



THE INFLUENCE OF FACEBOOK ADVERTISING ON WORD-OF-MOUTH: A STUDY AMONGST CPUT STUDENTS

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Introduction

Digital content (including social media) is pervasive in daily life; its influence in consumers' lives is unquestionable and powerful. However, social media has changed the marketing world (Powers *et al.*, 2012; Stokes, 2008:122). As interaction between people throughout the world changes, South Africa's digital interaction has increased substantially. Social media allows an individual to share digital (videos, audios, pictures and texts) content throughout the world. Social media's rapid growth rate has seen South Africa listed amongst the top ten countries throughout the world that has the highest Facebook (FB) penetration rate (Granger, 2012). This study gives an indication of word-of-mouth (WOM) levels regarding advertisements that appear on FB, according to tertiary students at CPUT.

Problem statement and research objectives

Attitudes and perceptions towards advertising effectiveness of FB have not been measured, especially amongst adolescents. Little is known about whether advertising on FB influences the perceptions of these adolescents and their characteristics. Much speculation has been made about whether advertising on FB generates WOM. The question, therefore, is: are FB advertisements effective in stimulating WOM? Determining what the perceived effectiveness of FB advertising is among CPUT students is the researcher's main objective. A secondary objective is to assess the influence of various usage factors of Facebook advertising in generating WOM.

Literature review

The 6.8 million South Africans who use the Internet increased to 8.5 million at the end 2012. Although Africa has the lowest Internet growth rate, there are areas, which have shown positive signs. As 7.9 million South Africans are connected to the Internet via their cell phones, of this group 2.4 million did not have Internet via computers; with smart phones being the salient driver of Internet usage growth throughout South Africa. Generation Y is a fast growing segment in today's fast paced lifestyle. Having grown up with the Internet at their fingertips, the world to them is virtual with endless possibilities; leading to the assumption that Generation Y is a complex generation with diverse interest (Fougere, 2008; Lyon, 2010; Speckman, 2012; Sullivan, 2012). Social media marketing and advertising have become a usual mechanism used by organisations to implement strategic ideas. Digital advertising can have a unique perspective on social networks. Although much more cost efficient than traditional advertising communication mediums, FB provides marketers with a platform where there are more than 1 billion prospects. WOM marketing used to be about one happy or unsatisfied customer recommending a business or product to a friend or a general individual. In the age of social media, a single happy customer or unsatisfied customer can research thousands of other potential customers, thus clicking of a button can allow viewers to communicate with each other and make referrals, whether it is about latest brands or even where to go on holiday (Loomer, 2012; Shread, 2012).

Research methodology and design

The research is empirical in nature, which is based on the positivist paradigm that aims to evaluate the social world objectively. These findings will help researchers to understand the influence of advertising on social networks and how it can relate to future strategic development campaigns. Influencing the social world objectively can prove to be influential, since researchers have to consider the nature of the study. Primary research was gathered by using a quantitative (questionnaires) approach. A total of 450 students were sampled by using the random sampling technique as the most attractive type of probability sampling, and since it is the least biased of all sampling techniques, there is no subjectivity – each member of the total population has an equal chance of being selected in the study (Welman & Kruger, 2001:53; Royal Geographical Society, n.d.). The findings were displayed in graphs and by means of descriptive statistics that facilitated easy reading.

Findings, discussion and analysis

A majority of the respondents disagreed that Facebook advertising resulted in WOM. Furthermore, it can be said that those who disagreed are irritated with certain advertisements, since their only reason for using social media is to stay in contact with friends and family (**Figure 1**). Keath (2012) indicates that when people are uncertain about what to buy, it is common for them to depend on the influence of friends and family. Nielsen's findings indicate that editorial content such as that found in newspapers is trusted, since people who read newspapers might associate such content with experts in their field. A majority of the respondents disagreed that both mobile devices and PCs would stimulate their referral and, while exposure of advertisements on mobile devices are increasing at a rapid rate, although a majority of respondents also disagreed that it resulted in WOM (**Figure 2**). Although the behaviour of individuals on online networks can differ from the same individuals who interact on a more traditional social network (reality), FB gives invaluable insights into the people who communicate with each other, which groups they are engaged with, and what are their preferences (Magedenz & Simoes, 2009:55). Most of the respondents who use FB for one-year disagreed that advertisements influenced WOM throughout that period, but those who use FB for 2 – 3 years engage in WOM (**Figure 3**). Respondents who use FB daily to weekly disagreed that they engage in WOM as a result of FB advertising (**Figure 4**). Respondents who make use of FB for 1, 2 and 5 hours disagreed that FB impacts on them to engage in WOM, although those who makes use of FB for 3 – 4 hours agreed (**Figure 5**). No matter how often respondents updated their profile, they generally disagreed that FB prompts them into engaging in WOM (**Figure 6**).

