

Effects

OF FACEBOOK ADVERTISING

REGARDING PURCHASE BEHAVIOUR: A STUDY

Amongst working class millenials

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Introduction

Social media has become a world-wide growing sensation amongst all social groups and ages. By the end of August 2012, 6.8 million South Africans accessed Facebook. This includes mobile logins, as stated by Peter (2012). This proves that mobile Internet usage has grown in South Africa and people are now using cell phones and computers to access these sites. This study aims to clarify the effectiveness of FB advertising on the purchase behaviour of working class Millenials.

Problem statement and research objectives

Social media is the new method whereby brands and companies communicate with target markets. However, it is questionable whether this method is effective. Minimal research is available regarding the purchase behaviour of working class Millenials, thus the objective of this study is to determine the effectiveness of FB advertising amongst the aforementioned group.

Literature review

Gustin (2012), poses the question: “Does FB advertising work in terms of purchase intent?” He concluded that Facebook advertisements can work. The study considered at online and offline purchase behaviour of fans and friends of fans for Amazon, Best Buy, Target and Walmart during the 2011 holiday shopping season. Researchers measured purchase behaviour against spending by the general population. The study revealed that “fans” of retailers spent significantly more at those stores than the general population. However, “Friends of Fans” also typically spent more – only 8% more at Amazon, 51% more at Target and 104% more at Best Buy. It can be assumed that FB advertising does not influence the purchase decisions and habits of mobile device users. A survey, which conducted by Prosper Mobile Insights, assessed 336 smartphone and tablet users (ProsperMobile, 2013). The survey revealed that just below 40% of respondents preferred accessing the Internet via a smartphone, and below 30% of US consumers have made at least one purchase via mobile device (Oracle/ATG, 2011). Research results in the USA, revealed that between 2010 and 2012 the use of SM increased from 16% to 33% (Baer, 2013). According to Baer (2013), even though the numbers have increased, only 33% of Americans who use using SN sites have ever followed a brand. However, following a brand might not result in the final purchase. They could “like” the brand, but it might not result in a purchase. Further studies that were conducted by Experian Marketing Services revealed that US citizens spend almost 20 minutes an hour on SNS (Gaudin, 2013). In the US, almost 30% of users’ online time is spent on networks such as Facebook, Twitter and Instagram (Gaudin, 2013). Respondents of the study were both mobile and desktop users (Gaudin, 2013). The survey results are based on a group of 50 000 mobile users and 10 million Internet users in the US who were all 18 years or older (Gaudin, 2013). Brenner (2013) states that women have been more likely to use SNS than men since 2009, and in 2012 it was revealed that over 70% of women were SNS users, while men were just over 60%. By 2012, the global statistics for FB in terms of gender were just under 60% for women and just over 40% for men (Anon, 2012). The survey revealed that women are more likely to be influenced by FB advertising than men. It also revealed that overall, FB advertising does influence purchase intent. The survey results seem to correspond with the research. Craig (2011:12-15) found the following with her study: only 11.5% of college students are unlikely or very unlikely to pay more attention to items in their news feed if one of their friends “Likes”; and 80% of college students never or rarely visit pages that they “Like”, which may be because college students spend almost 40% of their time on FB browsing their newsfeed making the news feed the number one opportunity to reach users. When browsing news feeds, 53% of college students are likely or very likely to pay more attention to posts if a friend “Likes”, it while only 11% are unlikely or very unlikely to pay more attention. Only 14% of college students are very likely to share a link they like so it should be unique.

Research methodology and design

A survey questionnaire was compiled and comprised of itemized rating scales, namely nominal, ordinal, interval and Likert scale questions. It was distributed amongst 600 working class individuals, aged between 19 and 30. Limitations were unregistered SNS users and those with no Internet access.

Findings, discussion and analysis

General purchase: There was a slight difference in general purchase amongst respondents, as shown in Figure 1. A majority disagreed that FB advertising influences their purchase behaviour.

Access incidence: Respondents who access FB via mobile device indicated a large difference, as shown in Figure 2. It can be assumed that FB advertising does not influence the purchase decisions and habits of mobile device users.

Usage frequency: The survey results indicate a large difference amongst users who access the network about once a week.

