IS SOCIAL ADVERTISING EFFECTIVE? INFLUENCE OF BRAND CONTENT ON BRAND PURCHASE INTENTION AND BRAND INFORMATION DIFFUSION

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IS SOCIAL ADVERTISING EFFECTIVE? INFLUENCE OF BRAND CONTENT ON BRAND PURCHASE INTENTION AND BRAND INFORMATION DIFFUSION

Research in Progress

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Abstract

In the era of Web 2.0, the development of information communication technologies (ICTs) promotes consumer–company and consumer–consumer interactions. The prosperity of social networking sites (SNSs) is a fine illustration, which not only promotes people’s communication but also drives social advertising. Product selling and brand information diffusion are equally important for a company. Therefore, this study investigates how social advertising promotes consumers’ brand purchase intention and brand content-sharing intention. That is, entertainment-oriented brand content characteristics affect the attitude toward brand content and then promote brand purchase intention and brand content-sharing intention. An empirical study will be done to examine the research hypotheses. There will also be a discussion about academic and practical implications corresponding to the study findings as well as future research directions.

Keywords: Social Advertising, Brand Content, Purchase Intention, Sharing Intention.
1 Introduction

In the era of Web 2.0, the transnational development of information and communication technologies (ICTs), typically, the interactive and network-based channels, has fundamentally changed people’s communication, purchase decisions, and business conduct (Hill and Moran, 2011; Matook et al., 2015). Social networking sites (SNSs) such as Facebook, Twitter, and YouTube that focus on users’ interaction within social networks have enriched multi-functions to satisfy users’ communication and entertainment needs. According to Nielsen (2014), entertainment sites account for one in every five minutes spent online, and visitors to Facebook spend the most time online. In addition, Facebook had more than 1.3 billion active users worldwide by 2015 (Facebook, 2015). Therefore, as the most successful fun-oriented platform, Facebook has high commercial value for companies.

Marketing practitioners have used Facebook to conduct social advertising in which brand content in the form of posts has been placed on (Li et al., 2012; de Vries et al., 2012). Social advertising is “a term used to describe a form of online advertising that utilizes social networks” (Li et al., 2012, p. 121). That is, social advertising is different from traditional advertising (e.g., print and TV advertisements, and website banners), which enables two-way communication between firms and consumers as well as among consumers. Thus, its performance is expected to be more than that of traditional advertising, that is, social advertising can not only enhance consumers’ product purchase but also promote brand information diffusion (Cook, 2008). However, the actual results are somewhat different. Social network advertising faces common problems in that users’ product purchases are not to the level expected and only a small percentage of users actively participate in online contributing activities such as sharing brand content; most participate passively, for example, by only reading the brand content (Garnefeld et al., 2012; Li et al., 2012).

In the academic field, although product selling and brand information diffusion are equally important in marketing (Achrol and Kotler, 1999), most studies have focused only on one aspect. As a form of advertising, social advertising’s effects on consumers’ product purchases have been studied in depth (e.g., Wen et al., 2009; Schulze et al., 2014). Meanwhile, brand information diffusion, such as brand content sharing within social networks, has been also examined (e.g., Chu and Kim, 2011; Chu, 2011; Li and Shiu, 2012). Advanced studies enrich social advertising research directions. However, as Huang et al. (2013) suggest, these two independent social advertising results are interrelated and might be studied synchronously. Huang et al. (2013) first explored this question of video sharing and product purchase systematically and simultaneously by expanding MacKenzie et al.’s (1986) advertising effectiveness study in the context of viral video advertising. Their study is meaningful to advance the social advertising research and contributes to the knowledge base on which our research is developed.

In this article, with regard to Facebook advertising, we will investigate the aforementioned research question: How does a company enhance social advertising performance regarding product purchase and brand information diffusion? To answer this question, we will determine the factors that affect consumers’ attitude toward Facebook brand content, brand content-sharing intention, and product purchase intention and state the relationships among these constructs based on developing Huang et al. (2013) and other traditional advertising studies. An empirical study will be done to examine the related hypotheses.

This article proceeds as follows: First, we conduct a literature review about advertising effectiveness-related research and state how to promote Facebook’s social advertising performance. Second, we will conduct an empirical study and use a structural equation model (SEM) to present the results. Finally, in the discussion, we will conclude with some theoretical and managerial implications as well as some limitations and future research directions.

