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THE ROCHESTER INSTITUTE OF TECHNOLOGY

DEPARTMENT OF COMMUNICATION

COLLEGE OF LIBERAL ARTS

PERCEPTIONS OF ADVERTISING IN ONLINE SOCIAL NETWORKS: IN-DEPTH
INTERVIEWS

By

Zeljka Hadija

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in Communication & Media Technologies

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Abstract

Advertising in online social networks is a major unexplored advertising area. However, interactivity on the Internet shifts the ways in which users perceive advertising, and whether they perceive it at all. This research study focuses on college students, users of online social networks, as main sources of information that helps advertisers understand the ways in which advertisements are perceived online. Through the personal in-depth interviews, using Zaltman Metaphor Elicitation Technique, it has been revealed that only 20% of online social network users notice advertisements while using online social networks. The content found in online social networks inhibits viewing advertisements. This research study does not offer solutions to that problem, but simply states the users' views.

Keywords: online social networks, online advertising, online community, advertising research, Zaltman Metaphor Elicitation Technique

More than 1.1 billion people all over the globe are connected through the Internet. An amazing 17% of the world's population is using the Internet in its daily endeavors (Reid and Gray, 2007). Consequently, online social networks, as very popular destinations of many online visitors, take a large part in the Internet craze of today. For instance, Linked In, one of the online social networking sites focusing on the business people, recently surpassed its 10 millionth member (Reid and Gray, 2007). Facebook, a popular college students' social network, hit a mark of 30 million users in July 2007 (<http://blog.facebook.com/>). Apart from the two social networking services mentioned above, there is such a vast and ever growing number of different online social networks that it is too hard to name them or count them all. An enormous number, 95%, of teens and tweens (preteens and young adolescents aged 10-14) across the globe, report their participation in online social networks (Klaassen, 2007a).

Social networks are commonly free services available to the whole population or certain groups. The limitations for participation are sometimes set, however, almost never restricted by monetary sign-up fee. Online social networks are able to offer free service largely due to advertising in their virtual space. Internet advertising is growing at a rapid pace and is expected to surpass a number of \$29 billion in 2010. Due to such large growth potential, advertising imposes itself as one of the most important building blocks of any online social network. In other words, online social networks' websites have ad space for advertisers to place their ads. When put together, growth of advertising and popularity of online social networks create great opportunities for the targeted advertising and niche marketing. Klaassen (2007) reports that friends passing along brand messages in online social networks contribute to 70% of the sales return on investment (ROI). In simple terms, 70% of advertisements found in online social

networks catches users' attention and stimulates them to share the advertisements with their family and friends.

Social networking is an extremely rapidly growing communication tool that is bound to have detrimental effects on the traditional ways of socializing as people break the geographical, spatial and time barriers in communication. As online social networks grow in popularity, advertisers see them as extraordinary opportunities for profit accrual and brand recognition development. Such belief is due to the fact that online social networks have an enormous outreach, and provide the ability of targeting many people at a relatively low cost in a short period of time. On the other hand, online social networks' interactive characteristic offers the user a choice of ignoring the advertisements and focusing on other content, thus making the advertisements useless and waste of money. Furthermore, online social networks represent intimate environments for Internet users, hence advertising might not be welcome there if it continues to be mistargeted and intrusive. That could possibly lead to substantial revenue loss from advertising in these sites. Hall (2007) estimates an 18% downfall of the advertising revenue by 2008, leaving advertisers to understand the mistakes made and to find new ways of approaching online users.

Problem Statement and Reasoning

Research Questions and Hypothesis

The problem being investigated in this study is comprised in the relationship between the advertising in online social networks and users' perceptions of the same. The study is trying to investigate the effectiveness of advertisements found in online social networks on the brand recognition development among online social networks users. The research looks into the types

of advertising that can be used to capture users' attention without being intrusive or disruptive. Furthermore, the most appealing characteristics of the advertisements as reported by users are being researched. Several major variables have been identified in the study through four research questions and one hypothesis:

- In what ways does the content found in online social network sites inhibit online social network users from noticing advertisements on the same sites as reported by college students?
- Which characteristics of advertisements in online social networks are stated as appealing by college students?
- Social network users report in a self-disclosing survey that the exposure to advertisements in online social networks helps in building their brand recognition.
- What is the relationship between characteristics of advertisements in online social networks and college students' positive or negative opinions of those advertisements?
- What is the relationship between personalized advertisements in online social networks and online social networks users' willingness to be exposed to advertisements in online social networks?