There was a big difference, since a majority of respondents agreed that FB advertising influences purchase behaviour (Figure 3).

Log-in duration: Respondents who log-in for 1 hour or less revealed a great difference, since majority disagreed that FB advertising influences purchase behaviour. The smallest difference exists amongst users who log-in to FB for 5 hours or more, since a majority of respondents agreed that FB advertising influences purchase behaviour. However, this is by a narrow margin (Figure 4).

Profile update: According to the respondents, the more they update their profiles, the less likely their purchase behaviour will be influenced by FB advertising. A massive difference exists amongst users who update their FB profiles 2 to 4 times a month (Figure 5) among whom a majority disagreed that FB advertising influences purchase behaviour. A low difference was shown amongst users who update 2 to 4 times a week.

Gender: In Figure 6, shows that the purchase behaviour of females ultimately appears to be influenced by FB advertising more than males.

A major difference exists amongst female users, amongst whom a majority agreed that FB advertising influences purchase behaviour.

According to research, 8% of most women are likely to purchase on mobile devices (Bender, 2013). In the US females aged 18-34 comprise a majority of visitors to social networks and blogs (Nielsen, 2011).

Age: The most significant finding in terms of purchase behaviour is age 23, with a big difference, as more respondents disagreed that FB advertising results in purchases and a small difference (shown in Figure 7) for people aged 22, more agreed that FB advertising causes them to purchase. According to a survey, which was conducted by Craig (2011), 52% of students spend more than four hours on FB per week with 16% spending over eight hours on the website.

Conclusions and recommendations

It can be concluded that, overall, FB advertising does not influence the purchase behaviour of working class Millenials. However, the respondents regarded FB as their favourite SNS. These findings indicate that there is growth potential for Facebook advertising to influence the purchase behaviour of consumers. Marketers are, therefore, recommended to increase brand visibility and interaction amongst their brands.

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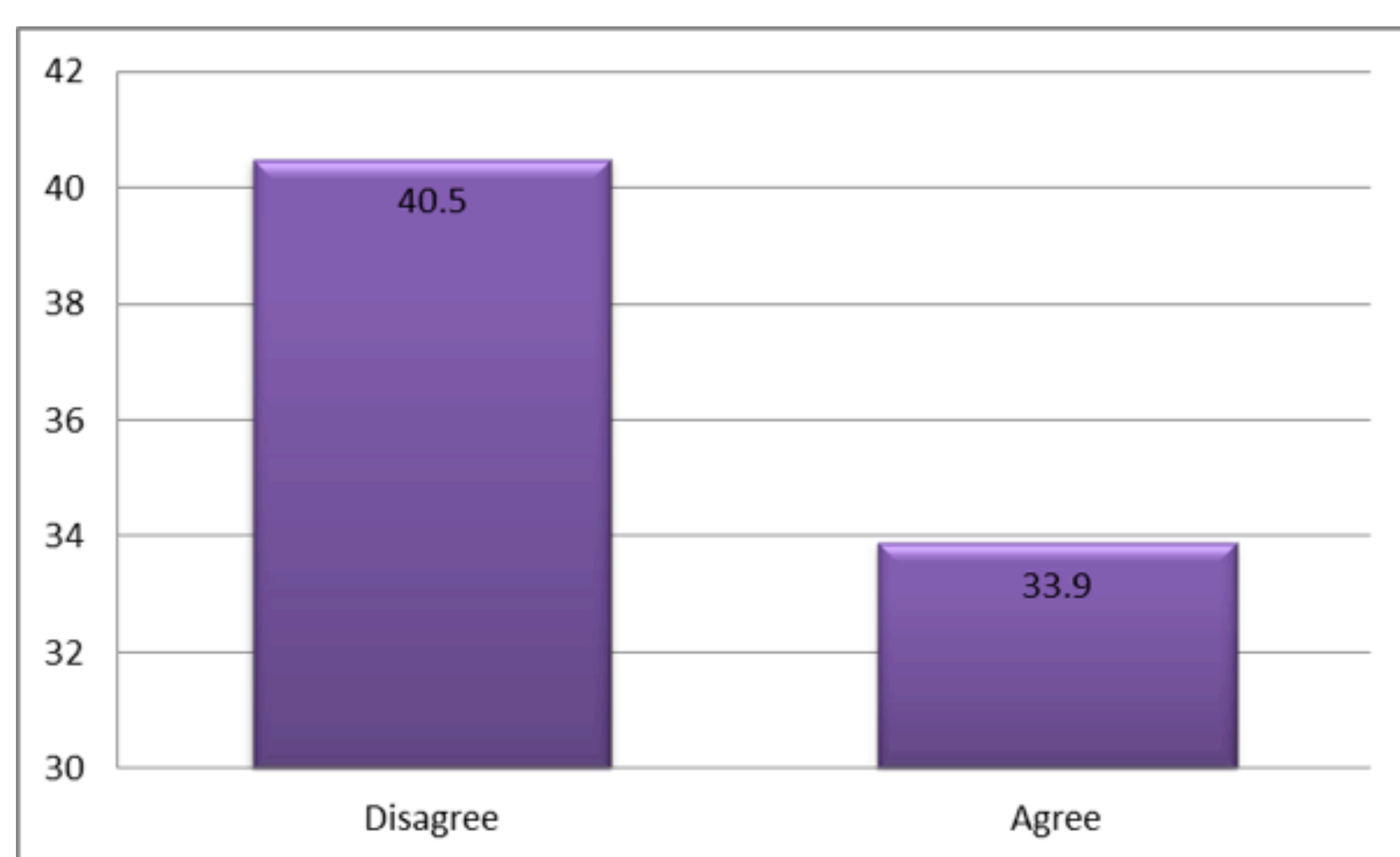


