THE EFFECTIVENESS OF SOCIAL NETWORKING IN MARKETING: THE POWER OF THE FACEBOOK GENERATION

Dr. Ria Nicoletti Morphitou, University of Nicosia
Dr. Marlen Demetriou, University of Nicosia
Ms. Antonia Demetriou

Introduction
Recent technological advancements have developed and established permanently in today’s people’s lives. Since the early 90s, computers have entered almost every person’s life and along with the development of Web 2.0 in 1999, social interaction through social networks became a trend. In the social network category various social networking sites are included such as Facebook, Twitter, LinkedIn, Google +, MySpace etc. As the members of such sites were increasing, businesses could not be indifferent or static about it.

Aims and Objectives
The primary aim of this research is to identify if promoting in social networking sites is effective. This study is also intended to identify answers to the following issues, through a deeper understanding of the marketing dimension in social networking sites, specifically among students.

- Identify the effectiveness of social networking sites.
- Consider the need of marketing in social networking sites for small businesses.
- Examine the influence of marketing in social networking sites in the purchasing decisions of individuals.
- Analyze the demographic characteristics that are mostly influenced by marketing in social networking sites.
- Identify the product categories that are influencing people in social networking sites.
- Determine the type of advertisements that can mostly affect people in social networking sites.

Answering these questions is intended to provide businesses and marketers a deeper understanding to the online marketing approach they choose on a business to consumer base and if they do not use an approach as such, if their company should do so. The effectiveness of such marketing tool is essential to businesses nowadays because of the low cost they demand in comparison to other marketing tools.
Methodology
This study was completed through quantitative research and more specifically through surveys. The questionnaires have been submitted electronically and non probability sampling has been used. A sample of 384 respondents completed the online questionnaires.

Conclusions
According to the generated results of this research paper, women are more likely to purchase a product or service due to an ad on Facebook, rather than men, leading to the conclusion that advertisements targeting female consumers are more likely to be effective than those targeting male ones. Additionally, results demonstrated that younger generations are more likely to proceed to online purchases since they seem to have more confidence on shopping online rather than older generations. Individuals belonging to the 15-35 age group are more engaged in constant communication with their friends in SNSs and are more computer savvy compared with other age groups, causing a direct relationship between younger generations and purchases through Facebook ads. Therefore, the younger the age group, the more likely it is for the ad to be noticed and converted into a purchase. Consequently, it is more likely for an ad to be noticed and transformed into a purchase, and thus be effective, if it is targeted to younger age groups. City residents are also more likely to proceed to an online purchase through ads on Facebook, rather than suburb citizens.

Results were also analyzed based on the noticeability, “like” and finally the purchase of products or services due to advertisements on Facebook: which all contribute to a large extend to the increase of a firm’s visibility and brand awareness. The most motivating factor is for the users to find the ad interesting in order to notice it, “like” it and then to proceed to a purchase, while contests with prizes are in the second place and the brand familiarity on the third. e-WoM (online discussions) is “an unpaid” form of promotion in which satisfied customers tell other people how much they like a business, product or service” (entrepreneur.com) and it is perceived to have an impact on the purchasing decision making of individuals. There is a tendency among people to trust product reviews by friends/family/peers more than marketers. Concluding, e-WoM’s influence is considered to be another significant factor of e-marketing.

Key words: Social media, promotion, marketing
1. General Overview and Research Importance

Social networks have entered people’s lives in dynamic and unexpected ways. Recent technological advancements have developed and established permanently in today’s people’s lives. Since the early 90s, computers have entered almost every person’s daily life and along with the development of Web 2.0 in 1999, social interaction through social networks became a trend. In the social network category various social networking sites are included such as Facebook, Twitter, LinkedIn, Google +, MySpace etc. As the members of such sites were increasing, businesses could not be indifferent or static about it. Marketing in social network sites became the new trend among businesses, with different advertisements popping-up in the sites. This study will provide businesses and marketeers with a deeper understanding to the online marketing approach they choose on a business to consumer base and if they do not use an approach as such, if their company should do so. The effectiveness of such marketing tool is essential to businesses nowadays because of the low cost they demand in comparison to other marketing tools. Due to the economic crisis, budgets have been cut down from the majority of companies, and as trying to lower their costs or avoid unnecessary ones, lowering advertising cost through a cheap and effective way, is essential to their survival. Targeting the right consumer base in terms of age and sex is extremely important for every company, as well as advertising the “right” product categories through social networking sites and to the “right” target market. However, not every marketing tool is correct to all companies, meaning that a successful advertising strategy including social media for one company does not necessarily mean it should be applied to another, as it may have opposite results. After all, social networking sites have evolved in order for people to communicate and stay in touch with their family and friends. Thus, users/consumers do not behave the same way and they do perceive marketing-approaching strategies differently than others. While some consumers might be positively influenced by advertisements, others might be annoyed of different advertisements popping in their windows whilst they try to stay in touch.

