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Social Media Advertising: An Empirical Investigation

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Abstract: Today's advertising is changing due to the very real effects of globalisation, digitization, and social media. Numerous businesses and advertising players are compelled to use cutting-edge business strategies and new consumer and business models. This study makes an effort to investigate the components of social media advertising, concentrating on the platforms of Facebook, What's App, Instagram, and YouTube to identify the crucial components. The geographic region of NCR and Haryana served as the target audience. The information was acquired from 400 respondents, principal buyer in the families of inhabitants of Delhi/NCR, which comprises of 11 Delhi, 4 Haryana districts (Faridabad, Gurgaon, Rohtak, and Panipat). Our findings show that various factors of social media advertising extracted through exploratory factors analysis.

Keywords: Social media advertising; exploratory factors analysis.

I. INTRODUCTION

Advertising on social media has evolved alongside technological advancements in marketing, such as the shift from television ads to online banners. Traditional media, such television advertisements and internet banners, are different from social media-based advertising in that they don't only give marketers additional means to communicate with customers. It enables building an area for a brand that customers can quickly access and engage with (Lovett and Staelin, 2016; Stephen and Galak, 2012). Additionally, it helps businesses to keep tabs on client behaviour and much more regarding a brand (Srinivasan et al., 2015; Borah and Tellis, 2015). Social media is a mashup of many personality types with a wide range of backgrounds and behaviours. Different people have various demands, as well as various ways of thinking. Online advertisements that concentrate on social networking sites are referred to as social media advertisements. One of the main advantages of advertising on social networking sites is that businesses can utilise user demographic data to target their adverts effectively. The expansion of Facebook brand pages is mirrored by the prominence of social media marketing. 50 million small companies and 2.5 million marketers using Facebook as of January 2016. (Constine, 2016). Marketers have significantly boosted their expenditure on social media over the previous several years, with the growth expected to reach a 20.9 percent share of marketing budgets in the next five years (Moorman, 2016).

II. LITERATURE REVIEW

The emergence of the Internet and, in particular, Web 2.0, has altered the nature of advertising in the modern world (Stelzner, 2014). This is partially due to Web 2.0's enhanced capabilities that enable two-way (or multi-way) communication in an online environment that emphasises user autonomy, control, and discussion. It has a higher level of customer participation and interaction in advertising applications (Blackshaw and Nazzaro, 2004). The majority of the drawbacks of traditional advertising media (such as print and broadcast media), such as the one-way nature of communication and expensive usage, have also been eliminated by Web 2.0 and social media (Stelzner, 2014). Along with the impact of business reputation on stakeholders' preferences (Davies et al., 2003), (Davies et al., 2003; Sen and Bhattacharya, 2001). Last but not least, a

company's reputation is based on how reliable it is. In this view, trust comprises both an actor's capacity to keep his or her commitments and the actor's intents to do so. There are three elements of trust, according to Miyamoto and Rexha (2004) and Sako (1992): dependability, honesty, and goodness. The possibility that a corporation will keep its stated commitments is covered by the first two dimensions, but the third dimension examines how likely it is that it will act cooperatively without making any guarantees. Consumers trust adverts that appear on reliable websites, according to Marsh (2014). He also mentioned how sceptical internet users are about the legitimacy of website adverts. As a result, the majority of customers go to reliable news websites to check the accuracy of the information they receive on social media. He came to the conclusion that "the media industry's distinctive value propositions" had a significant source in their reputation for trust. While this is going on, some researchers (Goldsmith et al., 1999; Clinton et al., 2008) have discovered that the credibility of the advertisement endorser is a crucial element in getting consumers to respond favourably. This indicates that customers are more inclined to believe and respond favourably to social media advertising from a credible business. Therefore, it is acceptable to say that the link between consumers' attitudes about social media advertising and their behavioral tendencies is moderated by business reputation.

III. RESEARCH METHODOLOGY

The geographic region of NCR and Haryana served as the target audience. 400 respondents who were primary buyers in the homes of Delhi/NCR residents were polled for this information. Delhi/NCR is made up of 11 Delhi districts (New Delhi, North Delhi, North West Delhi, West Delhi, South West Delhi, South Delhi, South East Delhi, Central Delhi, North East Delhi, Shahdara, and East Delhi), 4 Haryana districts, and 1 Uttar Pradesh district (Faridabad, Gurgaon, Rohtak, and Panipat). Data were gathered using a questionnaire and a practical sampling technique. Two sections made up the questionnaire. With the aid of the first section, demographic data was gathered, and the second section focused primarily on the elements of social media advertising measured on a five-point Likert scale. The statements are rated by respondents from strongly agree to strongly disagree.