Figure 1: General purchase behaviour

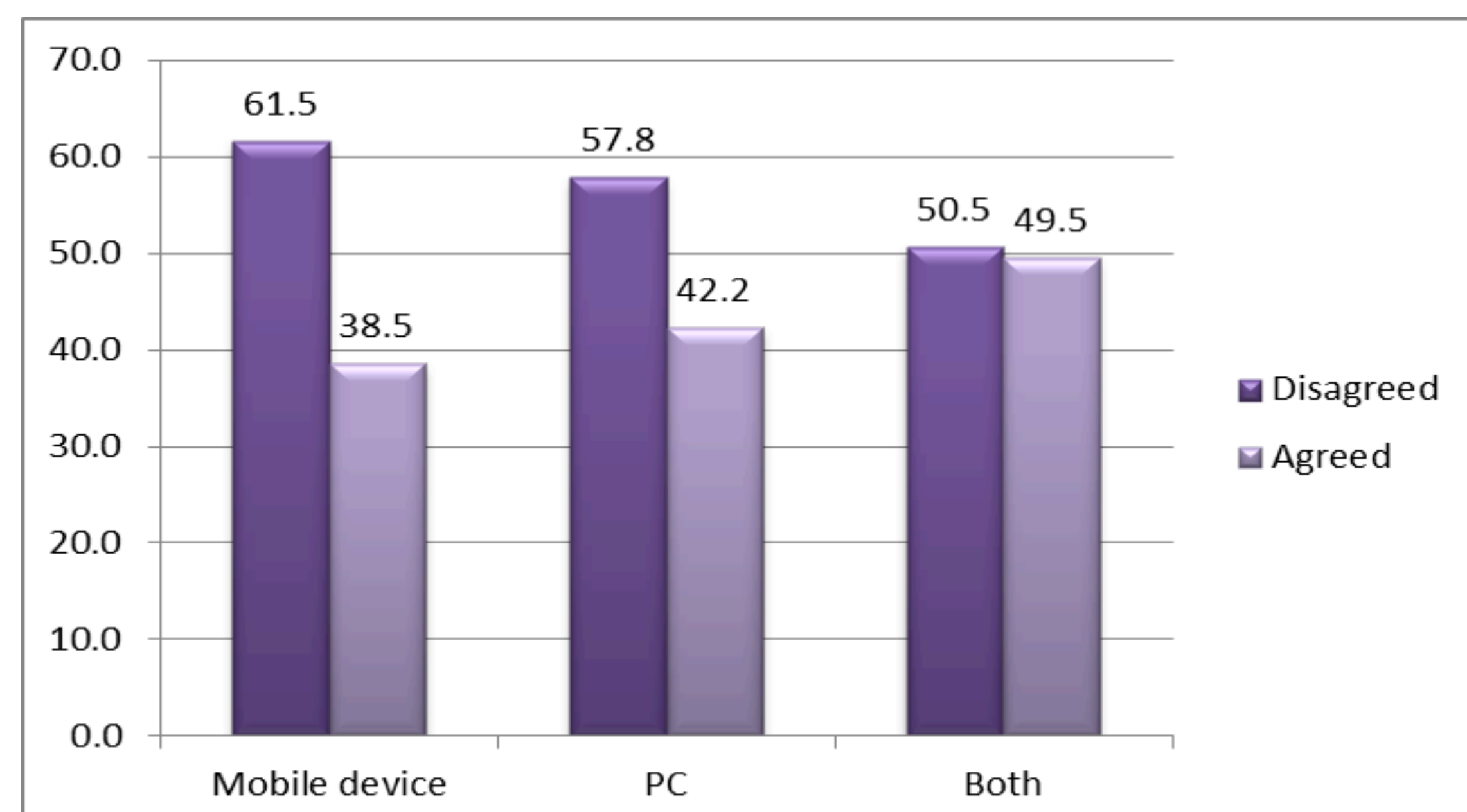


