



Effective marketing communication via social networking site: The moderating role of the social tie[☆]



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ABSTRACT

Facebook provides a way of connecting with friends online that increases the effectiveness of Internet advertising. This study investigates what factors influence the impact of consumers sharing advertisement (peer-to-peer) on communication effectiveness. The conceptual framework relies on social capital and communication theory, including tie strength, type of message, and advertising literacy. To test the research hypotheses, the study carries out two experiments involving 346 participants. The results show that interactive advertising gains greater consumer attitude toward the ad and higher message-sharing intention than non-interactive advertising does. The social tie is an important factor in moderating the effects of the message format and advertising literacy on communication effectiveness. This research advances the social capital and communication literature by explaining the effectiveness of consumers sharing advertising based on Internet-mediated communication. Research findings provide managerial implication for companies to better plan online marketing strategies in this social-networking era.

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1. Introduction

With Internet applications like instant messaging and social networking sites, people can easily establish friendships without the constraints of geographic borders or time zones (Zhou, 2011). Nowadays, people have more channels through which to link up (e.g., Facebook, Twitter, Line). Past research confirms that the Internet does not only help people to maintain social relationships with distant relatives or friends but also to create extensive relationships online (e.g., Lewis, Kaufman, Gonzalez, Wimmer, & Christakis, 2008). Online social network communities bring people together; thus, companies can more effectively communicate to target consumer groups in social network communities than in other types of media. Online communities with larger member bases are good channels through which companies can advertise their products.

More companies increasingly adopt Facebook as a communication channel so that they can forward their messages broadly. Viral

marketing refers to pass-along messages such as videos, stories, and pictures through e-mail that aim to increase product awareness or brand equity (e.g., Ho & Dempsey, 2010). Facebook brings about a new revolution of viral marketing by using social networking sites to share peer-to-peer ads in a number of ways.

Online social networking service providers and companies need to generate profit through effective advertising on social network media. Because firms can execute advertising by using the Internet in a variety of ways, the appropriateness of Internet ads determine the benefits that firms can gain from the Internet. For example, peer-to-peer ads on social networking sites have the advantage of gaining the receiver's trust same as the power of word-of-mouth in interpersonal communication, knowledge of how to manage personal communication channels, and message design will affect the outcome of Internet marketing.

However, despite the large amount of literature concerning advertising and social networking sites, a gap exists in the research on how peer-to-peer viral marketing tool affects consumers' attitudes. The effect of social networking site on message sharing intention is discrepant. For example, Lewis et al. (2008) find that Facebook increases user's sharing behavior in the social networking site, but Chu (2011) states that a user's participation in a Facebook group does not exert an influence on their viral advertising pass-on behaviors. To achieve a better understanding of effective communication outcomes through online social networks, this study aims to identify the factors affecting advertising effectiveness from three angles: Advertising type and advertising

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literacy from the perspective of communication theory, and social tie strength from the perspective social psychology.

2. Literature review and research hypotheses

2.1. Theoretical background

2.1.1. Social networks

Social networks comprise social transactions, links, and structural characteristics. These three aspects are useful in depicting people's interactive activities in online surroundings. Transactional content defines four types of purposes for which people use social networks to communicate: (1) exchange of affect, (2) exchange of influence or power, (3) exchange of information, and (4) exchange of goods and services (Tichy, Tushman, & Fombrun, 1979). A social network may have the characteristics of internal and/or external linkages, and people may not be equally important in the social network nodes in terms of the role they play (Mathwick, Wiertz, & Ruyter, 2008).

Social capital is an intangible force that helps to bind society together by transforming self-seeking individuals into members of a community with common interests, common assumptions about social relations, and a sense of the common good (Etzioni, 1996). Social capital applies at individual and collective levels (Lappé & du Bois, 1997). One reason for Facebook's rapid growth is the role Facebook plays in helping people connect online and build up their social capital via information sharing and interpersonal interaction in this vast virtual social network (Shu & Chuang, 2011).

2.1.2. Tie strength

Social tie is an umbrella concept that covers both the process of social capital accumulation as well as its outcomes (Adler & Kwon, 2002; Nahapiet & Ghoshal, 1998). Tie strength is a multidimensional construct that represents the strength of dyadic interpersonal relationships in the context of social networks, including closeness, intimacy, support, and association. The strength of the tie may range from strong (e.g., close friend) to weak (e.g., seldom-contacted acquaintance), depending on the number and types of resources the relationship exchanges, the frequency of exchanges, and the intimacy of the exchanges (Marsden & Campbell, 1984).