1.1 Research Aims and Objectives

This study is aimed to identify whether marketing in social networking sites is effective as well as examine its influence in the purchasing decisions of individuals. It is examined the case of Facebook, which is the most popular SNS among people, with 1 billion registered users by October 4, 2012 (Facebook, n.d.)

Furthermore, to analyze the demographic characteristics that are mostly influenced by marketing in social networking sites and identify the advertisements and the product categories that are influencing or affecting individuals.
2. Literature Review

2.1 Social Networking Sites

The phenomenon of social networks existed since the beginning of time, as people were forming their networks with their family and co-workers, as Harris (2012) supported, thus the concept of social networking was not a new one. Social networking sites were developed based on features of other software already used. As mentioned by Boyd and Ellison (2008), profiles were present mostly in dating sites.

The first social networking site was called SixDegrees.com, launched in 1997 which allowed the creation of the users’ profiles and their friend list, organize groups and surf in others profiles, gaining millions of users. Additionally, in Classmates.com users could locate and reunite with their classmates after making an online profile, having by September 2012, 540 million registered accounts according to Goble (2012). SixDegrees.com however by 2000 closed, because it was believed to be ahead of its time. Individuals had computers and access to the Internet, but the majority of them did not have a broad network of online friends and did not have an interest in meeting strangers.

A number of community tools where established in sites based on the demographics of the users, like AsianAvenue.com developed in 1997, BlackPlanet.com launched in 1999 and MiGente.com developed in 2000, which were supporting the combination of profiles by users. In 2001, Ryze.com was launched for business networks to develop, starting with the business and technology community in San Francisco, and was followed by Tribe.com, LinkedIn and Friendster.

MySpace, launched in 2003 in Santa Monica, California, was a tremendous success. Gaining its members through the disastrous decision of Friendster to pose fees to its users, individuals found its alternative to MySpace. Band members who where banned from Friendster for not complying to profile regulations, invited its users to switch to MySpace and with the combination of promoters of VIP passes to clubs, MySpace became very popular, attracting fans to register in order to stay in touch with their idols. In 2004, teenagers started to join the website along with post-colla ge users, having 300 million registered users. News Corporation purchased for $580 million MySpace and its parent company, Intermix. According to Gillette (2011) mismanagement, unsuccessful merger and many strategically wrong moves, along with sexual interactions between adults and minors, led to the fail of MySpace. According to Halliday (2011,) in 2011 the singer and actor Justin Timberlake and Specific Media Group jointly bought the company for approximately $35 million, and redesigned it hoping for the website to align closer to the music industry, by introducing the New MySpace which is now offering 42 million songs, and to integrate with Facebook and Twitter.

Social networking sites, as mentioned by Harris (2012), are made up of the users and their relationships. The SNSs now allow users to collaborate, tag, share, edit and create information, thus their popularity is constantly growing.
2.2 The Facebook phenomenon

Facebook is the most popular Social Networking Site as it now has 1 billion of registered users as of October 4, 2012 (Facebook.com, n.d.), from which 591,060 are in Cyprus as of April 7, 2013 (checkfacebook.com, n.d.; Internetworldstats.com, 2012). The Facebook, as it was initially called, was founded by Mark Zuckerberg and his roommates Eduardo Saverin, Andrew McCollum, Dustin Moskovitz and Chris Hughes, all college students in Harvard University in January 2004. Access to the network was firstly limited to Harvard students (Cassidy as cited in by Boyd and Ellison, 2008), who within 24 hours, 1,200 were signed up and 50% of the undergraduate students registered in just the first month of the site’s launch, but then given access permission to other colleges, like Stanford, Columbia and Yale and gradually, by 2006 everyone in Canada and the USA who were over 13 years old and had a valid email address, were able to obtain a Facebook account.

Companies can create Fan Pages in Facebook to promote their products and services. A Fan page is a mini-website on Facebook in which unlimited users are allowed to register and develop unidirectional connection with the company as “fans”. Facebook offers to firms 6 types of Fan Pages to select from according to their category: Local Business or Place, Company, Organization or Institution, Brand or Product, Artist, Band or Public Figure, Entertainment and Cause or Community. In the Fan pages, firms can post their news, offer tutorials, announce events, conduct polls, highlight videos and create community with discussion boards.