Figure 2: Access incidence

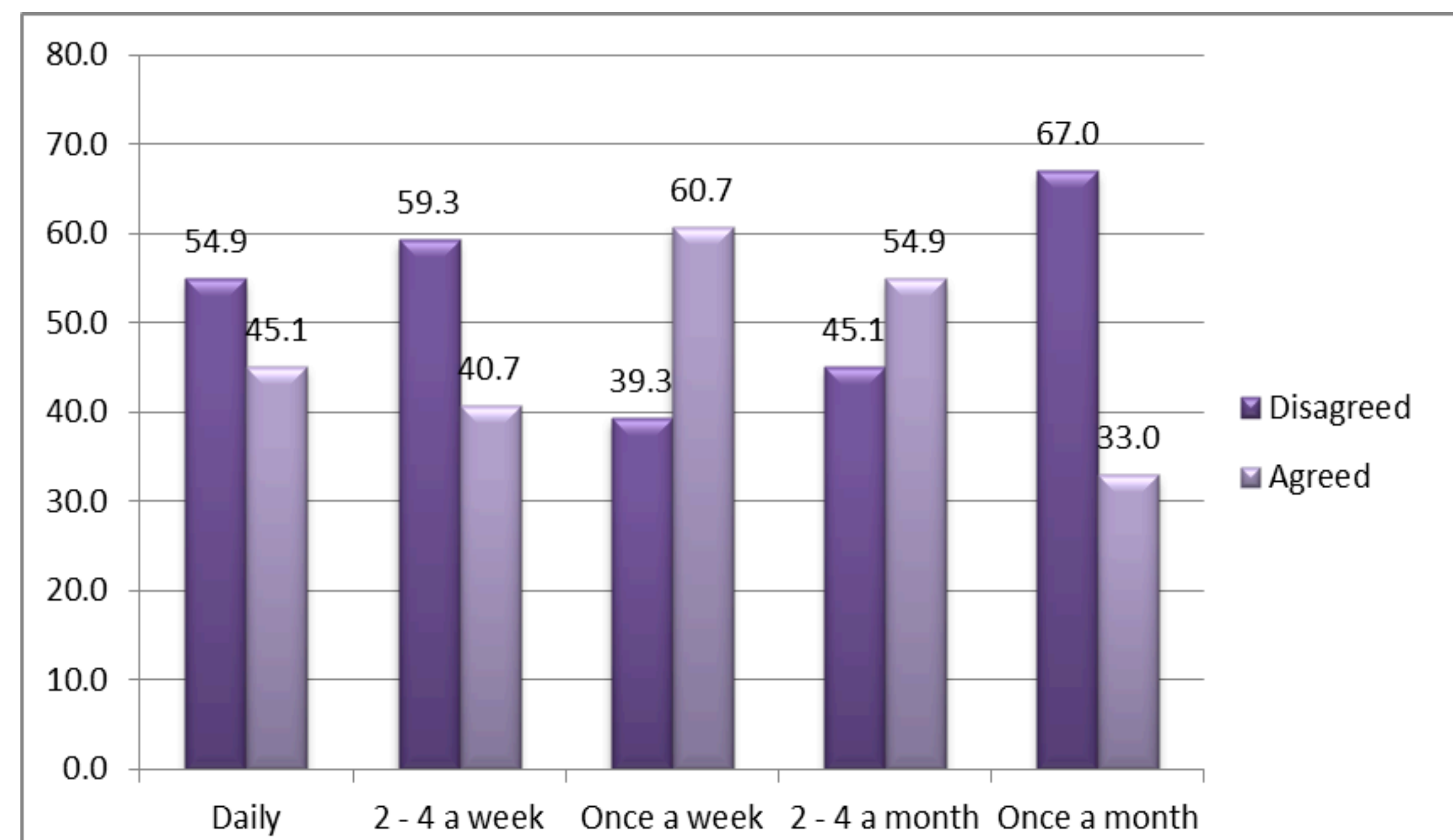


