

A Case Study of the Effectiveness of Facebook Advertising on College Students

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Abstract

Facebook continues to be the most popular social media site. For many people, visiting Facebook has become a part of daily routine. Companies view Facebook users as their potential customers, and are using a variety of ways to use Facebook to reach and attract as many audiences as possible. Some researchers state that Facebook is an effective marketing platform because networking and communication are already taking place. Others consider the effectiveness of Facebook advertising to be inconclusive and difficult to measure. The goal of this study was to explore the effects of Facebook advertising on the undergraduate college students, age 26 and younger. A total of 182 responses were collected through the survey. In terms of Facebook usage, 71% of students surveyed check their Facebook daily, 72.5% indicated that staying in touch with family and friends, which is their primary usage, while 21.3% indicated that following news and page updates were their primary usage. It is also found that students use Facebook significantly more often on their phone than they do on a computer. When asked about the amount of attention students give to Facebook advertisement, 80% of students gave a rating of 3 or less on a scale of 1 (least) to 10 (most), 97.3% of students never or rarely clicked on Facebook advertisements, 93.7% never or rarely shared a promotion with a Facebook friend. However, 10% of the students have printed coupons received by a Facebook page. In addition, students indicated that before making a purchase they mostly relied on search engine, visiting the store, or words of mouth. Social media is the last tool they used. The results of this study suggest that Facebook advertisement is not effective for traditional undergraduate college students.

Key Words: Facebook, Social media, Advertising

1. Introduction

According to a national poll by the Harvard Institute of Politics in 2014, 84% of millennials reported having Facebook profiles which increased by 5% from the previous survey given in the fall 2013 which indicated 79% of millennials had Facebook profiles. Businesses hope to capture their interest and engage them through Facebook in order to increase their brand image and sales. Facebook is a readily available tool for marketers. It allows companies to connect with many more people and much more often than the companies would be able to through phone calls, emails, or meetings. Thus, it often lowers the marketing costs. Marketers are also able to use Facebook profiles to identify consumer tastes and likes which can be used to create market segmentation and targeting strategies. However, the actual return of investment for companies that use Facebook advertising is hard to measure. The objective of this study is to investigate how undergraduate college students perceive the effectiveness of Facebook advertising, and how often they use Facebook advertising to obtain pre-purchase information.

2. Literature Review

According to a 2013 Social Media Examiner's Social Media Marketing Industry Report (Stelzne, 2013), a significant 86% of marketers indicate that social media is important for their business and when forced to only select one platform, 49% of marketers selected Facebook. However, the report also finds that only 37% of marketers think that their Facebook efforts are effective. Other researchers find that advertising in social networking site is more likely to be avoided if the user has a negative experience, the advertising is irrelevant to the user, or the user is skeptical toward the advertising message (Louise Kelly, Gayle Kerr, and Judy Drennan 2010). Another study examines the effectiveness of Facebook status updates on college students in a campus recreation setting (Kendra Bayne and Beth Cianfrone, 2013). Results indicate that it is effective in increasing awareness, but not in interest or intention to participate the event. Azizul Yaakop, et. al. (2013) finds that consumers' perceptions such as perceived interactivity, privacy, and advertising avoidance have great effects on their attitudes towards the advertising in Facebook. Literature search suggests that the effectiveness of Facebook advertising, in general, is inconclusive.

3. Methodology

The survey questionnaire was given to students who were taking introduction to business course or an introductory statistics course during 2014 and 2015 semesters. Information collected includes general Facebook usage, attitude toward Facebook advertisements and promotions, and the tools used for pre-purchase information search. A total of 182 students completed the survey, and their age range was between 16 and 26. Data consisted of 69% of male students, and 31% of female students; 6% were freshman, 63% sophomore, 20% junior, and 11% senior. Several t-tests were conducted. Results are also displayed in tables.

4. Results

During the process of conducting survey, it was found that there were only 4 students, who could not participate the survey, did not have a Facebook account. Not only almost all of the students enrolled in introduction to business course or an introductory statistics course during 2014 and 2015 semesters had a Facebook account, 71% indicated that they checked Facebook every day. Table 1 shows that students used both computer and phone for checking their Facebook account. When spending less than 1 hour a day, they mostly used a computer. Those who use Facebook for at least 2 hours a day use their phone more often.

Table 1: Facebook Usages

Hours/day	On Computer	On Phone
Less than 1 hour	63.20%	36.30%
Between 1 and 2 hours	28.60%	42.30%
Between 2 and 3 hours	5.50%	13.70%
Between 3 and 4 hours	1.10%	5.00%
More than 4 hours	1.60%	2.70%

Students were also asked to indicate the main purpose of having a Facebook account. Table 2 shows that 72.5% of students used Facebook primarily for the purpose of staying in touch

with family and friends; followed by checking on new pages updates. Only 6.2% indicated that the primary goal was networking.

Table 2. What do you primarily use Facebook for?

Primary Goal	Percentage of Response
Networking	6.20%
Staying in Touch	72.50%
News Page Updates	21.30%

In addition, students were also asked to rate the amount of attention given to Facebook advertising and its perceived effectiveness on a scale of 1 (least) to 10 (most). It was found that the average rating for the amount of attention given to Facebook advertisements was 2.5 with a standard deviation of 1.6 and the average rating for the effectiveness of Facebook ads was 3.6 with a standard deviation of 2.2. Furthermore, there was a correlation of 0.53 between the rating of effectiveness and the attention given for the advertising. Moreover, when asked about the amount of attention students give to Facebook advertisement, 80% of them gave a rating of 3 or less on a scale of 1 (least) to 10 (most), 97.3% of students never or rarely clicked on Facebook advertisements, 93.7% never or rarely shared a promotion with a Facebook friend. However, 10% of the students had printed coupons received by a Facebook page. T-tests showed that there was no significant difference in the average attention given or the perceived effectiveness on the Facebook advertising between male and female students.

Concerning pre-purchase information search, students reported how often they used certain tools using a scale of 1 (never) to 10 (always). Table 3 shows that using search engine, going to specific brand website, and visiting the store ranked the top, followed by relying on the word-of-mouth and social media advertisements were the least used tool.

Table 3. The Means and Standard Deviations for Pre-purchase Search

	Mean Value	Standard Deviation
Search Engine	7.87%	2.31
Visit the Store	7.42%	2.25
Brand Website	7.63%	2.05
Social Media Ads	3.06%	2.98
Word-of-Mouth	6.61%	2.79
email for Retail	3.97%	2.34

5. Conclusions

This study does not support the notion that Facebook advertising is effective toward college students even most students check in their Facebook account regularly. Actually, an overwhelming percentage of students do not pay attention and are not interested in Facebook advertisements. To be more specific, 94% of them never or rarely click advertisements on Facebook. Also, the average rating given by students for the effectiveness of Facebook advertising is quite low with a mean of 3.6 and a standard deviation of 2.2 (1 being least, 10 being most).

Data also suggests that there is a correlation of 0.53 between the attention given to the advertisements and the rating for the effectiveness of advertising. Finally, gender has no effect on the ratings. The results of this study are limited to the college students. More research needs to be done on the effects of Facebook advertising for the general population.

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