There is a significant advantage in developing this kind of pages because fans following the company may not want to grant the firm access to their profile, ensuring this way their privacy. Furthermore, firms cannot be intrusive, because the companies’ pages are not allowed to send friend requests, thus respecting Facebooks’ members’ privacy and at the same time allowing them to connect with the company, as they can invite them to “like” their Fan page. Consequently, the firm can build on its brand recognition and create conversations to increase brand awareness. The fact that Facebook pages can be searched outside Facebook increases the competitive advantage towards other companies. The real-time news feed offered, increases viral and e-WoM marketing as the “friends” of the “fans”’ website, can see that they have joined the Pages and are alerted to join themselves, increasing the firms’ visibility and the brands’ awareness.

The popularity of Facebook was increased abruptly as 1 billion accounts are currently registered. In Cyprus there are roughly 600,000 users currently (Socialbakers, 2013), registered on Facebook out of the 862,011, as of January 1, 2013 (Eurostat, 2013), thus 69% of Cypriot residents own a Facebook account. The most popular brand in the island is currently Shark Energy with 57,647 local fans, while the most popular page is I love Cyprus, owning 58,227 local fans (Socialbakers, 2013).

2.3 Marketing in SNSs

Marketing in SNSs is an old game, with new rules, as noted by Papadimitriou (2012). The growing popularity of online marketing could not be indifferent to marketers, but now they do
not seek not just for consumers to click and navigate in the company’s website, but to create with them ‘sustained engagement’, as Harris and Rae (2009) suggested. The large numbers of Internet users and the constant growth of memberships in the SNSs attracted advertisers, who identified the obsolescence of traditional ways of advertising and the opportunity of marketing space within these services.

Spending on marketing in SNSs in between 2007-2009 had increased by 165%; from $884 million to $2.34 billion (Burson-Marsteller as cited in Anjum, More & Ghouri, 2012). Users are now able to opt and reach their favourite brands, well as post on their profile information and links to those brands (Harris, 2012). Consumers enjoy the fee-free online social networking space, mainly due to the marketers purchasing their piece of virtual advertising space within the websites (Hadija, Barnes and Hair, 2012).

The advertisements through SNSs gained an increased popularity as it is also easier to approach a larger target market simultaneously and soon became a trend between marketers. Users’ demands are evolving, as they are not now satisfied by only downloading static data, but are continually uploading and sharing information between them. Consumers today are expecting companies to have a presence in the online Social Networking Site world (Parson, 2011). The challenge is for companies to establish a successful presence in the online world, while managing to integrate this means of marketing with the traditional ones, in order to increase the possibility of the brand engagement and present a cohesive brand image (Mangold and Faulds; Kapland and Haenlein as cited in Parsons, 2011).

‘Social media marketing is any form of direct or indirect marketing that is used to build awareness, recognition, recall, and action for a brand, business, product, person, or other entity and is carried out using the tools of the social Web, such as blogging, micro-blogging, social networking, social bookmarking, and content sharing‘ (Gunelius as cited in Anjum, More & Ghouri, 2012). After all, the rule is that users drive the success or failure of social networks (Budden, Anthony, Budden and Jones as cited in Wallace et al, 2009). Social media marketing is “a social and managerial process by which individuals and groups obtain what they need and want through” (Kotler et al as cited in Anjum, More & Ghouri, 2012). Wallace et al (2009) suggests that by advertising in social networking sites, the company builds brand awareness and loyalty, fact that was late confirmed by Pustylnick (2011), who supported that SNSs’ non-advertising messages increase brand awareness and continued by noting that the information gained through these ads creates additional value for the product.

According to Anjum, More and Ghouri (2012), in order for companies to connect with their target markets they now use integrated marketing communications. Integrated marketing communications include promotional elements such as public relations, publicity, advertising, sales promotion, personal selling and direct marketing (Vargas as cited in Anjum, More and Ghouri, 2012). Papadimitriou (2012) suggested that contemporary marketers are now evolving from being broadcasters; transponders of information, to aggregators; collectors of information; which are responsible to create a page that will allow collaboration with the SNSs’ users and build communities involving voluntary and active participation concerning the specific product. By building an attractive environment, the ultimate SNSs’ purpose will be achieved; to attract potential consumers and create a buzz around the brand. Wallace et al (2009) noted that Internet
users are willing to click on relevant for them advertisements, but cannot tolerate the advertisements that are usually popping-up without clicking on them or ads sent to email accounts without subscribing to a company’s newsletter, spyware or adware.

