

EFFECTIVENESS OF ADVERTISING ON SOCIAL MEDIA - FACTOR ANALYSIS

N.N.Jose

Research scholar, BSMED, Bharathiar University, Coimbatore

Dr.S.Mahalingam

Professor, BSMED, Bharathiar University, Coimbatore

Abstract

The internet has made the world smaller. Information is at our fingertips. Now, with social media, we have even more access to news and attitudes than ever before. It's now entirely common to hear someone ask you to share something on Facebook or to receive breaking news via Twitter on your phone. The world has changed from keeping a Rolodex with lists of contacts to now knowing nearly everything about everyone you've ever met. It's easy to see what your friends ate for dinner, how fussy their kids have been and how they feel about Mondays. As much as people may decry the useless personal information that some people provide on social networks, most people cannot bring themselves to cancel an account for fear that they'll miss out on important information. The study has been made an attempt to determine the effectiveness of social media advertising.

Key words: Social media, Advertisement, attitude.

Introduction

Businesses have to use technology effectively to achieve their goals. Due to globalization, businesses have to compete with competitors not only from their own country but also from other countries. This situation forces businesses to make global level plans and changes. Rapidly changing and developing technologies and their adaptation to the businesses bring along a new process. Businesses need to choose the right technology and adapt to their operations. One of the primary purposes of investment in information and communication technology systems by businesses is to add real economic value to their businesses. It is assumed that all the expenditures made for information technology will bring a return on investment in economic terms. Every organization that wants to achieve success with information systems must carefully design and manage their information technology infrastructure. Digital technologies quickly change our communication style, purchasing behavior, business interactions, and many more areas. It is possible to talk about a complete transformation over time. Based on these developments, compared to older technologies, new technologies have been adopted and implemented more quickly by individuals and businesses. Businesses making use of this situation are quickly engaging with these technologies and using them in their business structures and processes such as manufacturing, management, marketing, and more. In today's conditions, social media phenomenon, which came along with the changing and developing new technologies, affects both individuals and businesses. Businesses that use social media platforms are able to reach their customers quickly and easily and receive rapid feedback.

Review of Literature

Brown & Logic (2008) reported that the increasing popularity of interactive media, advertiser and marketing professional are paying more attention to the interactive advertising and the use of interactive media and mentioned that there is an on-going secular shift from traditional media to online media because the marketers had recognized the effectiveness of interactive advertising in influencing consumers and delivering measurable results. Li and Leckenby (2004) revealed that the issue of internet advertising had become part of the question about the effectiveness of interactive advertising, and it should be examined in a similar fashion as traditional advertising. Consequently, the following content will evaluate the effectiveness of interactive advertising and its associated determinants. Yang (1997) pointed that if there are no significant effects of interactivity on advertising effectiveness based on the traditional measures, it may attribute to the invalidity of traditional measures. Hence, new measures are needed in order to better fit the new advertising environment and four measures were used to evaluate the effectiveness of advertising: (1) attitude towards advertising (Aad); (2) attitude towards the advertised brand (Ab); (3) purchase intention; and (4) time of exposure to advertisements. Dreze and Zufryden (1998) mentioned that the use reach, frequency, and gross rating points (GRP) to measure the effectiveness of interactive advertising. The world global marketing and advertising research company, Nielsen, measures the online advertising effectiveness by using the brand favourability, message equity, brand consideration, purchase propensity, the effectiveness of creative execution, place impact, and frequency of exposure. Yoo, Kim & Stout (2004) referred that the Aad has always been studied whenever it links to advertising as it has been considered as an efficient indicator for measuring the effectiveness of advertising and the impact of Aad on the advertising effectiveness is significant. Haugtvedi, Machleit & Yalch (2005) found that the Purchase intention (PI) is referred to as the intention to either purchase or reject a product and it is also one of the main criteria used to measure the effectiveness of advertising and to anticipate a consumer's response.

Objective of the Study

To assess the effectiveness of advertisements through social media network as perceived by the respondents.

Methodology

The study relied on both the primary and the secondary data. The primary data were collected from the sample respondents with the help of structured Questionnaire. The secondary data related to advertising of products in the Social Media Network were collected from the websites. Questionnaire survey was adopted as a survey instrument in the study. The items that measure the effectiveness of advertisements in social media

network. The items for the dependent variable ('effectiveness of interactive advertising') were adapted from Martin, Bhimy and Agee (2002). In addition, items that measure the construct 'time of exposure to advertisements' were adapted from Fleming, Thorson and Atkin (2004) ranging from strongly disagree to strongly agree. In this study, the targets for the respondents are MBA, M.C.A., students and IT professionals in Madurai, Chennai and Bangalore cities. In this study, the non-probability sampling techniques were selected to conduct the survey, and in particular by using convenience sampling. The total number of questionnaires distributed in the self-administrated survey was 500 sets. As a result, only 324 valid sets of questionnaires (64.8%) were left and then used for further analysis in this research by using SPSS software version 21. The applied sampling procedure in the project study is purposive sampling.

