Consumers’ Perceptions towards E-Shopping Advertisements and Promotional Actions in Social Networking Sites

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ABSTRACT

Social Networking Sites (SNS) have dramatically changed our daily lives and even more individuals spend many hours every day utilize them. Their global reach and the opportunity for personalization have also captured the attention of firms, as they create enterprising opportunities for both e-business and traditional companies. For advertisers and marketing practitioners, SNS present myriad opportunities to engage customers, release product information and provide resources for an opt-in interactive environment. Thus, an understanding of SNS can be a significant aid to firms as they develop marketing, advertising and other information disseminating strategies. The scope of this paper is to provide a much clearer view of SNS regarding their members’ attitude towards the provided e-shopping advertisements and promotional actions. The study analyzes and presents internet users’ perceptions towards them and how they affect e-consumer behavior. It also intends to reveal possible differences between adopters and non-adopters of online shopping, as well as discrepancies between low and heavy SNS users focusing on university students’ perceptions. The research results provide interesting insights to both academia and industry.

Keywords: e-Consumer Behavior, e-Shopping, Online Advertising, Perceptions Analysis, Social Networking Sites

INTRODUCTION

The Internet has greatly changed how firms and shoppers customize, distribute and consume products and services. Furthermore, its utilization is no longer limited to a networking media, but it is also being widely applied as a mean of transaction for consumers worldwide. Thus, nowadays, online shopping is one of the most widely non-store formats and creates enormous opportunities for businesses to reach consumers globally. Its impact on international trade is so intense that it is characterized by numerous researchers and practitioners as one of the most tremendous and exciting trends in all types of businesses (Diacon & Donici, 2011). Charac-
characteristically, the number of Internet shoppers has globally increased up to 40% in 2006-2008 period (Nielsen AC, 2008); and from 53% to 58% in 2009-2011 in the European Union (Seybert, 2011). Furthermore, not only does the number of adopters grow, but also the volume of their purchases is proportionally increased (Special Eurobarometer 298, 2008). Forrester Research Inc. predicted that online retail revenue will grow from $191.7 billion in 2011 to $248.7 billion in 2014, representing an 8% compound annual growth rate (Schonfeld, 2010).

In addition, the 21st century is also witnessing an enormous explosion of social media. Nowadays, companies such as Facebook, Twitter, LinkedIn, YouTube and Instagram have a vital role in the Internet and greatly affect individuals’ daily lives. It should be generally accepted that their popularity has left its footprint on firms. With nearly four out of five active internet users visiting social networks today (Nielsen, 2011), social media are now viewed as tools for firms to achieve their goals in the connected, social, business environment; as they provide unique opportunities for business growth and success (Culnan, 2010; Gallaugher & Ransbotham, 2010). According to Barnes (2011), for enterprises belonging to the top 500 of the fastest growing private American companies, 83% of them use at least one social media tool, 71% have corporate Facebook pages and 56% report social media as “very important” for business/ marketing strategy. Thus, social media represent a valuable information source for a variety of domains, especially e-commerce. As a result, Social Networking Sites (SNS) now account for 23% of online display advertising and eMarketer (2008) predicted that advertising spending on SNS in the US was expected to reach $2.6 billion by 2012 (Tucker, 2011). Additionally, US marketers were projected to spend $3 billion to advertise on SNS in 2011 representing a 55% increase in expenditure versus the previous year with a prediction that advertising spending on SNS will more than triple over the next five years (Hof, 2011).

According to Correa et al. (2010) and Jansen et al. (2011), however, investigations of these particular social media platforms have primarily focused on the social network connections and activities. There has been less research into their use for information sharing and promotion for e-commerce purposes. Thus, the aim of this paper is to analyze and present internet users’ perceptions towards e-shopping advertisements and promotional actions carried out by various firms in SNS. Social networking sites is the biggest subgroup of social media and it is defined as “web-based services that allow individuals to: i) construct a public or semi-public profile within a bounded system; ii) articulate a list of other users with whom they share a connection; and iii) view and traverse their list of connections and those made by others within the system” (Boyd & Ellison, 2007). Furthermore, this article intends to reveal possible differences between adopters and non-adopters of online shopping, as well as discrepancies between low and heavy SNS users focusing on university students’ perceptions. Students’ population is a reasonable focus group to study, because they are the primary users of SNS and represent a significant portion of the demographic age group that SNS and related retailers target for marketing purposes (Cha, 2009). Therefore, an understanding of university students’ attitude towards e-commerce promotional actions in SNS is believed to significantly help firms further develop their advertising, marketing and other information disseminating strategies.

The rest of the paper is organized as follows. In the first section, the related literature review is presented. This is followed by the methodology and the results of the survey. The last section concludes with the implications of the study, its limitations and directions for future research.

LITERATURE REVIEW

Attitude towards advertisements and promotional actions has been a major focus of research across time in the whole range of traditional and new media (e.g., Cho & Cheon, 2004; Moore & Rodgers, 2005; Obermiller et al.,
Experiencing the Functionality of Mathematical Indigenous ICTs on Community Development: A Case of Farm House Dairy Product
Kgomotso G. Garegae (2012). *Teaching Cases Collection* (pp. 192-201).
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