The marketing in SNSs, as any other kind of marketing, must be integrated in the whole marketing strategy of a company. According to Papadimitriou (2012), this includes for marketers that they should have in mind the appropriate marketing mix elements; Product, Price, Place and Promotion (4 P’s), the potentials Internet is offering and how the 4 P’s can be altered according to the new technologies. Concerning the Product element, its features, logo and the after-sales service can be transformed and reinforced. The Price element is following more or less the same strategies as offline pricing, for marketers to accordingly choose. That is the product’s introduction in a market in a low price; called penetration price, and the pricing of the leader of the market; called leadership pricing. Concerning the Place element, marketers can register a distribution channel in an SNS, if appropriate for their business. The Promotion element, is reinforced as updates of the firms’ products are constantly available, as well as the possibility of communicating with the firms’ representatives for any information.

2.4 Advantages of Marketing in SNSs

Marketing in SNSs is considered to be an effective way of targeting, approaching and influencing consumers, thus several advantages exist that can persuade marketers not using them, to do so, and current ones to continue doing so. In an online communication era, the use of SNSs is allowing the companies to communicate with their consumers, but in contrary with the traditional media, SNSs are also allowing consumers to communicate directly with the marketers as well as an unlimited number of other consumers (Mangold and Faults as cited in Parsons, 2011). Crittenden and Crittenden (2012) suggest that strong brands can retain their effectiveness through the social media environment. This means of marketing is called direct marketing, as mentioned in Section 2.1.2. Firms are lowering their costs by using this direct approach to the current and potential consumers with the exploitation of the various SNSs available and by cutting of the intermediaries, as mentioned by Palmer and Koenig-Lewis (2009). Crittenden and Crittenden (2012) mention that distributors provide services and sale product through the utilization of SNSs, in addition to the face-to face promotion tool they use, acting both as means of direct selling and marketing.

Businesses must be prepared to face criticism, positive but most importantly negative one. After all, “you are what you share” (Leadbetter as cited in Harris and Rae, 2009), so marketers must carefully design their online marketing strategy in order to avoid unwanted misunderstandings. Pustylnick (2011) supports that a company starting its online marketing strategy in Facebook; it must create a trustworthy and synoptic profile. The 2011 Ford Explorer model is one of the biggest successes of the Facebook advertising strategy, as its effectiveness was 200 times more than the Super Bowl advertising in the same year (Pustylnick, 2011). Additionally, the researcher supports that without denying the success of the advertising in Facebook, one must be careful to approach and target the proper demographic characteristics in order to succeed.

Active participation is essential for the success of the online marketing strategy and according to Delobelle (2008) businesses need to have in mind of every conversation that is done about them.
and reply quickly and comment on them. Companies that are actively participating in their SNS account can gain significant competitive advantages over companies that either do not have a SNS account or are have an inactive one, because they establish their presence and thus promote brand awareness (Harris, 2012), as well as building strong customer relationships. According to Ripperger (2013), brands need to be listening, asking questions and engaging to their consumers in a way that will be adding value to the brand. Empirical results support that through social media firms can gain competitive advantage and concrete strategies in order to approach their target market (Leena as cited in Anjum, More and Ghouri, 2012). Marketers were fostered to understand that in online advertising, the ads must be firstly centred to the consumer and not the product, in order to create a brand-engagement within a social network (Savulescu as cited in Harris, 2012). Palmer and Koenig-Lewis (2009) suggest that companies that are observing and seriously considering customers’ feedback are able to identify the wants and needs of the consumers and inform about their product development, fact that was agreed by Khan (as cited in Anjum, More and Ghouri, 2012), who supported that companies can utilize the use of the SNSs to communicate with their consumers, advertise and get feedback for their current products as well as ideas for new ones. According to Papadimitriou (2012), the fastest communication between marketers and consumers can be achieved through SNSs, thus their usability and utilizability is necessary for a business success. Constantinides and Fountain (2008) noted that involvement of members in a community by the company, allows “co-creation of value through the generation of ideas”. According to Harris (2012), companies can take advantage of the feedback and comments by users, and use them to their benefit by improving their products or services. Some firms choose to not delete the negative comments posted by their fans and utilize them in the form of having open communication channels and build and sustain trust. Marketing guru Seth Gordin suggested that in order for a company to succeed in today, it must be “remarkable” and be “talked about virally” online and offline (Harris and Rae ,2009).

Continuous exposure to a brand establishes positive exposure towards a stimulus (Monroe as cited in Harris 2012), enhancing brand awareness and promoting positive attitude towards the brand. “Liking” a page or suggesting it to a friend can create brand awareness (Harris, 2012). As mentioned in (Harris and Rae, 2009) the concept of the “superfan” is important for companies to develop. The “superfan” is the person who has very positive attitude and perception of a specific company, that he is more than willing to spread the positive information about the company’s product or service through SNSs. This is a positive boost for the company in order to raise its brand awareness.