Conclusions and recommendations

It can be concluded that FB advertisements have not influenced respondents to engage in WOM and that the various usage characteristics also did not have much of an impact on FB advertisements, which generate WOM. Word-of-mouth is one of the most effective elements in Marketing, and for companies all around the world, the theory is that is has to be good or positive information that is being spread. This is definitely a place where brands should improve, although it is understandably difficult to respond to hundreds or even thousands of comments and posts on a daily basis. Therefore, it is recommended that companies should engage in goodwill activities, and that they communicate in a way that potential customers and their target group understands. Another recommendation is that companies should engage with their customers on social media platforms, as it shows them that they are important to the company, and that companies actually make an effort to respond to their customers. Companies must defend themselves against negative accusations because users can actually read the correct story and spread the word on what the truth is. Companies should use other relevant sources and media to communicate their products and services to users. Not all users like to associate their social network pages with information about brands, which is why it is recommend that companies should not clutter their Facebook pages with information about their different brands, but should only focus on their target audience, and thereby stimulate WOM.

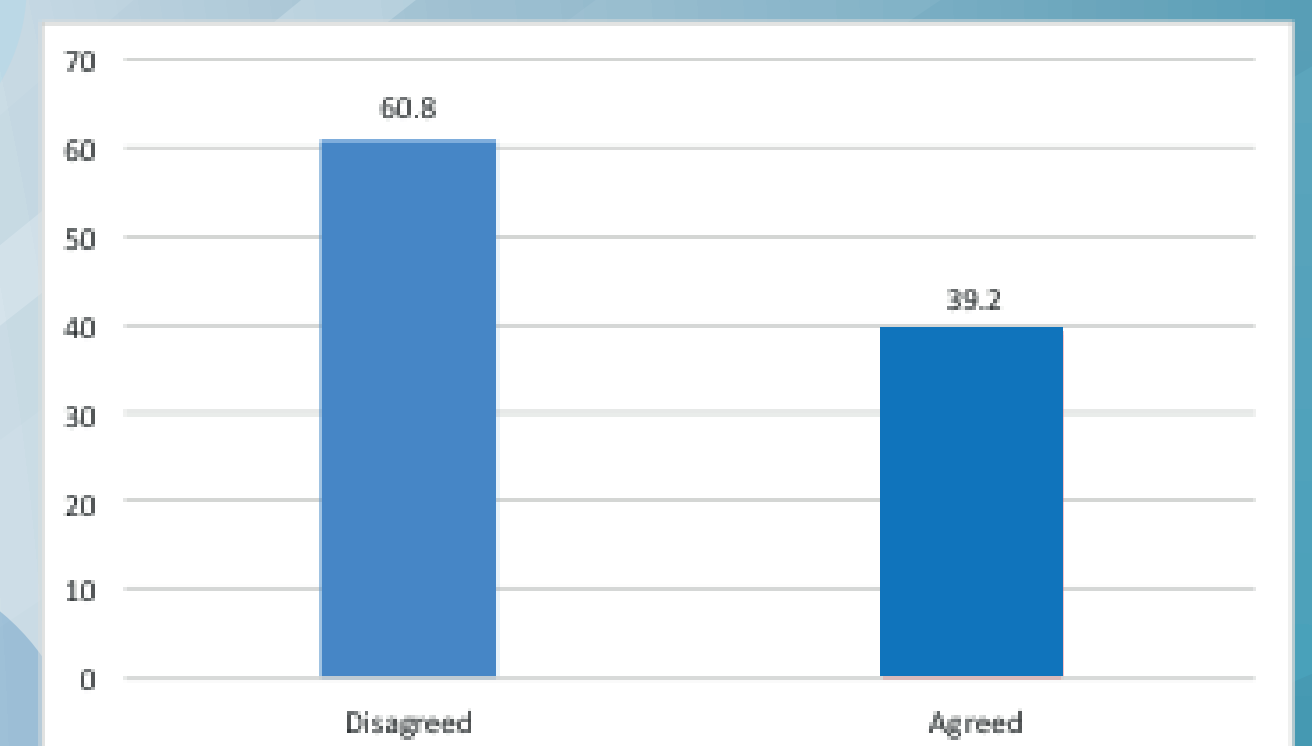


Figure 1: General WOM

