Chapter 15

Ethical Dilemmas Associated With Social Network Advertisements

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ABSTRACT

A significant amount of information can be relayed on Facebook, MySpace, and Twitter, but the question remains whether or not organizations are using this to their advantage, especially in the era of big data. The present study used a sample of working professionals that were knowledgeable in the various options of social networking to test these assumptions. The three hypotheses dealt with the interplay of online social networking, advertising effectiveness, gender and age trends, and remaining the interplay with positive comments of the use of the “like” function and its impacts on consumer behavior, as derived from the review of relevant operations literature and from applying the basic tenants of uses and gratification theory. All three specific research hypotheses were accepted in the null form.

INTRODUCTION

Popularity of Social Media, Branding, and Consumer Tribalism

Social networking systems are relatively new to our society and clarification on certain aspects of the system can be obtained through further research. There are many positive aspects of social networks, such as Facebook, that organizations could benefit from including stronger CRM-embedded techniques. On the other-hand, questions are raised as to whether or not an organization who advertises on social networking systems experiences an increase in sales as a result. It is unclear whether or not these advertisements actually deter individuals from further using these types of social networking systems. If individuals who spend a large amount of time on social networking sites are deterred from further us-

DOI: 10.4018/978-1-5225-7214-5.ch015
age due to these advertisements, are there any benefits to them? An increasing number of individuals are utilizing social networking sites, such as Facebook on a daily basis. As Taylor, Lewin, and Strutton (2011) pointed out, both Facebook and Twitter reported an increase in users in the triple digits in 2009. Founded in 2004 by Mark Zuckerberg, Facebook’s mission is to “give people the power to share and make the world more open and connected” (Facebook). Facebook began by being exclusive to college students only, but through the years has opened memberships up to everyone over the age of 13 with an email address. Facebook helps people stay connected with friends and family, learn what is happening around them, as well as share moments. Fernandez (2009) noted that a recent study found that 35% of all adults, 75% of adults in the range of 18-24 years old, and 65% of teenagers utilize a social networking site. It has been noted that individuals have increased their time spent on these sites. Social networking sites can be categorized as web-enabled services that engage users to create and maintain openly or partially open profiles, create and update preferred list of users that they want to personalize connections with, and view and interact their list of preferred connections with other lists within the networking system (Greenhow, 2011). Under the recent congressional hearings that concluded April 11, 2018 concerning Mark Zuckerberg’s testimony on privacy violations of Facebook data, renewed scrutiny on the public value of social media platforms have surfaced. Much of the publicity surrounding Cambridge Analytica, a political data mining enterprise hired by President Trump’s 2016 election campaign, illegally gained access to private information on more than 50 million Facebook users via offering tools that could identify the personalities of American voters and influence their voting behavior (Granville, 2018). That number of affected Facebook users was updated to over 80 million. Recent trend involving fake news and questionable ads have rekindled a debate if social platforms are really a force for good, but can be used to undermine democratic societies.

Social network sites allow consumer to interact and enhance self-expression and self-presentation. One tool to achieve enhancement is self-expression via brands. Hence, consumer with greater social network influence may be more likely to express themselves via brands. Brands are an extension of the consumer’s self-concept, allowing consumers to express and define them. Brands enable consumers to become a part of a group membership. Tribes facilitated collective social actions within members of the group. Brands offer more than the product itself, they offering value through self-expression and linking value. This paper aims to examine brand loyalty and word-of-mouth (WOM) as an outcome of self-expression tribal consumption.

Existing literature suggest that self-expressing brands positively affect WOM and brand loyalty and improve brand success. Yet, little is known about the relationship between the role of the brand for the self and consumers’ purchase motivation. In addition, little is also known about consumer tribes and their influence on consumer behavior. Brand-supporting consumer tribes reflect a strategic resource for brand managers. A tribe refers to a loose network of heterogeneous persons who share passion and emotions for a product. Such groups of empowered consumers boost brand loyalty through creating exit barriers. Additionally, WOM is also considered to be an outcome of tribal membership. Brand passion enhances relationships within the tribe and increases information sharing. Tribe members tend to evangelize the brand to others. However, due to the loose connection, consumer tribes are short-living. This paper explores the influence of tribal membership on WOM and brand loyalty. This study analyzed the influence of reference groups on self-expressive brands because the role of reference groups on tribal behavior towards brands is not fully understood. Further, the research focuses on the influence of online social networks on the susceptibility to interpersonal influence (SUSCEP). Finally, the paper examines the impact of SUSCEP and SNI on consumers’ self-expressive brand consumption and brand tribalism.