Harris and Rae (2009), who included 30 case studies in the UK, concluded that companies, who actively participate in online communities, can replace customer annoyance from receiving advertisements, with engagement. According to Ripperger (2013), the effectiveness of marketing in SNSs, is measured by how much people are consuming the content and the level engagement of consumers. Likes, comments, shares, links, views are means of measuring the aspects mentioned previously. Harris (2012) suggested that companies need to allow an open communication channel through social networking sites between businesses and users, amplifying their brand awareness and building trust between them. Therefore, online shopping as well as in-store purchases increase, boosting business’ revenues up. Latham (2009) supported
that among the top 100 brands using SNSs advertisements, faced an 18% increase in their revenue.

A research conducted by Taylor, Lewin and Strutton (2011) identifies that consumers have more positive perceptions towards an advertisement in a SNS, when the ad’s content provided them with some kind of entertainment value, informational value or offered social value. Consequently, Taylor, Lewin and Strutton (2011) concluded that an advertisement in a SNS is more successful when it offers some sort of explicit value to the users; with entertainment value to be most preferred by the participants and 5 times more influential towards creating positive perception towards advertisements by SNSs’ users rather than other factors. This implication though, needs to be carefully thought as different backgrounds of users form different perceptions of entertainment value than others, thus the “entertainment” factor needs to be aligned and consistent according to the interests of individual SNSs’ users.

Communication between companies and consumers should not be concerning only about the product or service offered, nor the experience of the customer with the specific company. It should also be included the most popular topic of the day, in order for the company to establish its presence of the company. According to Harris (2012), the company will succeed if this kind of communication is integrated with their marketing strategy. Additionally, according to Sankaran and Ravikumar (2011), companies must be able to “listen” to the online conversations concerning their brand, establish their share of voice, benchmark against the perceptions of the public and finally engage.

A research conducted by Anjum, More and Ghouri (2012) was based on finding the preferences of SNSs users in terms of marketing. They used a three segmented questionnaire, including attract, engage and retain factors, based on a Kierzkowski et al. model (as cited in Anjum, More and Ghouri, 2012), adjusted to customers’ perspective. Concerning the attractiveness factor, it was concluded that there was an increase to the customers’ attraction towards websites that were advertised in another website, while the engagement factor was supported mostly through lucky draws/contests and concerning the retain factor, the researchers concluded that the security features are to the concerns of the customers, confirming facts that were stated previously. This was supported by Erdogmus and Cicek (2012), who concluded in their study that firms draw the interest of the consumers by creating more engaging, participative and interesting ways to attract them, such as contests and games.

A study conducted by Huang, C., Chao, W. and Su, Y., (2012), researched the relationship between social motivation and advertising effect on Facebook. As the authors explained, social motivations are divided into three categories; social network maintenance which is the motivator that attract people in joining Facebook to maintain existing social relationships especially real-life friends, social relationship compensation, which is motivating people to join Facebook to strengthen existing relationships, and social entertainment motive, which is the users’ motivation to join Facebook for their entertainment. After analyzing 197 valid questionnaires, the researchers concluded that the person with social relationship compensation is more and significantly likely to “click” on the ads shown in Facebook, read its message and be impressed by the advertisement.
3. Methodology

For the purpose of this research paper, descriptive research has been applied with the aid of an online questionnaire. Thus the quantitative analysis was conducted and the data was analysed with the SPSS software, as well as Microsoft Office Excel. The questionnaire has been divided into three major categories which included socio-demographic characteristics, general Internet and SNS data and data specifically concerning Facebook.

Non-probability sampling has been used and more specifically purposive sampling method, since the sample must have some specific characteristics in order to have the possibility of being selected. More specifically, they should belong to the 15-35 age group in Cyprus, have access to the Internet and a computer, laptop, tablet or smartphone and a Facebook account. The appropriate sample size was estimated to be 384 responses, according to the population concerned in Cyprus, for a 95% confidence level and a 5% margin of error.

4. Interpretation of Findings

The aim of this research paper is to identify whether marketing in SNSs, more specifically in Facebook, is effective as well as its influence in the purchasing decisions on Cypriot residences aging from 15 to 35 years old. Furthermore, it is aimed to analyze the demographic characteristics mostly influenced by marketing and indentify the advertisements and product categories influencing or affecting individuals. The effectiveness of marketing in Facebook was examined in three parts of this research: Socio-demographic characteristics, General Social Networking Site and Internet data and data gathered by specifically asked questions concerning Facebook which is the SNS of interest for this thesis.