Word-of-mouth (WOM) is a social phenomenon through which referral marketing draws on interpersonal relationships. Analysis of social relationships drawing on social ties is helpful for understanding the referrals' flow among individuals (Brown & Reingen, 1987). eWOM such as online reviews or message sharing are particularly prevalent in online social networking sites. Some scholars consider sharing text messages or videos via social networking sites like Facebook as delivering eWOM, a new medium through which delivering firms' ads over a longer period is possible (Barnes & Pressey, 2011).

2.2. Research hypotheses

2.2.1. Interactivity of advertising

Interactivity is the capability of a communication system to allow reciprocal exchanges between senders and receivers whether in real time or not (Rice, 1984). Meyer and Zark (1996) pose the degree to which consumers choose, handle, integrate, and format a message reflects the interactivity of a communication act. Two-way communication can improve an ads' effect because receivers can provide feedback to advertising companies. Williams, Rice, and Rogers (1988) argue that the ability of participants to control a conversation can also measure interactivity. Li and Leckenby (2004) define interactive advertising as the "paid and unpaid presentation and promotion of products, services, and ideas by an identified sponsor through mediated means involving mutual action between consumers and producers." With interactive characteristics, the new media allow users to perform a variety of functions such as receiving messages, making inquiries, responding to

question, and making purchases that traditional one-way communication cannot perform at one time (Belch & Belch, 2012).

The Internet enlarges the interactivity of advertising (Li & Leckenby, 2004). One reason explaining the interactive advantage of Internet advertising is that consumers have more control over the Internet than they do over firms, which might increase consumers' interest in advertising (Roehm & Haugtvedt, 1999). Raman (1996) states that interactive advertising has advantages in the delivery of advertising because interactive advertising uses various methods, types, formats, and features. On Facebook, users can browse a friend's wall or receive invitations from friends to view an advertisement; this ad can be non-interactive advertising, with only text and/or photos, or interactive, as in a mental test or game. Interactive advertising is more effective because interactive advertising has more vivid characteristics to attract and persuade target audiences than standard advertising has (e.g., Cheng, Blankson, Wang, & Chen, 2009; Li & Leckenby, 2004). Nowadays, a company can employ tools supporting Web 2.0 to place its brand or product in a game, video, or Facebook wall. Such interactive advertising might increase users' attention to the advertisement. Thus:

H1. Communication effectiveness in the form of (a) attitude toward advertising and (b) message-sharing intention is higher in an interactive advertising format than in a non-interactive format.

2.2.2. The moderating effect of tie strength and advertising format

Haythornthwaite (2001) suggests that people in a strong tie condition are more likely to communicate more frequently and make more effort to maintain the relationship. Strong ties building on close relationships encourage people to exchange information by using various media and to exchange information with a high frequency that can support the tie. Wellman and Berkowitz (1998) point out that strong ties involve higher levels of intimacy, more self-disclosure, emotional as well as instrumental exchanges, reciprocity in exchanges, and more frequent interaction. The communication effectiveness of the ad varies with the degree of tie strength because the interactivity of the and the conduit for dissemination of the advertising information influence the receiver's attention to the ad.

People are more likely to forward an advertising message from a close friend than from other sources regardless of the message format (Levin & Cross, 2004) because the information comes from a trustworthy source. In addition, sharing information from a close friend may be a way of advocating the friend's voice. Thus, receivers in strong tie groups might have higher motivation to share the message regardless of the type of message (De Bruyn & Lilien, 2008).

However, people in weak tie relationships have relatively less motivation to communicate because a lack of trust or little source credibility increases people's resistance to untrustworthy sources (Levin & Cross, 2004). In this circumstance, communication relies on organizationally (or socially) sanctioned means that provide an instrumental contact. Therefore, receivers may have higher attitudes toward the message and message-sharing intention only if the message itself consists of highly interactive features (e.g., entertaining game). In contrast, non-interactive messages have fewer anchors to attract an audience's eye, which might result in lower intention to forward the message because weak ties lack the social capital to bind people.

H2a. Social ties moderate the effect of advertising format on attitude toward the ad. An interactive message is more efficient when weak tie delivers the message than when a strong tie does.

H2b. Social ties moderate the effect of advertising format on message-sharing intention. An interactive message is more efficient when a weak tie delivers the message than when a strong tie does.

2.2.3. The moderating effect of tie strength and advertising literacy

Literacy refers to the ability to read and understand texts. Many recent definitions offer a broader perspective and refer to the ability to produce,

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