Figure 3: Usage frequency

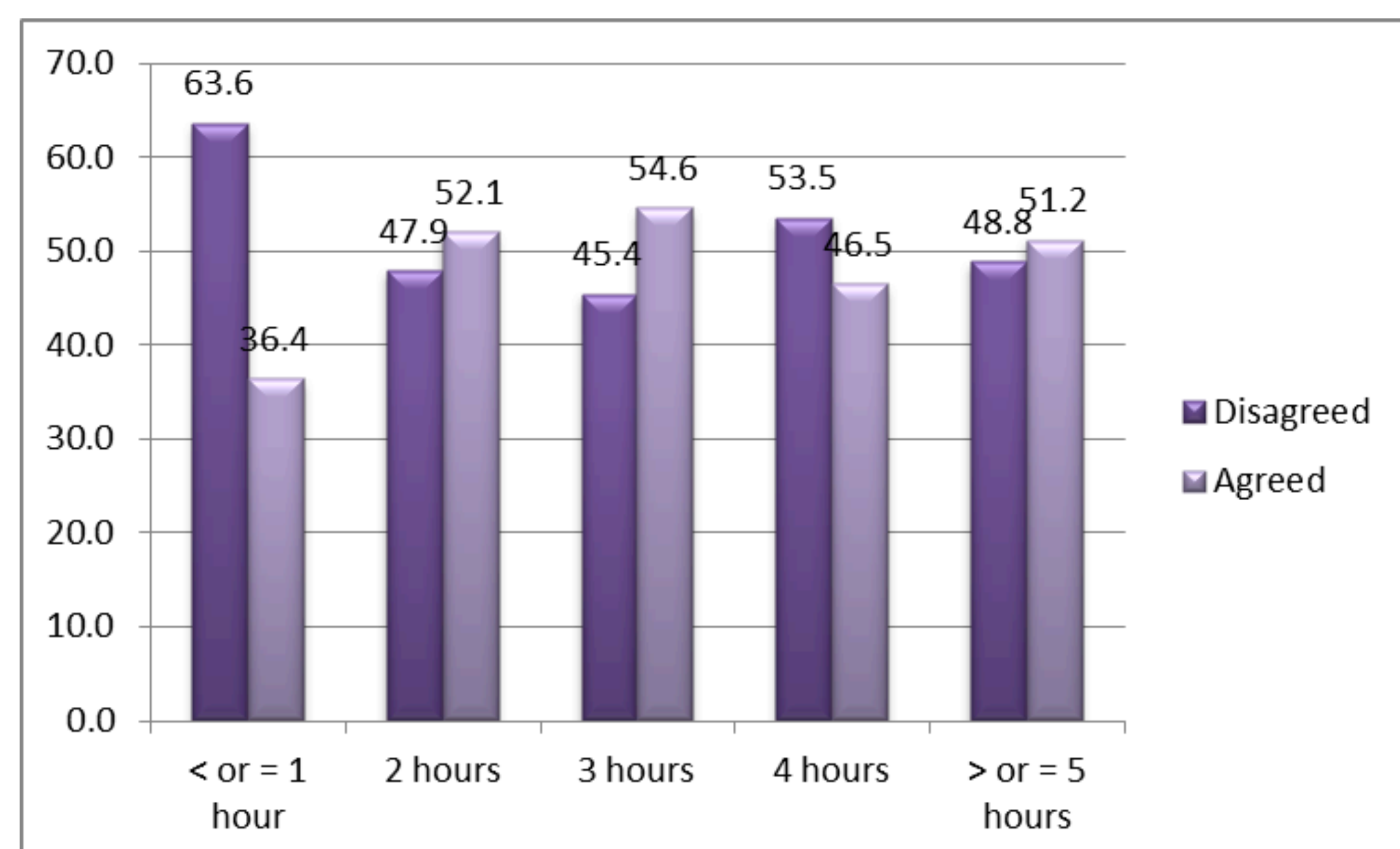