2 Conceptual Framework and Hypotheses
Facebook is one of the top platforms where display advertisements are delivered. Display advertisements mainly include four different kinds of advertisements: banner advertisement, rich media advertisement, video advertisement, and sponsorships. Particularly, video advertisements are growing faster than the other forms of display advertisements since they have strong effects on advertising performance. For example, the click-through rate stimulated by video advertisements is 12 times that of rich media advertisements and 27 times that of banner advertisements (MediaMind, 2012). However, how to take full advantage of the video advertisements is still unclear (Laudon and Traver, 2014). Thus, research focusing on video advertisements has more typical significance. These video advertisements are related to Facebook brand contents which are mainly accessed on the News Feed. News Feed is the key function of action on Facebook including continuously updated stories (Laudon and Traver, 2014). To make this research’s focus clear, we describe the advertisements in this study as the video advertisements - brand contents, which are from the Liked firms or/and users’ friends and being displayed on the News Feed.

2.1 The Mediating Role of Attitude toward Advertisement

The traditional advertising effectiveness-related literature emphasizes the mediating role of attitude toward advertisement (e.g., Howard, 1977; Mitchell and Olson, 1981; Moore and Hutchinson, 1983). Based on previous conceptual and empirical research, MacKenzie et al. (1986) investigated four alternative structural models of the mediating role of attitude toward advertisements. They are the affect transfer hypothesis (ATH) model, dual mediation hypothesis (DMH) model, reciprocal mediation hypothesis (RMH) model, and the independent influence hypothesis (IIH) model. In particular, the ATH model suggests that the attitude toward an advertisement mediates the effect of advertisement content cognitions on the attitude toward the brand, and then affects product purchase when consumers’ attention is focused on the emotional appeal of the advertisement. In the context of social advertising, it has been confirmed that the affective involvement oriented contents’ features influence attitude toward brand greatly (e.g., Porter and Golan, 2006; Huang et al., 2013).

Attitude toward an advertisement can be a unidimensional construct such as like or dislike. It can also include two dimensions—hedonic and utilitarian. The hedonic dimension, “hedonism,” refers to consumers’ evaluation of an advertisement as being pleasurable and high in playfulness; the utilitarian dimension, “utilitarianism,” evaluates the advertisement’s usefulness and importance in providing the relevant information. These two attitudinal components mediate the effects of the characteristics of advertisement contents (i.e., advertisement appeals and uniqueness) on advertisement viewing time (Olney et al., 1991).

Accordingly, attitude toward advertisements plays its mediating role through the two paths: (1) affecting attitude toward brand and (2) influencing consumers’ response to the advertisements themselves. In the social advertising context, since SNS users can interact with other members and share content within networks, Huang et al. (2013) investigate the applications of the aforementioned four advertising effectiveness models in viral video advertising and determine that the expanding ATH model is superior to the other three for explaining consumers’ product purchase intention and viral video sharing intention, simultaneously.

Facebook users encounter various brand content, and their content-related cognitions (beliefs about brand content) have impacts on their attitude toward brand content. Specifically, as most Facebook brand content is entertainment-oriented, users who interact with such content are expected to form a favourable attitude toward them. Consequently, owing to the mediating role of their attitude toward brand content, users’ brand attitude and brand purchase intention, as well as brand content-sharing intention will be enhanced.

2.2 Antecedents of the Attitude toward Brand Content

Although brand content on Facebook and other SNSs somewhat differs from TV advertisements and website banners, it does belong to the advertising field (de Vries et al., 2012). Since people use Facebook primarily for fun and entertainment, brand content should be made high in entertainment elements, which is critical to its social marketing success (Teixeira et al., 2012; Schulze et al., 2014). Fulfilling consumers’ entertainment appeal such as enjoyment and emotional appeal in traditional mass advertising can enhance consumers’ attitude toward them (Olney et al., 1991). Actually, most of the brand content in Facebook focuses more on the entertainment attribute, which corresponds to Facebook’s entertainment orientation. Similarly, Tsang et al. (2004) confirm that entertainment is the most important attribute of mobile advertising. Therefore, in this study, we focus on entertainment-oriented brand content’s effectiveness. We posit the effect of entertainment feature on attitude toward brand content as the first hypothesis.

**H1: Brand content’s entertainment has a positive effect on hedonism.**

As proposed by Olney et al. (1991), once the advertisement appeal is determined, namely, the entertainment appeal of brand content is decided, other aspects of advertising should be emphasized to enhance its effectiveness. Thus, combining antecedent social advertising research, we will discuss the effects of uniqueness, vividness, embedded brand information, and interactivity characteristics of brand content as follows.