IV. SURVEY RESULTS

19 statements that represented social media advertising were presented to the respondents, who responded on a five-point Likert scale. The study used exploratory factor analysis to identify the key latent components in order to identify significant factors impacting social media advertising. Exploratory factor analysis is a method of data reduction that reduces a large number of variables to a small number of heterogeneous latent components. The names of the components are based on the categories of variables that each component includes.

Table 1: KMO and Bartlett's Test of social media advertising

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.879
Bartlett's Test of Sphericity	Approx. Chi-Square	6749.210
	df	171
	Sig.	.000

The sample size was sufficient based on the number of statements, as evidenced by the Keiser-Meyer-Olkin sampling adequacy score of 0.879, and Bartlett's test of sphericity's was significance level of 0.000.

Table 2 : Total Variance Explained by items of social media advertising

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.117	26.930	26.930	5.117	26.930	26.930	4.344	22.861	22.861
2	4.766	25.086	52.016	4.766	25.086	52.016	4.164	21.918	44.779
3	3.047	16.039	68.055	3.047	16.039	68.055	3.44	18.145	62.924

						5	8		
4	1.961	10.322	78.378	1.961	10.322	78.378	2.936	15.453	78.378
5	.796	4.191	82.568						
6	.571	3.007	85.575						
7	.397	2.090	87.665						
8	.346	1.819	89.484						
9	.293	1.543	91.026						
10	.265	1.393	92.419						
11	.228	1.202	93.621						
12	.210	1.104	94.724						
13	.194	1.023	95.748						
14	.175	.918	96.666						
15	.157	.829	97.495						
16	.143	.754	98.249						
17	.136	.716	98.965						
18	.115	.604	99.569						
19	.082	.431	100.000						
Extraction Method: Principal Component Analysis.									

The EFA test was used to extract a total of four latent components, which were input factors for the social media advertising, based on the results of the Principal Component Analysis, which revealed that there were a total of four variables for which the Eigen values were above one. After further analysis, it was shown that the three factors combined explained 78.37% of the variation, leaving 21.63% of the variation in "social media advertising" unaccounted for. The first factor accounted for 22.86 percent of the variance, followed by the second factor (21.91), the third factor (18.14%), the fourth factor (15.45%), and the first component (21.91%).

Table 3 : Rotated Component Matrix of social media advertising

	Component			
	1	2	3	4
Social Media communities help me keep updated about activities from the brand's side.	.931			
I feel proud to be affiliated with the Social Media brand communities.	.925			
I feel the brand has a personal connection with me.	.922			
I develop a special bond with the brand.	.921			
I become a part of the community to feel connected with the brand.	.915			
I switch to a different tab to avoid watching a Social Media ad		.943		
I turn off the device volume to avoid listening to an ad.		.933		
I focus on other stuff while the ad is playing.		.908		
I close tabs or windows where the ad is playing.		.886		
I scroll down the page to avoid watching the ad.		.822		
I share my own thoughts and views about the ads in Social Media circle.			.900	
I download the ad and share it on my Social Media page.			.879	
I share the ad link with my friends.			.862	
I tag my friends in the ad.			.844	
At times I share ads that I don't like just to irritate people in my social circle.			.540	
Social Media ads make me feel emotional.				.889
Social Media ads are helpful.				.858
Social Media ads make me feel nostalgic.				.818
Social Media ads make me feel comfortable.				.757
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.				
a. Rotation converged in 5 iterations.				

In Table 3, the Rotated Component Matrix shows the factor loadings after rotation. The statements that agglomerate on the same factor were aggregated under one. Four factors are extracted here which were named as- Affiliation, Avoidance, Active Engagement and Attraction

V. CONCLUSION

The findings of this study make a number of significant contributions to the body of knowledge on social media advertising. First, we provide insight into numerous social media advertising structures to develop theory on social media advertising. Four factors—Attraction, Avoidance, Active Engagement, and Affiliation—were formed by aggregating various social media advertising data. The most significant of them, Affiliation, showed the most variation, followed by Avoidance, Active Engagement, and Attraction, in that order. When concentrating on social media advertising across the many social media platforms analysed, this study also has consequences for the way we see social media from a larger perspective. However, it is largely accepted in the research that utilising social media has evolved into a practical and essential tool to connect with friends and meet social requirements (Jeong and Coyle 2014). Despite the fact that all social media platforms are presumably social and centred on social ties given their name.

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