Figure 4: Log-in duration

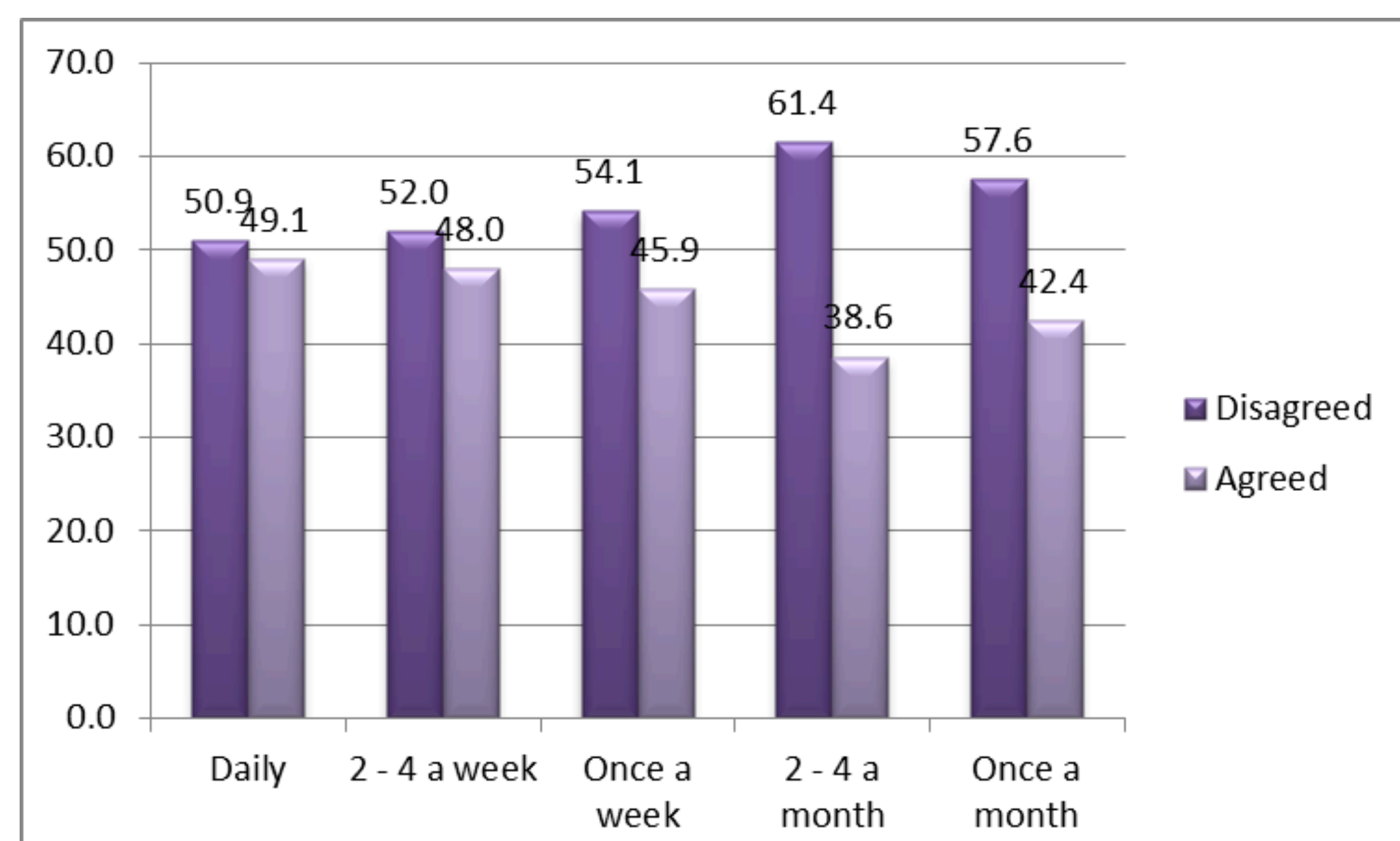


