Chapter 56

Improving the Effectiveness of Advertising in Internet Social Networking

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ABSTRACT
In this paper we review the most recent developments and contributions in the field of social media to business and professional networking, marketing, and critical success factors including case studies in communications actions. More specifically, we focus on the role of advertising in Internet social networks (ISN) and their function as a channel of communication from the consumer’s perspective. To do so, we describe the important role ISNs play today in business strategies aimed at relationship marketing as well as the most widely-used advertising formats. We apply the Elaboration Likelihood Model of behavior to ISNs to gain a better understanding of advertising effectiveness from the standpoint of degree of involvement; distinguishing between vehicle exposure and ad involvement. Finally, factors that reduce the effectiveness of advertising in ISNs are revised using a model that focuses on cognitive avoidance. In the research, cognitive avoidance and advertising effectiveness are considered to be consequences of undesirable perceptions that emerge during exposure to advertisements.

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INTRODUCTION: THE IMPORTANCE OF SOCIAL NETWORKS FROM THE VIEWPOINT OF MARKETING

What Are Social Networks?

Social network sites are a recent phenomenon that allows individuals to engage virtually in an activity intrinsic to all human beings: the building of relationships. Internet has become a platform for many relationships thanks to the creation of a wide range of social networks, which have undergone exponential growth (Nielsen 2009).

Although research in Internet social networking (ISN) and social media and their relationship to marketing is a relatively recent phenomenon, a review of the journals specialized in marketing and sociology demonstrates that research into these issues is on the rise. The reason for this growing interest lies in the fact that ISNs have developed in a parallel manner to one of the most important structured revolutions in the Web 2.0, whose main characteristic is participation and integration in customers’ lives (Nielsen 2009). Clearly, the widespread and intensive use of ISNs will have a profound effect on relationships, work and how customers seek information (ZED 2008).

ISNs have been defined as a group of interconnected individuals with common interests and hobbies as well as similar social, technological or demographic characteristics. ISNs are formed by people and companies with a personal and business brand image that are susceptible of becoming consumers or potential members of the network. The elements of ISNs are interconnected by means of a wide range of communication tools such as e-mails, faxes, instant messaging and status messages, among others. In addition to these tools, the use and number of ISNs have increased thanks to mobile terminals or smartphones; aspects that have lent ISNs their ubiquitous character and permitted them to remain unbound to factors of time and place. In this sense, the content and information available in ISNs can be used to improve the effectiveness and efficiency of marketing actions, particularly communications of a commercial nature.

Business and Managerial Aspects

As indicated above, the importance of ISNs stems from the participation of their users, the opportunity to forge relationships and communicate with existing and potential clients, their enormous marketing potential and the use of relational strategies aimed at clients whose social, technical or demographic profiles (together with their participatory character) make them a new frontier for business management (Rejón et al., 2010; Alcázar, 2010).

The main characteristic of ISNs, however, is their ability to resolve problems related to segmentation, orientation, positioning and capturing target audience, making them a key element in the design of more efficient and effective marketing campaigns.

ISNs also serve as a vehicle for obtaining continuous feedback as users are generally much more willing to say what they think about a product or service. For this reason, companies must foment and moderate participation by community members with a view to building relationships with existing and potential clients who will eventually become loyal to the brand. In order to make feedback effective, it is necessary to use the tools available on ISNs to develop low-cost systems that permit companies to ‘hear’ what their customers’ have to say. Such systems could include specific searches (for a brand, company or products), market research surveys or voting schemes. ISNs are a good source for these data, which can then be used in a more efficient manner. The creation of databases using information provided by both existing and potential clients is a key strategy in relationship marketing and the cornerstone of market research studies.

ISNs have been widely recognized as an important tool in Web marketing strategies (Table