How Facebook Advertising Affects Buying Behavior of Young Consumers: The Moderating Role of Gender

Fazal ur Rehman¹, Muhammad Ilyas², Tariq Nawaz³, Shabir Hyder⁴
Department of Management Sciences, COMSATS Institute of Information Technology, PAKISTAN
¹Fazal_marwatpk@yahoo.com

ABSTRACT

This study assessed the affects of Facebook advertisement and Facebook environment on buying behavior of young consumers, while moderating effects of gender. The study used quantitative approach to collect data through questionnaires based survey. The collected data were analyzed through step wise regressions. Results indicated that Facebook advertisement and Facebook environment have significant effects on buying behavior of young consumers, while gender has moderating effect on Facebook advertisement and no moderating effect on Facebook environment. Further, it was noted that females have negative perceptions toward Facebook environment as compared to male.

Keywords: Facebook advertisement, Facebook environment, buying behavior, gender

INTRODUCTION

The communication technology revolutionized all aspects of life. Various new innovations are introduced by this technology. One could see the example of social networking websites. Although, these platforms are used primarily by the people for social networking, however, through these media people also share their experience and ideas about a product or service. In addition to this, online product/service search and purchase is already a common place around the world. Secondly, product promotion is no more limited to traditional ways of promotion/advertisement e.g. mainstream print and electronic media. Various online social media are finding their places as reliable and rewarding sources of sales promotion.

Facebook is one such medium that is facilitating its users for global interaction and sharing their ideas and experiences. Facebook is social media that is in fact a “Web based site which bring different people together in a virtual platform and ensure a deeper social interaction, stronger community and implementation of cooperation projects” (Brown, 2009). Kahraman (2010) defines Facebook as “the online platform that people use to share their ideas, experience, and perspectives and communicate with each other”. Millions of people are using Facebook daily. By the end of 2010, Facebook had 500 million active users around the globe. In 2012, the number of active user has almost doubled to reach 955 million (Hayta, 2013; Melason, 2012).

Vast use of Facebook around the globe has made it a new and important advertising platform, where businesses place their ads to reach their prospective customers. This is probably because Facebook allows businesses to target specific customer and promoting their product or services through effective advertisements. As Vahl (2011) argues Facebook is facilitating the manufacturers and service providers to reach customers of specific age group and interest.

Growing Facebook based advertising is perhaps an indication that it is becoming an important source of business presentation and the firms are taking Facebook advertisement as a useful strategy to attract customers. Just in a few years, it has become a part of promotional mix of the firms to create awareness in target areas and influence customers mind. Because of its popularity, businesses are placing their ads on Facebook for creating awareness and
influencing buying behavior. Some businesses like HP, have adopted Facebook as a crucial part of business activities to stay close with customers in competitive business environment. Vahl (2011) highlights the businesses magnetism towards Facebook and mentions that Facebook revenue from businesses advertisements reached approximately $ 2.5 billion in 2011.

Companies are spending a sizable portion of their budget on advertising their products and services. Through the advertisements which accompany interesting information, firms attempt to influence customers’ buying behavior favorably. Facebook is also being used for the very reason as the firms believe that their advertisement may catch customers’ attention and action (favorable purchase decisions).

Companies struggle to differentiate their products and services to create values for their customers. Advertising is used to create products / services differentiation in customers’ mind (Hussainy et al., 2008). Advertisers are aware of the importance of brand value development strategy and the benefits it may offer by effectively influencing customers’ mind. This is because often customers have association with specific brands and emotional values these brands have for them. This urges the advertisers to create emotional values for their viewers through advertisement on the media like Facebook.

In current business environment Facebook advertisements is playing a significant role to convey a business message to target audience. To assess the buying behavior of young consumers towards Facebook advertisement, the study selected a sample of 400 young Facebook users to conduct the research. Out of these 400 respondents only 309 respondents provided information. Further, the study also aims to determine the impacts of emotional and environmental response on buying behavior of young consumers. The study is expected to offer new information in this particular knowledge area.

LITRATURE REVIEW

Advertising

Advertising is the core idea that is presented in non-personal ways to create purchase intention. Srinivasa (2008) define advertisement as “the sharing of information about products in a non-personal way usually paid by a sponsor through different media”. Similarly, Ayanwala et al., (2005) define it as “a non-personal paid form of communication, where ideas, concepts, products or services, and information, are promoted through media (visual, verbal, and text) by an identified sponsor to persuade or influence behavior”. Bishnoi and Sharma (2009) emphasized the inherent characteristics of advertisement and suggested that popularity is the aim of advertisement.