As the first segment is concerned, this survey was conducted by a random sample of 280 people including 111 male and 169 female respondents, ranging from 15 to 56 years old but with the majority of them belonging in the 15-25 (81.8%) and 26-35 (16.1%) age categories. According to the demographic details collected, most of the respondents are city citizens (76.4%), while suburb citizens are only the 23.6%. The educational background of the participants varies from being Primary Graduates to Doctorate Graduates, with the majority of them being Junior High School Graduates (31.07%), High School/Technical School Graduates (23.93%) and Bachelor degree holders (25%). Most of the participants are students in Secondary (41.18%) and Higher (18.01%) Education, and employees in the Private Sector (18.75%). The 89.67% of the respondents are bachelors. All the above comply with the limitation mentioned earlier and it supports Wallace et al (2009), who suggested that the people belonging in the 15-35 age group are more engaged in constant communication with their friends in SNSs and are more computer savvy, compared with other age groups. Additionally, most of the participants belong to the middle class, in economic terms, as family income is mostly between €0 - €10.000 by 29.6% , €10.000 - €20.000 by 28.2% and €20.000 - €30.000 by 22.1%.

The second part of this research examines general social networking site and Internet data. The majority of the participants chose face to face communication as their preferable way of communication, supported by 55.49% of female and 47.71% of male respondents, followed by 33% of male and the 28% of female preferring the mobile phone communication. Only 12.8% of
female and 8.2% of male respondents prefer online communication through SNSs, which can be explained by the fact that respondents do not log-in on SNSs just to communicate, as it is easier and more convenient to communicate with other people face to face or using mobile phones. Despite the low percentage stating their communication preference to be through SNSs, 91.8% are familiar with SNSs and 91.8% own a Facebook Profile account, confirming the previous statement; that although it is not the participants’ preferable communication means, it does not necessarily mean their ignorance or non-use of it. The reason for having an SNS account varies as; a percentage of 36.1% stated that they own SNS accounts for fast communication and 25.4% to keep in touch with friends and family. Also, a 16.4% to play online games, 5.7% to share pictures and experiences, 4.3% because it is a trend, 3.2% to make new friends, 2.5% to stay up to date with a friends life, 2.1% for personal expression and 1.4% for self presentation.

SNS ownership shows that 54.06% of the respondents have one SNS account and since 91.8% own a Facebook account, it is safe to say that the most favorite and familiar SNS in Cyprus is Facebook. In addition to that, 30.74% are active on 1 to 3 accounts and 12.37% on 3 to 5. Other than Facebook, participants stated that they own YouTube and Google profiles by a 55.7% and a 36.4% respectively, as well as LinkedIn by a 13.9% and Twitter by a 28.9%. SNS frequency of usage shows that participants tend to use their accounts between 5 and 20 hours per week. More analytically, 28.52% uses their SNS(s) for 6-10 hours per week, 27.04% for 5 hours per week and 18.15% for 11-20 hours per week.

The third segment of this research’s results is considered with questions specifically addressed to Facebook and the advertisements promoted through this specific SNS. Facebook frequency usage is mostly (65.7%) between 1 hour or less and 3 hours on a daily basis. In further detail, 30.7% of the respondents are using Facebook for 1 hour or less per day and 35% between 1 to 3 hours per day, on a daily basis. Such frequency use can be used to characterize the 65.7% of the respondents as active Facebook users. This can also, explain the fact that 71.1% of the participants stated that they notice advertisements on Facebook. Additionally, a 25.1% and a 5% declared to agree and strongly agree respectively, to click on advertisements, while a 29% has not expressed an opinion. In further detail, this research tested whether the frequency of Facebook’s usage affects people in noticing ads on Facebook i.e. if the more time people spend logged-in on Facebook, the more advertisements they would notice, the results were as follows: 30.6% of the people who notice ads on Facebook spend 1 to 3 hours per day logged-in the SNS, 23.8% spends 1 hour or less, 11.7% spends 3 to 5 hours per day and 6.8% spends at least 5 hours per day. Consequently, the more time respondents spend logged-in on Facebook, does not necessarily mean that they will notice more ads, but maybe another factor tends to keep them to be logged-in. Ads on Facebook are considered to be intrusive by companies by a 58.66% of the respondents and a 36.1% find advertisements to be annoying while they are logged-in their Facebook accounts. Although, 5.7% and 1.2% of that percentage have agreed and have strongly agreed respectively to click on those ads even though stating annoyed by them. A 19% of the participants who actually notice ads when logged-in on Facebook sometimes makes a purchase and a 22.1% rarely does so, while and a 35.2% never actually purchased something. Furthermore, for the participants who do notice ads on Facebook, the 34.98% does so because they find the ad interesting, 28.08% because of a company’s contests with prizes and 18.23% because the brand being advertised is familiar to them. This can lead to the conclusion that in order to attract the attention of potential buyers, companies must advertise their products or
services in an interesting way, differentiating them of other similar companies, promoting more contests in which winners will earn prizes or establishing their presence by further promoting their brand name in order to be as familiar as possible to potential consumers. A 5.41% declared other reasons, some of which are the position of the ads on their homepage and their appearance on their newsfeed, as well as job opportunities. This seems an opportunity for companies to promote their products and services, and earn brand familiarity through job opportunities that the company may be offering. Moreover, 45.5% of Facebook account owners click “like” on ads but a 47.7% does not. Therefore, it cannot be clearly stated at this stage, if respondents are likely to “like” an ad or not. From the respondents who stated to “like” an ad, it is more likely to do so when there is a contest/prize ongoing or the ads which are considered as interesting by Facebook users.