Figure 5: Profile update

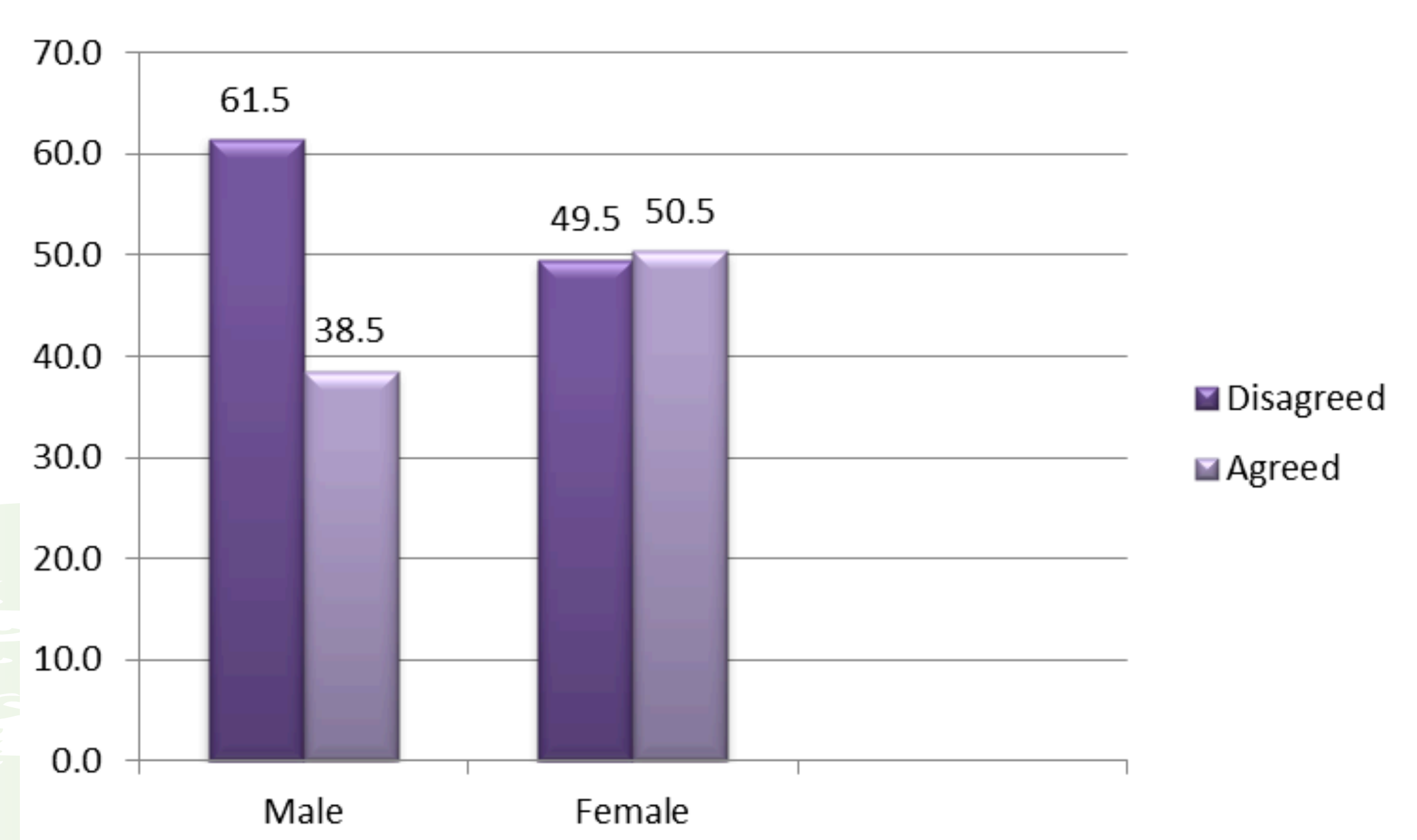


Figure 6: Gender