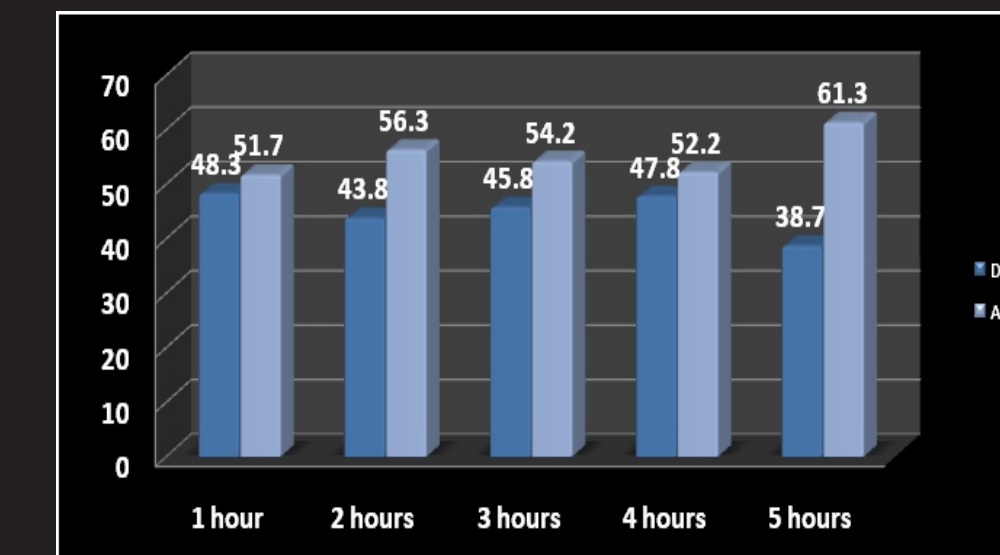


Figure 4: Usage Frequency

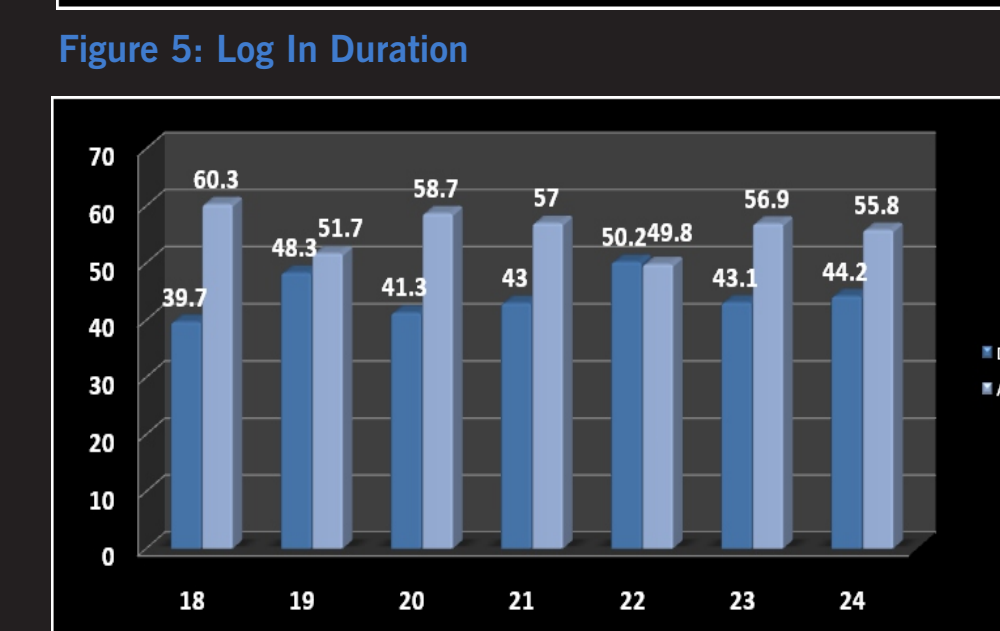


Figure 5: Log In Duration

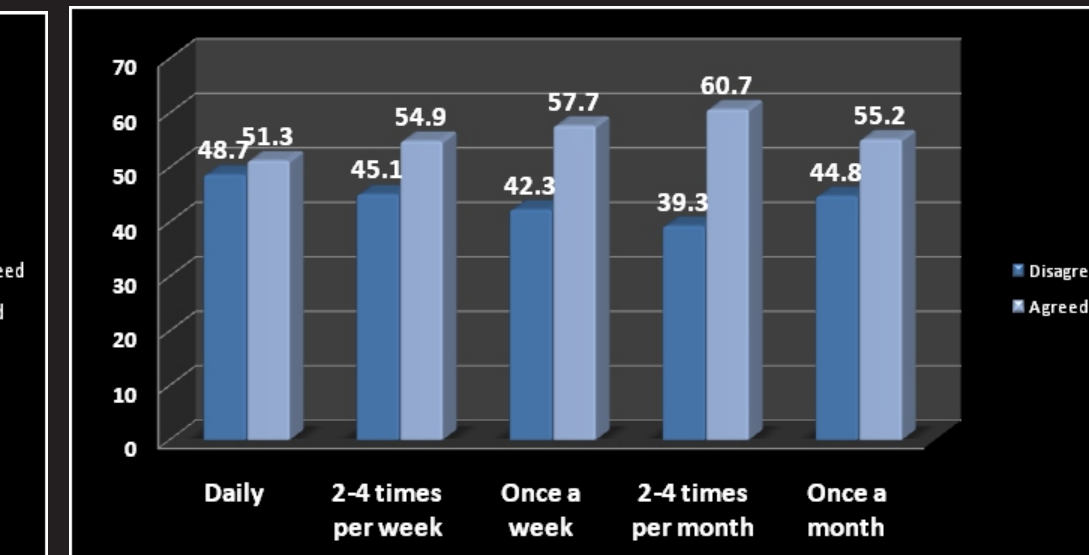