The above mentioned research questions and a hypothesis contain several important variables which focus on the main problem of the study. The first research question seeks to examine the relationship between the content found in the online social networks and the popularity of advertisements. The assumption is that the content found in online social websites has an effect on the appeal of the advertisements. It is yet to be discovered whether that effect is positive or negative, and that is exactly what these questions seek to examine.

The second question refers to the characteristics of advertisements that are found to be appealing. An answer to this research question will increase the possibility of improving the advertisements with the purpose of making them more attractive and noticeable. The scholarly reason behind this question lies in the fact that there is no sufficient research done in the area of advertising in online social networks and this question will open up the possibilities for future studies.

The research hypothesis considers the relationship between the advertisements in online social networks and their effect on the growth of users' brand recognition. Most of the time advertisers are trying to build the brand recognition among their consumers since brand recognition has a greater likelihood of leading to a purchase decision. Moreover, brand recognition helps in keeping the consumers from buying different products. The hypothesis seeks to find out whether advertisements in online social networks have any affect whatsoever on brand recognition awareness and whether these advertisements can be considered useful for creation of brand recognition awareness.

The subsequent research question investigates the relationship between the characteristics of advertisements and their effect on positive or negative opinions of consumers on the advertisements. Advertisements online come in different forms and types and some kinds of advertisements might be more successful in attracting the users and developing positive opinions of the products and services. Other kinds might do just the opposite. It is a purpose of this question to find out which types of advertisements fall under the first category, and which under the second.

The last research question looks at the effect that personalized advertisements have on the willingness of users to be exposed to them. In other words, the question seeks to uncover whether more personalized advertisements in online social networks will have a positive or negative effect on users' liking of the advertisements and keenness to be exposed to them.

Significance of the Study

Advertising, as mentioned above, is an enormous part of the online industry of today. However, much of the capital invested in advertising is mistargeted due to the lack of knowledge and research done in consumers' opinions of advertising. Furthermore, a large percentage of advertising goes unnoticed by consumers because the advertisers choose the wrong advertisement characteristics; messages sent are unclear; and the target audience is not clearly identified. This study will address many of the issues mentioned above by researching consumers' opinions on advertising in online social networks and using available literature to reach conclusions.

However, the literature available in the field, especially the one focusing on advertising in online social networks, is very limited. This research study will contribute significantly to the scholarly area of the advertising industry by presenting new data. Furthermore, it will set a base for future studies that will seek to examine the issue of advertising in online social networks. Another contribution of the study in the scholarly area lies in the communication relationship between advertisers and consumers. The study will reveal the ways in which advertisers in social networks communicate with consumers currently, and the ones consumers expect. In that sense, the study will extend and improve on the past research done and will use an attitude-toward-an-ad theory to clearly describe the communication relationship between advertisers and consumers.

*Historical Perspectives**History of Advertising*

Advertising is considered to be a nonpersonal and targeted audience communication with the intention of promoting and selling the product or service. Such communication is done through a variety of media channels, including television, radio, newspaper, magazines, direct mail, outdoor displays or the Internet (Lee and Johnson, 1999). According to Lears (1994), advertisements have multiple meanings. They mean everything from simply creating the need or the will in people to buy goods, to creating visions of life and supporting or disagreeing with the political and economical powers. Heimann (2005) agrees stating that advertisements go as far as to promote a certain lifestyle. However, adds Heimann (2005), advertising is nothing more than artificial truth. According to Wesley Frey and Halterman (1970) and Lears (1994), defining advertising is not strictly limited to academic purposes, but it most certainly has the basis in the practical background. Hence, the authors define advertising similarly to Lee and Johnson (1999) who agree it is a nonpersonal specifically directed and sponsored promotional activity.

Advertising is only one of many elements of marketing mix, agree Farris and Quelch (1983), Wesley Frey and Halterman (1970), and Lee and Johnson (1999). However, the importance of advertising in the marketing mix lies in the fact that it is not only considered to be long-term profits and growth generator, but also a communication tool that increases the product or service awareness among target audience. McFall (2004) agrees and continues by stating that advertising should be examined and explained in the broader context of marketing and design. Moreover, continues McFall (2004), the entire matrix of activities involving promotion, production and distribution has a strong and significant impact on the importance of advertising.

Nicholas Samsatg put it nicely when he said: “The first purpose of an advertisement is to get itself read. The second purpose is a secret” (Farris and Quelch, 1983, p. 11). In other words, advertising has many important purposes and each and every advertisement is different making it hard to generalize on the overall importance and purpose of advertising.

Wesley Frey and Halterman (1970) dwell on the powers of advertising, suggesting that it is hard to make a proper distinction of whether advertising has a high or low power over consumers’ decisions. However, authors agree that the combination of different factors influencing consumers and advertising environment itself, make for the advertising to be more or less powerful. Everything from economic and social to legal factors can and do influence advertising and consumers, state Wesley Frey and Halterman (1970). These influencing factors do not represent only the modern advertising stage, but have been directing advertising since its beginnings.