Facebook Advertising

Facebook is type of social media, where people with common interest shares their ideas and comments in a virtual environment (Weber, 2009). Facebook advertising enables customers to share their experience, ideas, interest and useful information about a brand. Facebook advertising is useful in the sense that it is interactively helpful in collecting feedback and demographic information of targeted customers. In current business environment, Facebook advertising is an effective source to reach targeted customers (Sendberg, 2010). Facebook advertising provides the opportunity to build up your brand and engages with customers on a large social network.

Facebook advertising is done to create likeness, attraction and influence buying behavior in positive way. Attitude-towards-the ads, is an interesting theory of advertising often used to understand the buying behavior. Effective advertisement influences the attitude towards
brand and finally leads to purchase intention (Goldsmith & Lafferty, 2002). Ideally, consumers buying behavior is the products purchase decision (Adelaar et al., 2003).

Social media particularly Facebook has become a marketing channel to reach target market. According to a study, “Expand your Brand Community Online” social media has become a significant marketing channel to reach directly targeted customers and engages them with company brands (Hanlon et al., 2008). For example, Audi (German automobile company) and Dunkin’ Donuts (American consumers’ product company) are using social media for direct interactions with customers. Audi has established corporate relations with their fans on Facebook (Wasserman, 2011). Similarly, Proper Cloth, New York based company, has created its page on Facebook to post news of their business and pictures of clothes. All its Facebook fans receive their updates in seconds on their Facebook pages. These leading brands have collected consumers on a single platform (i.e Facebook) and keep them updated at lower cost.

According to Lukka and James (2014) Facebook is an effective source to market your products in a personal way. Facebook has enabled marketers to customize their advertisements for a specific group of people. Marketers target these individual on the basis of demographic information’s and mutual interest. Facebook has made it possible to reach these targeted people in cost effective and interesting way instead of traditional marketing channels. Facebook advertisers are using different techniques to effectively convey commercial messages to create purchase decision. Facebook offers better “smart advertising” option that has enabled advertisers to customize all the facts in their ads for viewers corresponding. For example, Facebook and other online communities have enabled Hewlett Packard (HP) to reach customers and helped HP to generate a considerable profit (Mathieson, 2010).

Emotional Response

Facebook advertisement is the effective source to emotionally motivate customers towards buying the advertised products. Facebook advertising influences liking of products and attitude towards brand. Attitude-towards-the –ad, is a well-known theory of advertising. Attitude towards the ad theory is influencing consumers’ feelings towards brand that leads to purchase intent (Goldsmith & Lafferty, 2002). Consumer buying behavior is laid on the perceptions’ that they will decide to purchase (Adelaar et al., 2003). Advertising is done with the aim to influence consumers’ feelings toward brand, increasing sales and to create a positive emotional response to advertisement (Goldsmith & Lofferty, 2002). Therefore, the basic goals of advertisement are to encourage purchase action and create awareness (Bijmolt et al., 1998).

According to traditional attitude theory consumers’ behavior is different than consumers’ attitude. Attitude is acquiring behavioral disposition (Smith & Swinyard, 1983), while behavior is the result of emotional response and is affected by three factors; i.e. ‘pleasure’, ‘arousal’ and ‘dominance’. These concepts are further defined as “Pleasure is the state where people feel good and happy”, “Arousal is the state of feelings that depend on person to person” and “Dominance is the state of feelings which are in control or free to act in particular situations” (Adelaar et al, 2003).

The aim of analyzing consumers’ behavior towards Facebook advertisement is to explain the factors that affect consumers buying behavior. The current study aims to determine the factors that affect the consumers buying behavior, particularly in social and psychological aspects (Ayanwale et al., 2005).
Advertisement creates likeness toward brands among consumers and influences buying behavior (Goldsmith & Lafferty, 2002). Another aspect of advertisement is to create emotional response which is the consumers’ ability to recall the brand advertisement (Goldsmith & Lafferty, 2002). Informative advertisements are helpful in influencing consumers’ mind towards brand and create emotional response about advertisement (Holden & Lutz, 1992). Therefore, emotional advertisements are effective sources to create emotional response towards an advertised product (Brassington & Pettitt, 2001). Bezijian et al., (2008) found that there is a positive relationship between visual, verbal and text intensity of media and emotional response. Therefore, study hypotheses as:

**H1:** There is a significant relationship between Facebook advertisement and buying behavior of young consumers.

**Environmental Response**

According to attitude theory, environmental attitude is based on belief and norms that are constructed through individual perception. The individual perception is the opinion rather than attitude (Heberlein & Wisconsin, 1998). Environment, (for example, the outlook of shop, or background music) can influence the consumers buying behavior (Greenley & Foxall, 1997). According to a study, customers can gain experience from surrounding environment that may be useful for products promotion and selling (Adelaar et al., 2003). Different surrounding environmental conditions affect the consumers buying behavior. For example, outlook and atmosphere in retail store and background music while purchasing (Morris & Boone, 1998).