Uniqueness of advertising, which refers to the degree to which an advertisement is particular and different from others, is an important factor that affects consumers’ attitude toward it (Olney et al., 1991). Since people have a uniqueness-seeking tendency (Snyder and Fromkin, 1977; Roy and Sharma, 2015), they are likely to have a positive emotional response to an advertisement that is novel and particular. Ducoffe and Curlo (2000) propose that advertisement uniqueness affects consumers’ advertisement processing, and therefore promotes consumers’ affective responses to a particular advertisement. With the development of technology, advertising strategy can be implemented in a unique way to enhance its effectiveness (Brown et al., 2010). However, advertisement uniqueness has a non-monotonic effect on the hedonism component of consumers’ attitude, that is, the relationship between uniqueness and hedonism is shaped as an inverted U because consumers pay maximum attention to an advertisement only at the intermediate level of uniqueness (Olney et al., 1991). Song (2015) also finds that advertisement uniqueness strategy has different effects on the attitude toward the advertising, due to the differences in consumers’ information processing. Accordingly, we propose that when Facebook users view brand content and perceive their uniqueness, their hedonism component of their attitude toward brand content will be the same with the following hypothesis.

**H2: Brand content’s uniqueness has an inverted-U relationship with hedonism.**

In addition to brand content’s uniqueness, its salience—which includes vividness and interactivity—can also influence Facebook users’ interaction with them (de Vries et al., 2012). Vividness refers to the richness of brand content’s formal features, that is, the degree to which brand content stimulates receivers’ different senses (de Vries et al., 2012). Vividness is a key factor that affects the digital information’s effectiveness. Since the high level of brand content’s vividness stimulates more users’ senses, users will perceive greater emotional attractiveness about brand content (Nisbett and Ross, 1980). Miller and Marks (1997) confirm that an imagery-evoking strategy with high vividness has a greater effect on consumers’ affective responses than does a strategy with low vividness. The video advertisements have more vividness attributes and therefore can stimulate more consumers’ affective responses. Accordingly, we propose the following hypothesis:

**H3: Brand content’s vividness has a positive effect on hedonism.**

Liu and Shrum (2002) define interactivity as the degree to which different communication parties can interact with each other and act on the communication medium as well as the message. Fiore et al. (2005) describe interactivity such that a user can access information easily, and have control of and engage in media content. According to Jiang and Benbasat (2007), brand content’s interactivity en-
hances users’ positive feelings about them through two ways. First, it triggers a sense of fulfillment in the users, that is, as users can actively control brand content whether they see it or not, they perceive autonomy and efficiency. Second, positive feelings of users can be aroused by interacting with brand content and other users. Regarding utilitarianism, according to Coyle and Thorson (2001), if a website is high in interactivity, users can find more information about products so they will value this site highly and consider it important. In computer-mediated communication, website interactivity, which mainly emphasizes human–message interaction and human–human interaction, has positive effects on users’ attitudes toward websites because interactivity is helpful for users in getting more information (Ko et al., 2005; Jahng et al., 2007). Thus, on the Facebook platform, due to brand content’s social interactivity characteristics, users can interact with brand content and other users more conveniently and effectively. Therefore, the relationships between interactivity and attitude toward brand content are proposed as:

**H4: Brand content’s interactivity has a positive effect on hedonism.**

**H5: Brand content’s interactivity has a positive effect on utilitarianism.**

As a kind of advertisements, brand information is embedded in Facebook video brand content. However, the quantity of embedded brand information is highly recommended to be considered since embedding too much brand information can make SNS users suspect the brand content’s motivation, which is just for selling product rather than providing fun to them (Huang et al., 2013). Further, in viral or social marketing, if brand information is embedded in a large amount, users will feel bored and stressed. Brand content consisting of much brand information always fails to arouse positive affect of users because users don’t like to be taken advantage of by the sender of this brand content (Dobele et al., 2005). Though embedded brand information somewhat makes users learn more about the brand and think the brand content is useful, it is likely to weaken users’ positive affective response to it. Overall, embedded brand information is proposed to have different effects on the two dimensions of attitude toward brand content. That is,

**H6: Embedded brand information has a negative effect on hedonism.**

**H7: Embedded brand information has a positive effect on utilitarianism.**

### 2.3 Outcomes of Attitude toward Brand Content

Brand content-sharing intention is determined by one’s attitude toward them. For instance, when the content (information) of advertisement stimulates receivers’ feelings positively, they will share them (Phelps et al., 2004; Porter and Golan, 2006). Huang et al. (2013) also suggest that when people have a favourable attitude toward viral video advertisements, they are likely to forward these videos to others. Additionally, prosocial behavior theory can also be used to explain this relationship. According to Reis et al. (2010), since people tend to build personal and international resources, they like to share good things or news with others. Specifically, within the social networks, when users think brand content is high in cognitive and affective value, they are likely to share them with other members. Therefore, the following hypotheses are proposed:

**H8: Hedonism has a positive effect on brand content-sharing intention.**

**H9: Utilitarianism has a positive effect on brand content-sharing intention.**

With regard to the relationship between the attitude toward brand advertisement and brand attitude, MacKenzie et al. (1986) conclude that DMH is superior to the other three models (ATH, RMH, and IIH) in explaining the effectiveness of traditional advertising. In detail, consumers’ attitude toward an advertisement does not only affect their brand attitude directly but also indirectly through influencing consumers’ cognitions about the brand. However, in the context of social advertising, since brand content emphasizes interest elements rather than brand information, consumers’ attention is drawn to the
videos themselves rather than the persuasive message about a brand. In this case, peripheral processing will work (Petty and Cacioppo, 1981). Therefore, on the basis of Huang et al. (2013), ATH has more advantage in explaining Facebook video advertising effectiveness, which means that the attitude toward video advertisements is influenced by entertainment-oriented advertisement characteristics and then has a direct effect on brand attitude without influencing brand cognitions.

In this study, since Facebook brand content is limited to being entertainment-oriented, we anticipate that users will respond more to brand content than to embedded brand information. Therefore, hedonism will positively affect brand attitude directly. Regarding utilitarianism, since users can communicate with firms and other users through brand content to get extra brand information, they evaluate these contents highly in assisting in getting brand information. However, it does not imply that Facebook brand content should provide lots of embedded brand information to users, because if a firm lets its brand content have much product information, users will detest and reject them (Huang et al. 2013).

In sum, the utilitarianism component of the attitude toward brand content also has a positive impact on brand attitude. Therefore, consumers’ attitude toward brand content can be transferred to brand attitude. The following hypotheses are proposed:

**H10**: Hedonism has a positive effect on brand attitude.

**H11**: Utilitarianism has a positive effect on brand attitude.

Theory of reasoned action (TRA) describes that behavior intention is determined by one’s attitude toward this behavior (Fishbein and Ajzen, 1975). Thus, positive brand attitude enhances brand purchase intention (MacKenzie et al., 1986; Tsang et al., 2004; Huang et al., 2013). In this study, when Facebook users’ brand attitude is positively affected by brand content, they will have high brand purchase intention. Therefore, the following hypothesis is proposed:

**H12**: Brand attitude has a positive effect on brand purchase intention.

To explain the relationship between brand attitude and brand content-sharing intention, Huang et al. (2013) propose the categorization theory. In detail, although video contents embed only a little brand information, consumers are likely to perceive that this video is related to a brand and classify it into one category, namely, see this brand and video as a whole. Consequently, consumers’ positive attitude toward this brand can enhance their content-sharing intention.

In this study, we propose that balance theory (Heider, 1958) is also helpful for clarifying this causal relationship within social networks. Balance theory emphasizes how the degree of psychological balance in a triad influences an individual’s affect and behavior. Relational balance in a triad is favoured; therefore; within Facebook, when a user likes brand content and many of his or her friends have shared it, this user is likely to share it for achieving the balance. Therefore, we propose the relationship between brand attitude and brand content-sharing intention as follows.

**H13**: Brand attitude has a positive effect on brand content-sharing intention.

Information sharing is the basic behavior within social networks. Numerous factors, especially social network related factors, have significant impacts on sharing. Therefore, although this study stresses the effects of attitude toward brand content on content sharing intention, we tend to adopt other two antecedents, that is, network centrality and use frequency as control variables to assess the nomological validity of the proposed research model. Network centrality is usually measured in a multiple way. In this study, we identify centrality as the degree centrality referring to the number of social ties a user has during using the SNS (Freeman, 1977). Use frequency can be described as how often a user uses the SNS. Two factors have positive effects on brand content sharing intention although they are treated as control variables. Overall, this study investigates the relationships between brand content characteristics and attitude toward brand content as well as social advertising performance. Figure 1 presents the research model.
3 Research Methodology

This study will use the survey method to examine the validation and research hypotheses. Therefore, measurement development will be done in the following step. Measurements of all the variables will be adapted from the antecedent research. Further, as university students represent population parameters well and many previous social advertising studies have chosen them as research respondents, this study will also select university students as the sample to answer the questionnaire.

Since this study has limited brand content appeal as entertainment, a pretest will be done to decide which brand contents are suitable for this study. In the main test, we will show the selected brand contents to respondents and then ask them to complete the questionnaire. Structural equation modeling (SEM) will be adopted as the data analysis method.

Contribution of this Research

E-commerce is a general tendency and ICT development is the precondition of e-commerce. Companies use SNSs for their commercial purposes, which primarily include product selling and information delivery. However, studies that investigate these two results synchronously are rare. This study discusses social advertising’s working mechanism concretely. That is, first, social advertising performance including product purchase and brand information diffusion should be considered holistically; second, users always evaluate brand content from the hedonic and utilitarian aspects; and finally, brand content’s characteristics should be considered first.

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