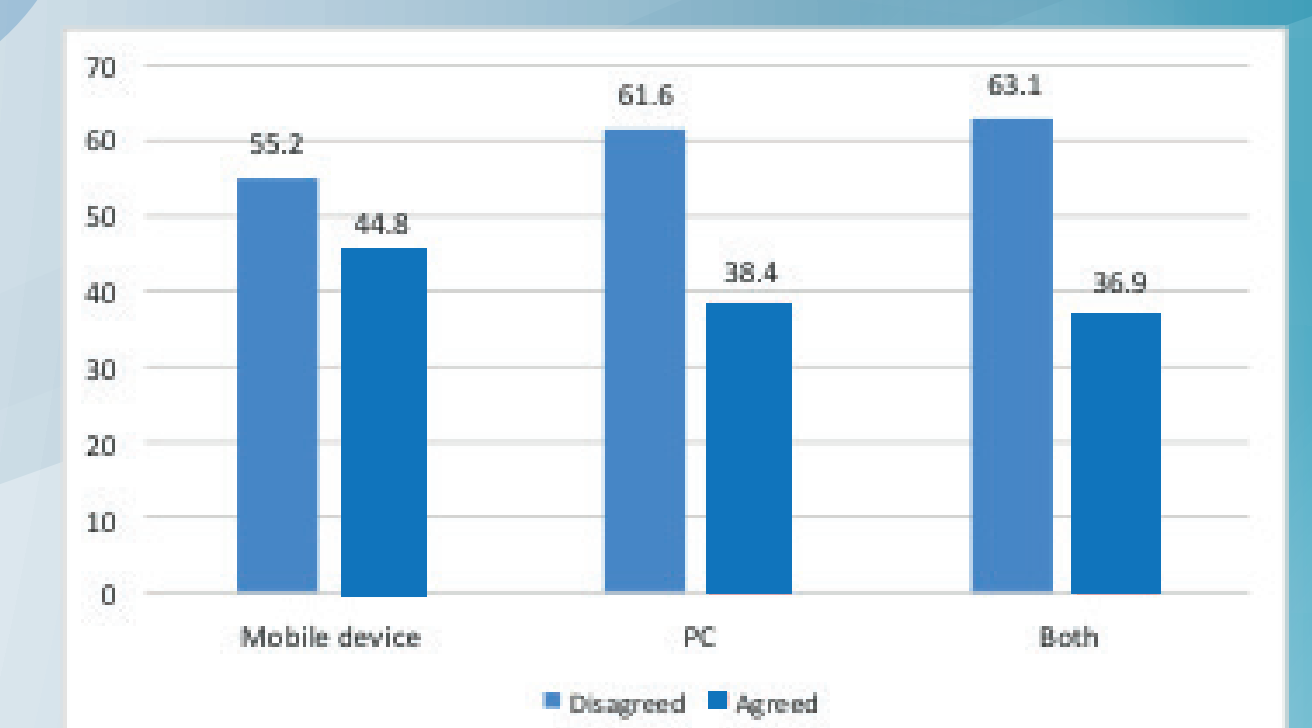


Figure 2: Access medium

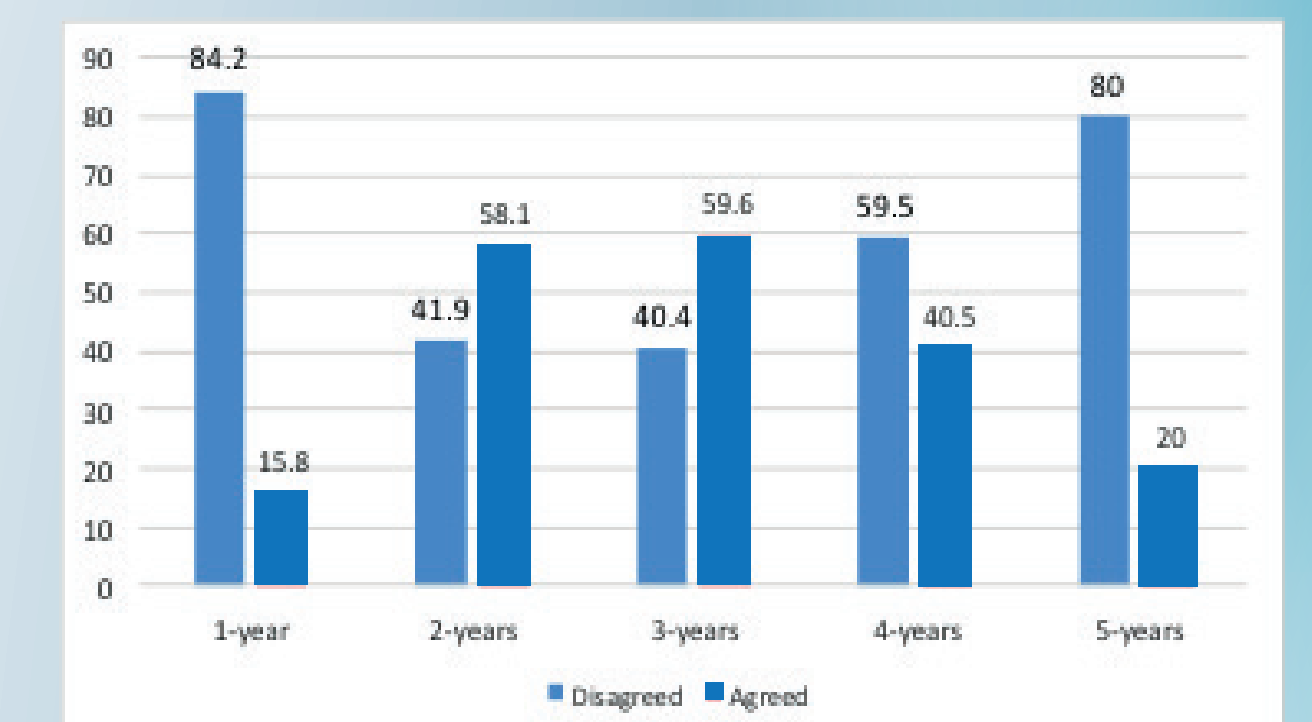


Figure 3: Usage period

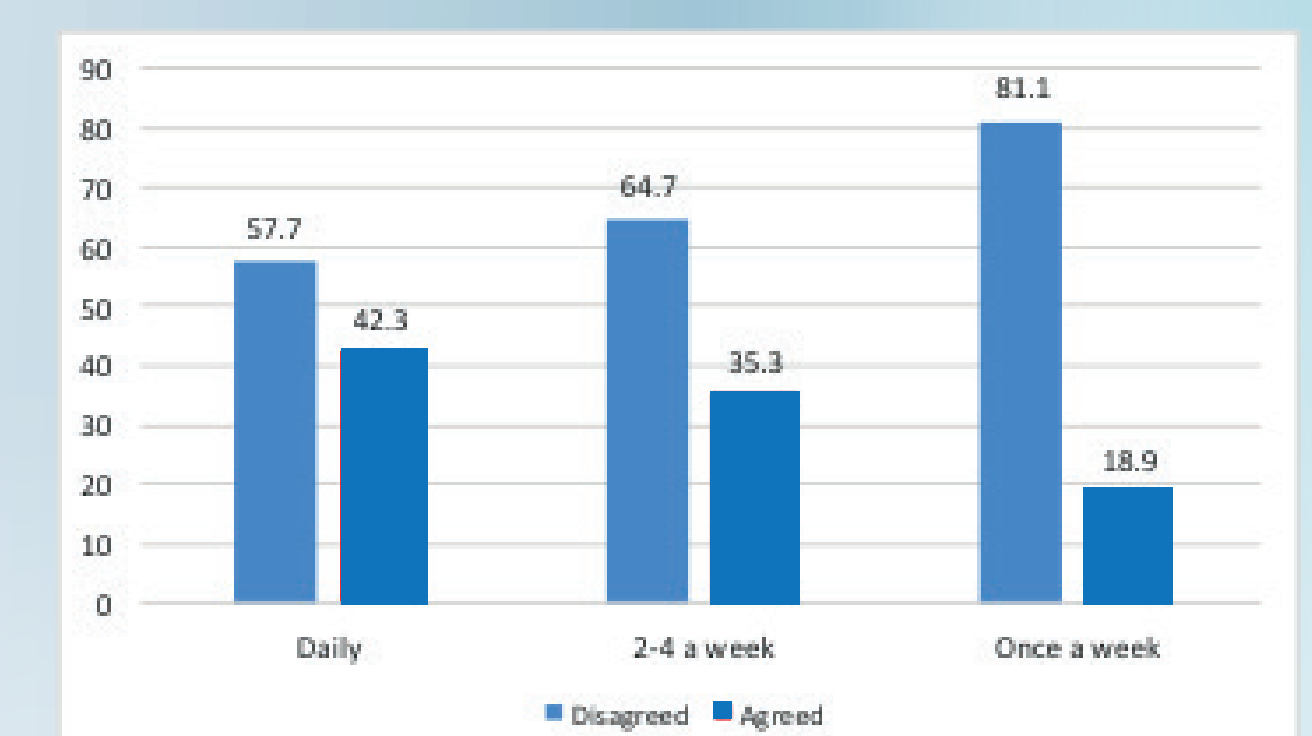


Figure 4: Usage frequency

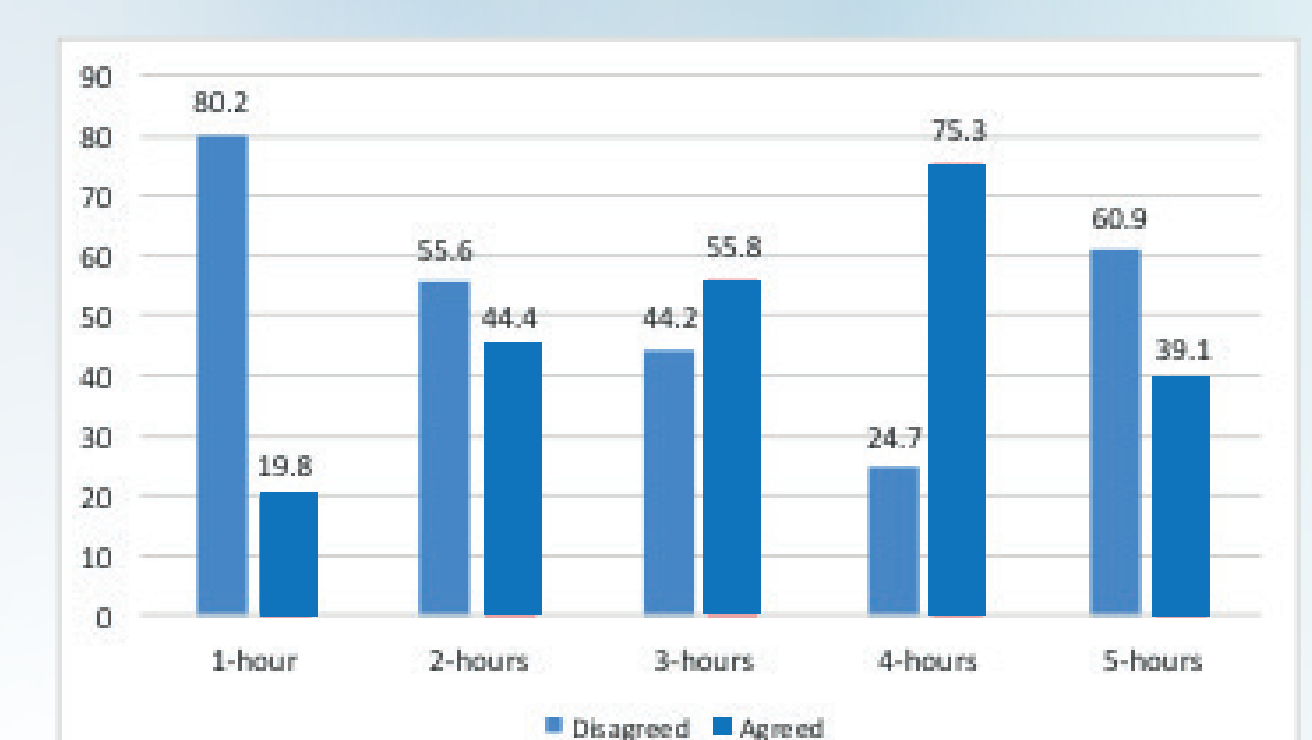


Figure 5: Duration usage

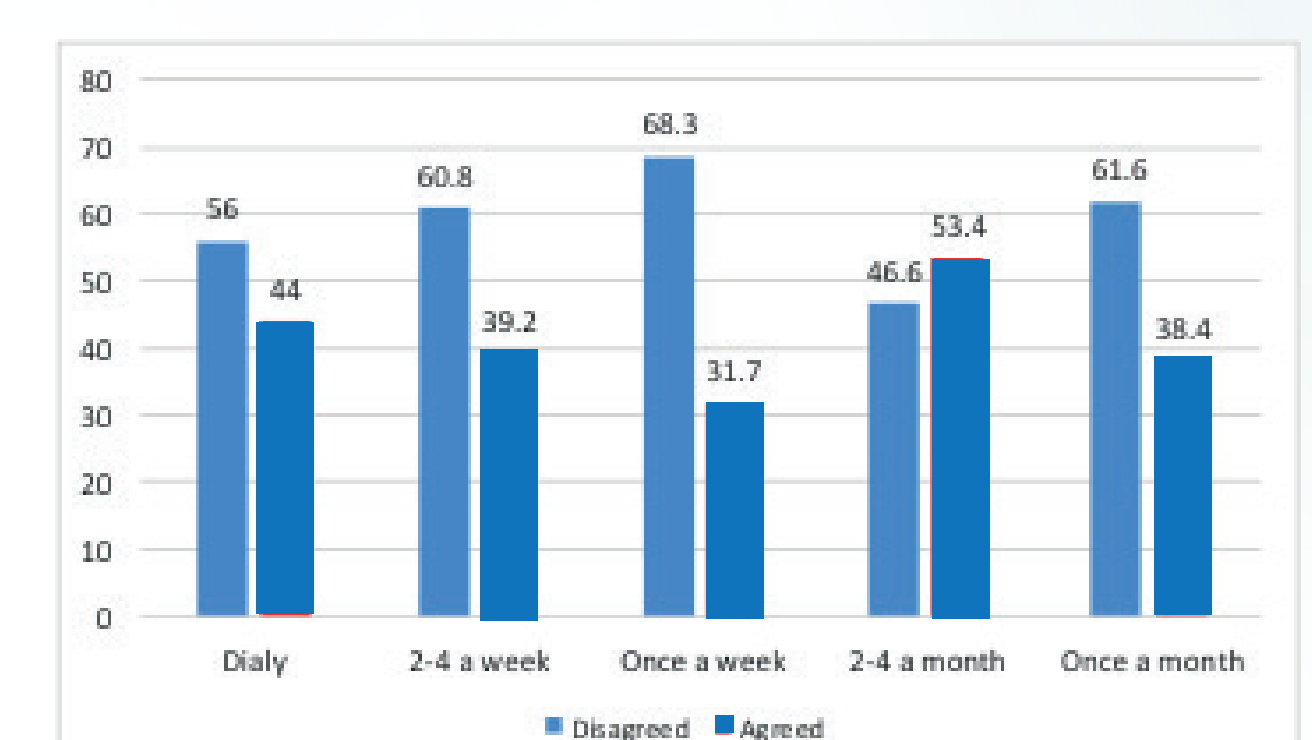


Figure 6: Profile update prompting WOM

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