Sometimes consumers are confused about what to purchase, and follow purchase intent (Goldsmith & Lafferty, 2002). Here purchase intent is taken in the sense, consumers often are buying without proper planning and intention (Adelaar et al., 2003). In this confused situations, consumers usually collects information from retailers and other sources, compare products, prices, and in later stage take purchase decision (Stern, 1962).

The environmental psychological model suggests a place or an environment like a mega store, which inspires consumers’ emotions that can be categorized into pleasure, arousal and dominance in buying decision (Adelaar et al., 2003). According to Hitchon (1994), environmental psychology model is the better perception of emotional response than all other traditional marketing research. For this study purpose, we assume the virtual world of Facebook as the environment of viewers, which provides information, interesting images, videos and many more. It is thus hypothesized:

**H2:** There is significant relationship between Facebook environment and buying behavior of young consumers.

**Moderating Role of Gender**

Current literature is interested to assess the gender differences in term of internet usage, and more recently in term of Facebook and other social media usage. For example, in 1997, Gefen and Straub found significant differences among male and female perceptions in terms of email usage. Similarly, in 2002, Venkatesh and Morris found differences among male and female in term of software usage at workplace. Nysveen et al., (2005) conducted a study and found non-significant effects of gender on usage of mobile services. Ono and Zavodny (2002) conducted a study and found that there is strong significant relationship between man and usage of internet as compared to woman. In 2005, Ramayah and Osman found that male students spent more time to use the course website as compared to female students. In 2010, Wilson and Liu discussed the social dominance orientation and found that male shows greater level of social dominance than female. This study is also in interested to assess the
moderating effects on young consumers buying behavior in Facebook advertising. We hypothesize that:

**H3:** There is moderating effects of gender on buying behavior of young consumers in response to Facebook advertisements.

The above discussion leads to develop a conceptual model for the study.

**METHODOLOGY**

The study collected data through questionnaires based survey from 309 Facebook users both males and females in Pakistan. Most of the users were students and were below age of 30 years. The survey instrument consisted of demographic information’s along with other important variables. It was conveyed to respondents that data is for research and will be kept confidential.

The instrument of study is adopted from Bishnoi & Sharma, (2010) and Mir (2012). A pilot study was conducted to check the reliability of adopted instruments. To check the reliability, data was collected from 40 respondents of Facebook users (Males and Females). The following table indicates the results of pilot study.

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>Variables</th>
<th>Number of items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Facebook Advertisement</td>
<td>14</td>
<td>0.89</td>
</tr>
<tr>
<td>2</td>
<td>Facebook Environment</td>
<td>7</td>
<td>0.65</td>
</tr>
<tr>
<td>3</td>
<td>Buying Behavior</td>
<td>6</td>
<td>0.75</td>
</tr>
</tbody>
</table>

After data collection, the study used multiple regressions for statistical analysis. Step wise regression is used to quantify the impacts of independent variables on a single dependent variable.

**RESULTS**

The study used correlation statistics to determine correlation among variables. Table.2 presents the correlations.
Table 2. Correlation between Variables

<table>
<thead>
<tr>
<th></th>
<th>FB.Ads</th>
<th>FB.Env</th>
<th>Buying Behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook Advertisement</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facebook Environment</td>
<td>0.734**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Buying Behavior</td>
<td>0.562**</td>
<td>0.347**</td>
<td>1</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed)

In the above table, correlation analysis indicates that Facebook advertisement is strongly positively correlated to Facebook environment (r = .734) and also positively correlated to buying behavior (r = .562). Similarly, Facebook environment is positively correlated to buying behavior (r = .347).

Table 3 provides the stepwise regression results. In step 1, Facebook advertisement has positive effects while Facebook environment has negative effects on buying behavior. It can be inferred that consumers’ seem to hesitate Facebook environment as some unnecessary images may have negative effects. Another reason consumer may not need too much advertisement all the time, as they are interested in Facebook for social interactions. Further, young consumers have more interest in social interactions rather than business activities in Facebook environment. Sometime irrelevant messages may negatively affect consumers mind. Likewise, Consumers may sometimes be distracted by some components of Facebook environment which may be socially undesirable.

In step 2, where the effects of Facebook advertisement on buying behavior of consumers are determined. In this step, Facebook advertisement has positive and statistically significant effects. Facebook environment has positive but statistically insignificant effects on young consumers buying behavior. At the same time, the effects of gender on consumer buying behavior are determined. Gender has negative but statistically significant effects on buying behavior of young consumers. Further, it is noted that female consumers have negative perceptions towards Facebook environment. It can be inferred that female seems to avoid Facebook environment because they may have more interest in social interactions then male.