Results and Discussion

The effectiveness of advertising on media has been measured overall through 16 item scale. Factor analysis has been carried out to reduce the scale and find the dimensions of the effectiveness of advertising on media. The result of principal component analysis has been displayed. The latent variable effectiveness of advertising on media has been measured through 16 observed variables.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.790
Bartlett's Test of Sphericity	Approx. Chi-Square	1781.238
	df	120
	Sig.	.000

From the above table it can be inferred that, Kaiser-Meyer-Olkin Measure of Sampling Adequacy is 0.790 for the effectiveness of advertising on media items. Thus the number of samples is adequate for factor analysis. The result of Bartlett's Test of Sphericity and chi-square transformation suggested that the correlation matrix of the 16 items of effectiveness of advertising on media was not an identity matrix at 1 per cent level, i.e., some of the items were inter correlated.

Rotated Component Matrix

In principal components, the first factor describes most of variability. To spread variability more evenly among factors, Rotation has been done. Varimax rotation was chosen. Varimax rotation redefine factors such that loadings on various factors tend to be very high (-1 or 1) or very low (0), thus making sharper distinctions in the meanings of the factors.

Component Matrix ^a					
Effectiveness of Advertising on Media	Component				
	1	2	3	4	5
I like online advertising	.666				
Online advertising helps me keep up-to-date about product and services that I am interested in	.479				
Online advertising is disturbing	.476				
After viewing online advertisements ,I am more in love with the advertised brand		- .453			
After viewing online advertisements ,I developed preference for the brand in the advertisement		- .527			
After viewing online advertisements ,my impression for the product brand is strengthened		- .654			
After viewing online advertisements ,I am willing to try using the product			.402		
After viewing online advertisements ,I become interested in making a purchase			.606		
After viewing online advertisements ,I will purchase the brand being advertised			.597		
In a typical week, about how many banners appeared in the online advertisement do you see?				.560	
In a typical week, about how much online advertisement do you see?				.571	
About how many commercial advertisements appeared in online do you see in a typical week?				- .721	
I found online advertising interesting and informative					.631
I found online advertising entertaining and fun to watch					- .410
I could relate to the people in the advertisement who tried the product					.532
The host or celebrity in the advertisement made me feel the product was a good one					- .671
Extraction Method: Principal Component Analysis.					
a. 5 components extracted.					

Based on rotation component matrix, 16 items are classified into **FIVE** components; **First** component includes I like online advertising, Online advertising helps me keep up-to-date about product and services that I am interested in and Online advertising is disturbing. **Second** After viewing online advertisements ,I am more in love with the advertised brand,

After viewing online advertisements ,I developed preference for the brand in the advertisement, After viewing online advertisements ,my impression for the product brand is strengthened .**Third** After viewing online advertisements ,I am willing to try using the product After viewing online advertisements ,I become interested in making a purchase, After viewing online advertisements ,I will purchase the brand being advertised. **Fourth** In a typical week, about how many banners appeared in the online advertisement do you see In a typical week, about how many banners appeared in the online advertisement do you see?, In a typical week, about how much online advertisement do you see?, About how many commercial advertisements appeared in online do you see in a typical week?.**Fifth** I found online advertising interesting and informative, I found online advertising entertaining and fun to watch, I could relate to the people in the advertisement who tried the product, The host or celebrity in the advertisement made me feel the product was a good one.

Conclusion

When the influence of social media -focused information and communication technologies on marketing -oriented outcomes are analysed, it was revealed that these technologies positively affect brand recognition of the company and customer loyalty to product and services. Business try to create a link between their customers and product or services especially through promotion, advertising, customer satisfaction, and many different activities. When quick transfer of information, instant feedback, and broad areas of influence are considered especially in social media environments, business execute marketing-focused activities in these environments. To measure the effectiveness of social media advertising, the study concluded that five important factors to be considered for making the advertisement effective they are, attitude towards advertising, attitude towards advertised brand, purchase intention, time of exposure to advertisement and effectiveness of interactive advertising.

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