Segmenting Consumer Reactions to Social Network Advertising

Colin Campbell, Monash University, Australia
Carla Ferraro, Monash University, Australia
Sean Sands, Monash University, Australia

Consumers today are more social online than ever, creating new opportunities and challenges for research. We provide a segmentation of consumers on the basis of their attitudes toward social network advertising, before turning to explore the association among psychological, economic, and sociodemographic covariates and membership in particular segments.

[to cite]:

[url]:
http://www.acrwebsite.org/volumes/1012270/volumes/v40/NA-40

[copyright notice]:
This work is copyrighted by The Association for Consumer Research. For permission to copy or use this work in whole or in part, please contact the Copyright Clearance Center at http://www.copyright.com/.
Segmenting Consumer Reactions to Social Network Advertising

Colin Campbell, Monash University, Australia
Carla Ferraro, Monash University, Australia
Sean Sands, Monash University, Australia

EXTENDED ABSTRACT

Marketers and advertisers have been quick to respond to the shift in online social media activity in a bid to facilitate consumer engagement. In order to optimise social media and social network advertising investments, and the potential to generate online social WOM, knowledge of how consumers interact with the medium is necessary. Fundamental is an understanding of the type of consumers that use social media and social network platforms. Several studies (e.g., Foster, West, and Francescucci, 2011; Ip and Wagner, 2000; Li and Bernoff, 2008; Riegner, 2007; Wiertz and De Ruyter, 2007) provide a basic understanding through segmentations of usage or motivation to participate. This paper offers a more nuanced understanding of how consumers engage with social media by specifically examining response to social network advertisements, which are “a new, rapidly growing, substantively important, and largely unexplored frontier.” (Taylor, Lewin, and Strutton, 2011, p. 260). Likewise, instead of a single segmentation base as is common to many previous studies, we employ three segmentation bases: brand engagement, purchase intention and WOM. This paper therefore contributes to existing knowledge through a unique social media segmentation analysis predicated on the behavior a social network advertisement has the potential to engender.

Literature highlights the growing significance of social media in shaping consumer engagement online. Specifically, social media and social network sites have attracted the attention of researchers investigating marketing opportunities (e.g., Fournier and Avery, 2011; Hanna, Rohm, and Crittenden, 2011; Kaplan and Haenlein, 2011a; Kietzmann, Hermkens, McCarthy, and Silvestre, 2011; Weinberg and Pehlivan, 2011), consumer usage and influence (e.g., Katona, Zubcsek, Pal, and Miklos, 2011; Kozinets, de Valck, Wojnicki, and Wilner, 2010; Trusov, Bodapati, and Bucklin, 2010) and the related impact on consumer preferences (Narayan, Rao, and Saunders, 2011; Taylor, Lewin, and Strutton, 2011). Research has also looked at what causes social network advertising avoidance (Kelly, Kerr, and Drennan, 2010) and acceptance (Taylor, Lewin, and Strutton, 2011), as well as consumer-generated conversations and brand engagement (Fournier and Avery, 2011; Muniz and Schau, 2011). However, the literature has not yet fully explored the consumer behaviour effects of social network advertising.

A common thread running through the online and social media segmentation literatures is a focus on general behavior or motivation segmentation bases (e.g., Aljukhadar and Senecal 2011; Sung and Jeon, 2009) rather than specific responses to marketing stimuli. Researchers examining consumers’ online social behavior have similarly focused on general segmentation bases such as WOM (Riegner, 2007; Foster, West, and Francescucci 2011), usage (Ip and Wagner, 2000; Taylor, Lewin, and Strutton, 2011) and motivation (Wasko and Faraj, 2000a, 2000b; Wiertz and De Ruyter, 2007; Foster, West, and Francescucci, 2011). This stream of research sheds light on organic consumer behavior online, but provides only tangential knowledge of consumer response to social media advertising. The present study attempts to fill this gap and specifically responds to the need to better understand online social community advertising (Zeng, Huang and Dou, 2009) and user engagement with brands (Foster, West and Francescucci, 2011). In doing so, we explore whether segments of consumers exist based on their level of brand engagement, WOM referral behavior, and purchase intention, all following exposure to a social network advertisement, and profile resulting consumer segments along dimensions of both theoretical and practical importance.

Using survey data from 883 consumers, we identify five segments of response to social network advertising – Passive, Talkers, Hesitant, Active, and Averse – and significant covariates such as information search, consumption, entertainment, age and gender that predict segment membership. Two segments are highly impacted by social network advertising in terms of all behavioural outcomes: brand engagement, purchase and WOM intentions. The larger of these two segments (Talkers, 28%) is relatively high on all behavioural outcomes and information motivation, but weaker in terms of purchase intentions, while the other (Active, 10%) is impacted highly on all outcomes. A third segment reveals a relative level of indifference across the behavioral outcomes (Passive, 29%), but relatively high entertainment motivation and a low convenience motivation. The remaining two segments held low levels of behavioral intention and information motivation.

This paper thus expands current understanding of how consumers respond to social network advertising through a focus on how they are impacted by advertisements in this channel. The findings highlight that two segments, Actives and Talkers (representing 38% share of the market), are highly impacted by social network advertising in terms of brand engagement, purchase and WOM referral intention. Our results also reveal that social network advertising segment membership is associated with psychographic variables such as information motivation and entertainment motivation, as well as age. Specifically, information motivation is a strong determinant of segment membership for Actives and Talkers. While this makes intuitive sense, in that positive effects from social network advertising interactions are therefore linked to consumer’s desire for information, it also supports prior theory that those consumers who desire information explore and use new alternatives (e.g., Steenkamp and Baumgartner 1992). We also find that entertainment motivation is a significant predictor of membership for Actives, the segment most engaged in and responsive to social network advertising.

To sum up, our research reinforces that it is problematic to collapse all social network users into one grouping (Hargittai and Hsieh, 2010) and that advertising is more effective for some consumer segments (based on variation in response). Importantly, we identify a large (and likely growing) proportion of consumers (38%) who can be influenced by social network advertising, but also a majority who are not ‘in tune’ with social networks as an advertising medium. Nonetheless, given the existence of different segments, there is a need for firms to tailor their social media marketing strategies accordingly. We find that those consumers most engaged with social network advertising also have a high information and entertainment motivation, and therefore informative and entertaining content is most effective.

REFERENCES