Figure 6: Profile Update Component

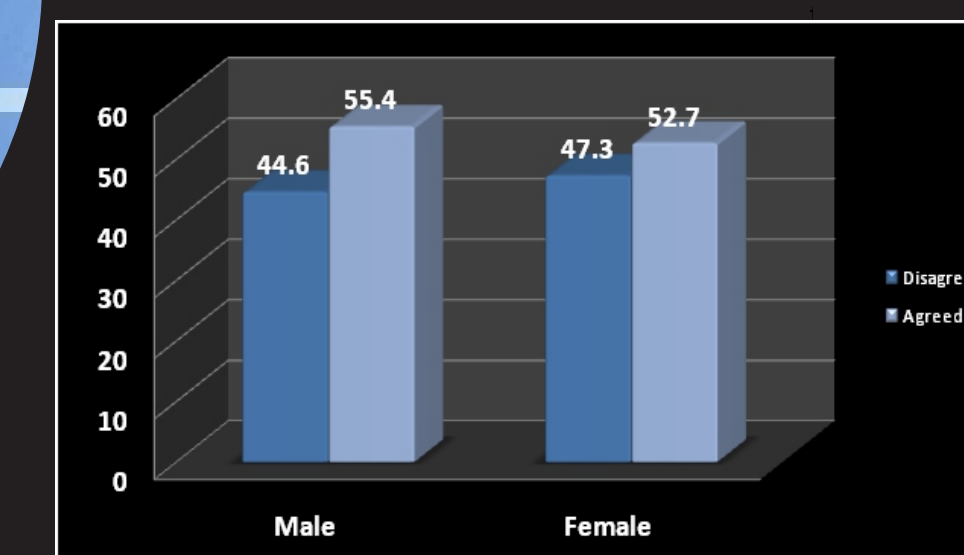


Figure 7: Gender of Participants

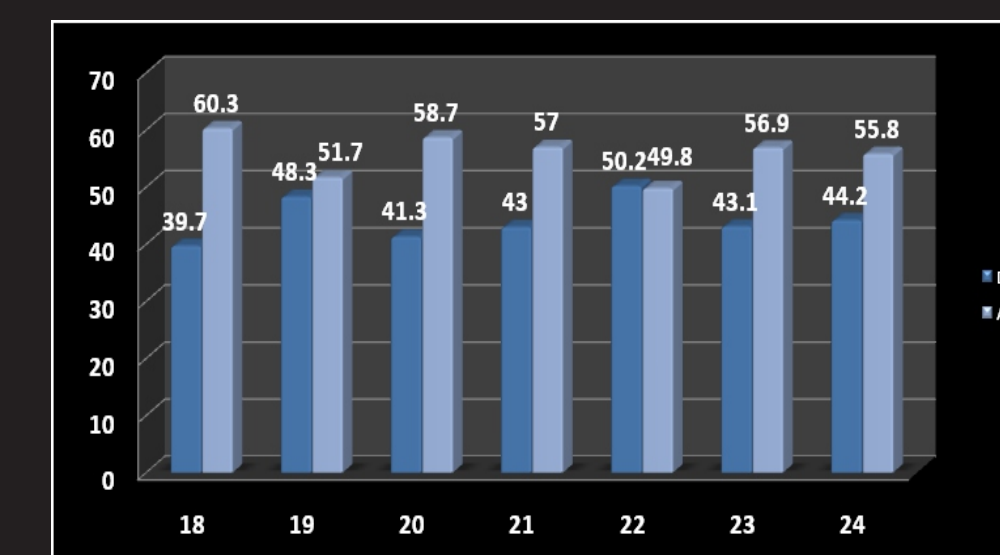