Table 3. Results of Hierarchical Regression Analysis

<table>
<thead>
<tr>
<th></th>
<th>Beta Step.1</th>
<th>Beta Step.2</th>
<th>Beta Step.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>FB Ads</td>
<td>.717**</td>
<td>.546**</td>
<td>.308**</td>
</tr>
<tr>
<td>FB Env</td>
<td>-.144**</td>
<td>.043</td>
<td>.161</td>
</tr>
<tr>
<td>Gender</td>
<td>-.518**</td>
<td>-1.050**</td>
<td></td>
</tr>
<tr>
<td>First Interaction Term</td>
<td>.320**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Second Interaction Term</td>
<td>-.148</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R²</td>
<td>.325</td>
<td>.437</td>
<td>.445</td>
</tr>
<tr>
<td>Adjusted R²</td>
<td>.320</td>
<td>.436</td>
<td></td>
</tr>
</tbody>
</table>

** P < 0.01, *P < 0.05
In step 3, the effects of two variables i.e Facebook advertisement and Facebook environment is interacted with gender for moderation. In this step, Facebook advertisement has positive and statistically significant effects on buying behavior of young consumers. Facebook environment has positive but statistically insignificant effects on buying behavior of young consumers. In this step, gender has negative but statistically significant effects. The first interaction term (Product of Facebook advertisement and gender) has positive and significant effects on buying behavior of young consumers. The second interaction term (Product of Facebook environment and gender) has negative and statistically insignificant effects on buying behavior of young consumers. Therefore, it can be inferred that gender has moderating effects on Facebook advertisement and no moderating effects on Facebook environment.

It can be inferred that consumers seem to hesitate Facebook environment especially female consumers, who may think that Facebook environment is not a convenient place to share personal information’s. It also can be inferred consumers may think that Facebook do not distorts the value of youth. Another reason, consumers may think that some fake advertisers are misleading them.

DISCUSSION

This study examined the effects of Facebook advertisement and Facebook environment on buying behavior of young consumers with gender for moderation. Results indicate that Facebook advertisement has positive, while Facebook environment has negative effect on buying behavior of young consumers. The results of the study have important implication for marketing research and added to existing knowledge that Facebook can be used for business promotions. Specifically, the study examined the moderating effect of gender and identified that female has moderating effect on Facebook advertisement and no moderating on Facebook environment, while male has moderating effect on both the variables.

The managerial prospective of the study was to test whether Facebook advertisement and Facebook environment have influence on buying behavior. The results show that Facebook advertisement can be used to influence buying behavior of young consumers. Further, results show that female has more impact on Facebook advertisement as compared to Facebook environment. The study is in line with De Valck, Van Bruggen and Wierenga (2009) in terms of using social media to influence buying behavior. The study examined the influence of virtual community on buying decision. According to the study consumers use virtual communities for social networks rather than buying and selling. Additionally, Facebook has the advantage to gather people of all social classes on a single platform and is a powerful community. This study is in line with Virkkala (2009) in terms of Facebook advertisement. The study examined the influence of consumers’ attitude towards Facebook advertising in Finland. She found out, that consumers hesitate and avoid of receiving advertisement in virtual community.

The more recently in line study is Lukka and James (2014) in terms of Facebook advertisement. The study assessed the influence of customers’ attitude towards Facebook advertising by using AIDA model. According to their views, Facebook is an interesting marketing platform that can be easily accessed around the globe. It fulfills the social needs of people and can be used for advertising to stay connected with customers. The study found that Facebook advertising is not much useful in creating action and audience hesitate disruptive advertisement.

The study is also in line with Thompson and Lougheed (2012) in terms of gender difference in social networking usage. The study examined differences among male and female using...
The study found out 80% undergraduate students are using Facebook on daily basis. The ratio of Facebook usage was higher for female than male. It was also noted that female experienced more stress in Facebook usage than male. Further, female showed more interest in building relationship activities on Facebook as compared to male.

CONCLUSION

The study assessed the effects of Facebook advertisement and Facebook environment on buying behavior of young consumers and the moderating effects of gender. The study used questionnaire based survey to collect data and step wise regression for data analysis.

The results of the study indicate that Facebook advertisement has positive while Facebook environment has negative effect on buying behavior of young consumers. Further, female has moderating effect on Facebook advertisement and no moderating effect on Facebook environment. Additionally, all the variables of the study are positively correlated with each other.

REFERENCES