The product category that is more interesting for the participants is the Clothing/Footwear category as the 50.7% notices their ads. Likewise, 29% of the participants notice Electronic products, 27% Health and Beauty products and 27% ads for Entertainment purposes, with a 28.6% to have actually made a Clothing/Footwear purchase due to ad on Facebook and a 12.72% an Electronic product one. 51% of the participants stated have never bought a product due to an ad on Facebook, while a 24.5% and a 23.7% has rarely and sometimes bought a product due to an ad on Facebook, respectively. In addition to that, 44.4% of the purchases have been made from participants owning a Facebook account, while the 2.7% from non - Facebook users. Respondents’ opinion results on purchases made after seeing an ad on Facebook show that 13.9% of them are in agreement with that statement, expressing them into active consumers, while Facebooks’ Fan Pages ads seem to attract 13.5% of active consumers, percentages close enough, hence, it cannot be drawn as a conclusion that ads on newsfeed or homepage of users are more effective than the ones on Fan Pages or vice versa. A percentage of 20.8% and 24.7% respectively, stated to be neutral, to whom proper advertisement, such as contest promotions, can be transformative as to them being from neutral, active buyers.

Purchasing decision making is considered to be influenced by a variety of factors, with a 53.71% to state that companies influence theirs through ads on Facebook and a 34.04% to believe that their decision is influenced by online discussions about a product or service. Also, a 23.9% has made at least one purchase after the suggestion of a friend on Facebook, them being friends, family or peers. Respondents’ results on the people who influence their purchasing decision making through online discussions are stated to be 38.2% by their friends, 17.5% by their family, 10% by their peers and 4.6% by experts. A matter that must come to the attention of companies is that 60.6% of the respondents’ do not suggest products to their friends on Facebook, while only 15% do so, and 20.1% is neutral as to beneficially suggested products. Thus, businesses must give more incentives and promote the suggestion or the “sharing” of an ad or a link directly connecting people to their Fan Page or website i.e. through prizes earned to the top 5 users with the most successful suggestions, in order to increase their brand awareness and the possibility of a purchase. In addition to that, a significant 44% becomes a fan on a group on Facebook to be informed about a company’s news, events, fact that can alter the users to search products and services, leading to brand awareness, firm visibility and the possibility of a purchase. Respondents’ opinion results on the importance of the ads on Facebook show that only an 8.5% find them important and a 55.6% does not, while a significant 35.9% stated that they neither agree nor disagree. Consequently, the neutral percentage must come to the attention of
companies, in order to “pull” them in the market. In addition to the previous statement, respondents were asked to express their wish for more ads, and only a 6.2% has positively answered, while a 24.3% was indifferent.