Figure 8: Age of Participants

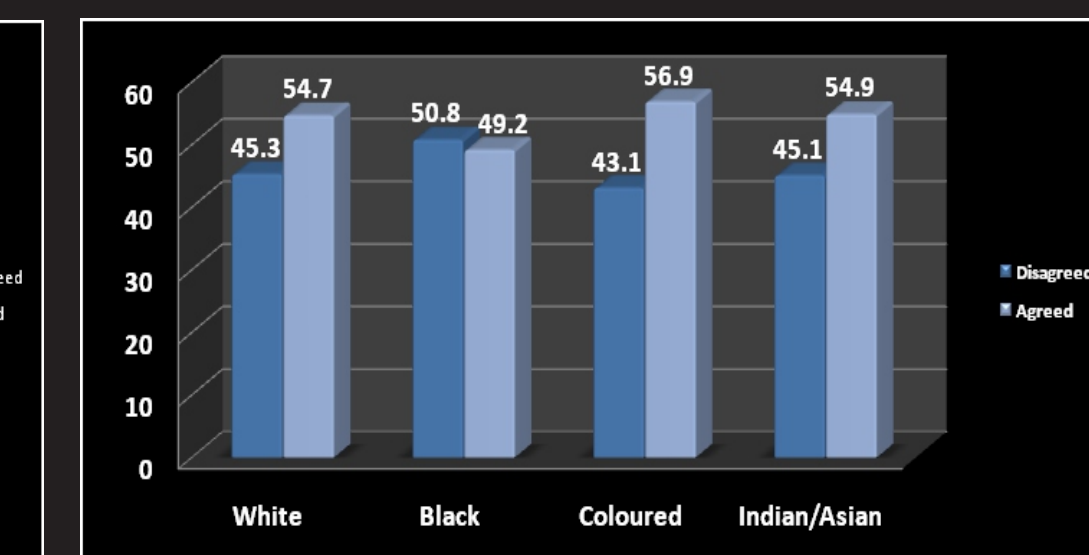


Figure 9: Ethnicity of Participants

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