Socio-demographic characteristics are tested in order to address their relationship if any, with product purchases due to ads on Facebook; the demographic characteristics mostly influenced by ads on Facebook. Based on the generated results, 47.1% of the participants have actually made a purchase due to ads, from which the 29.9% belongs to female respondents and the remaining 17.2% to male ones, leading to the conclusion that ads are more effective on women. Consequently, female targeted ads are more likely to be effective than ads addressing male consumers. Additionally, from the 47.1%, the 36.8% are participants between 15 and 25 years old and 10% between 26 and 35 years old, causing a direct relationship between younger age groups and purchases through Facebook ads, and thus the effectiveness of the ads. So, it is safe to conclude that the younger the age group, the more likely it is to be noticed and converted into a purchase. Subsequently, it is more likely for an ad to be transformed to a purchase and hence be effective, if it is targeted to younger age groups. 37.9% of the purchases due to an ad were made by city residents and only 9.2% by people living in the suburbs, resulting for the ads to be more effective to the people living in cities, compared to those living in the suburbs. Actual purchases due to ads on Facebook were made by 12.3% of Higher Education Students and 10.7% from Secondary Education students, while a 9.9% of Private Sector employees and 9.1% of unemployed respondents have also bought a product or service. Furthermore, ads on Facebook seem to be more effective to University Graduates and High School/Technical School students as the 18% of the purchases made through ads on Facebook are Bachelor Degree holders, 11.5% are Master Degree holders and 10% High School/Technical School graduates. Moreover, 40.9% of the purchases made through an ad on Facebook, is made by bachelor respondents. Thus, ads on Facebook are more effective when the user belongs to the bachelor category, which is mostly and more likely to be composed by younger people. Consequently, the respondents’ occupational situation, educational level and marital status results act confirmatively to the previous conclusion made; that an ad is more likely to be transformed to a purchase and hence be effective, if younger age groups are targeted. The relationship between yearly family income and product purchases due to ads on Facebook showed that the more family income is earned, the less likely it is for a purchase to be made through ads on Facebook. Product purchases were made by a 14.6% of the respondents with €0 - €10,000 yearly income, 13.4% with €10,000 - €20,000 yearly income and 11.5% with €20,000 - €30,000. As mentioned before, it was expected for purchases due to ads on Facebook to be increased, as family income is increased, but in contrary these results show the opposite; the more family income earned, the less purchases are made. As mentioned before, this can be justified by the fact that due to shopping trends and socio-economic conditions in Cyprus, the richer families are more likely to continue to buy products/services as they are used to, rather than proceed to online purchases. Furthermore, more family income means that those families are employees or owners of companies, thus, fewer hours to be spent on online entertainment. In contrary, less family income may be a result of possible unemployment in the family, thus more hours to be spent in online browsing.

Advertisement noticeability by Facebook users is more likely to be converted to a purchase. Thus, the drive which makes the users to notice ads need to be to the attention of companies, as brand awareness and firm visibility are increased, leading to potential purchases, establishing the
advertisement effective. Reasons behind the noticeability factor, based the generated results, are as follows; 18.9% of the participants noticed an ad and then proceeded to a purchase due to the ad being interesting itself, 15.4% because of contests and prizes to be earned and 9.5% because the brand being advertised was familiar to them. Furthermore, when users “like” an ad, again brand awareness and firm visibility are increased, so the reasons of “liking” an ad are as follows; 13.1% of the respondents “liked” an ad due to the ad being interesting itself, 13% because of contests and prizes to be earned and 5.5% because of the familiarity of the brand to them. Based on these two relationships examined, it is safe to conclude that it is more likely for an advertisement to be effective when the ad is perceived by Facebook users as interesting, consists of contests with prizes and is familiar to them. The most desirable product categories that is more likely to be noticed and “liked” are observed to be as follows; 49.3% of the participants noticed and “liked” the Clothing and Footwear category, 26.8% the Electronic products category, 26.1% the Health and Beauty category and 25.7% the Entertainment category. The most preferable product categories bought by participants because of an ad on Facebook are consisted by a 28.6% of the participants to make an actual purchase of the Clothing and Footwear category, a 12.9% of the Electronic products category, an 8.6% of the Health and Beauty category and a 6.4% of the Entertainment category. Concluding, as these two relationships analyzed are concerned, it is more likely for an ad to be effective in terms of noticeability, “like” and make a purchase out of it, if the products advertised are included in the Clothing and Footwear, Electronic, Health and Beauty and Entertainment categories.

5. Conclusions

According to the generated results of this research paper, women are more likely to purchase a product or service due to an ad on Facebook, rather than men, leading to the conclusion that advertisements targeting female consumers are more likely to be effective than those targeting male ones. Additionally, results demonstrated that younger generations are more likely to proceed to online purchases since they seem to have more confidence on shopping online rather than older generations: people belonging in the 15-35 age group are more engaged in constant communication with their friends in SNSs and are more computer savvy compared with other age groups, causing a direct relationship between younger generations and purchases through Facebook ads. Therefore the younger the age group, the more likely it is for the ad to be noticed and converted into a purchase. Consequently, it is more likely for an ad to be noticed and transformed into a purchase, and thus be effective, if it is targeted to younger age groups. City residents are also more likely to proceed to an online purchase through ads on Facebook, rather than suburb citizens.

Results were also analyzed based on the noticeability, “like” and finally the purchase of products or services due to advertisements on Facebook: which all contribute to a large extend to the increase of a firm’s visibility and brand awareness. The most motivating factor is for the users to find the ad interesting in order to notice it, “like” it and then to proceed to a purchase, while contests with prizes are in the second place and the brand familiarity on the third. e-WoM (online discussions) is “an unpaid” form of promotion in which satisfied customers tell other people how much they like a business, product or service” (entrepreneur.com) and it is perceived to have an impact on the purchasing decision making of individuals. There is a tendency among people to
trust product reviews by friends/family/peers more than marketers. Concluding, e-WoM’s influence is considered to be another significant factor of e-marketing.

6. References

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