Advertising has gone a long way from its beginnings to the form it is in today. Advertising has shaped its form as soon as humans started exchanging goods and services (Lears, 1994; Applegate, 1998; Lee and Johnson, 1999). However, states Lears (1994), at that time, and throughout most of the history, the advertising has been referred to as abundance. Abundance, according to Lears (1994), had become corporate advertising at the beginning of the twentieth century. Advertising, in its form, existed even before the twentieth century, argues Applegate (1998). According to him, advertising was discussed in 1710 in the issue of Tatler as an “instrument of ambition, management of controversy, and information to the world” (p.4). Moreover, argues Applegate (1998), the colonies of Boston, Newport, New York, Philadelphia and Charlestone became the dominant marketing, retail and wholesale settlements with the help

of advertising. According to Shaw (1959), advertising was used as a way of financing newspaper print, somewhat similar to what is done today.

With the beginnings of the corporate advertising, the more significant traceable history of advertising begins (Ewen, 2001; Lears, 1994). Bauer and Greyser (1968) explain advertising has a significant economic and social effects on the society which precedes Ewen's (2001) statement that researching and studying advertising of the twentieth century is an excellent way of understanding the political and economical shifts that have occurred during this time. According to Ewen (2001), advertising opens up the window to understanding of the capitalism shifting from the production to consumption economy. However, continues Ewen (2001) not everyone was convinced that advertising presents advancement. Between 1918 and 1923 more articles in *Printer's Ink* were devoted to convincing corporations that advertising presents a positive advancement than there were advertisements themselves. Despite that, argues Ewen, advertising was on an upright path and reached gross revenues of \$196.3 million in 1929, compared to \$58.5 million in 1918. That immense revenue growth and increase in advertising's popularity, Lears (1994) described as "solid with money" (p. 196). Even though the advertising has been experiencing significant growth, the research that had been done at that time, revealed that advertisers and the target markets could not be more far away from each other, and sometimes even far away from truth (Lears, 1994). Continuously, throughout the twentieth century, advertising has been passing through many different stages only to reach the sixties when noticeable changes took place. Heimann (2005) explains that in the sixties advertising evolved from lengthy texts to witty headline and picture ensembles which main purpose was to out-smart, out-do and out-sell competition. Heimann (2005) continues into stating that sixties were the time

where advertising became clever, funnier and more enjoyable and interesting than ever before, and from that point on, the advertisements continuously kept becoming more complex in their meanings and more entertaining for consumers. According to Stafford and Faber (2005) the Internet has been the fastest growing medium ever. According to Reid and Gray (2007), as of March 2007, the Internet had 1.1 billion users across the globe, and the advertising became one of the fastest growing Internet segments. One of the intriguing advertising channels for online advertisers is certainly online social networks.

Beginning of Online Social Networks

The term social networks has been around long before the Internet and popularization of Facebook, Myspace and similar online social networks, according to Yang, Dia, Cheng and Lin (2006). Social networks consist of individuals who are connected to each other through socially meaningful relationships, such as work, friendship or information exchange, and denote face-to-face communication (Yang, Dia, Cheng and Lin, 2006; Garton, Haythornhwaite and Wellman, 1997). Lenhart and Madden (2007) describe online social networks as locations where users can create their personal profiles and connect with other people in order to create a personal network. Microsoft Digital Advertising Solutions (2007) state that social network is simple, easy and very addictive way for people to get together and share interests on the Internet. Moreover, online networks allow individuals to express their creativity and individuality while at the same time being a part of the community (Microsoft Digital Advertising Solutions, 2007; Staab, 2005). Staab (2005) continues by saying that online social networks influence the users enormously in their every day lives. With the usage of online social networks, claim Reid and Gray (2007),

strangers can become close friends, families spread out across the globe can reunite and co-workers who never met each other can work together in a team.

The emergence of the Internet as a communication tool and media channel contributed to the emergence of online social networks (Heer and Boyd, 2005). Heer and Boyd (2005) and Lenhart and Madden (2007) describe the emergence of online social networks as a new phenomenon that literally amassed millions of users. The first online social networks were called Usenet newsgroups and appeared in 1979 (Reid and Gray, 2007). These usenets resembled today's bulletin boards and represented the initial Internet community. The beginning of 90's is the time when online social networks started their boom; Sixdegrees.com being the first one to appear in 1997 (Reid, 2007; Mitrano, 2006). The first online social network in the form that is has today, was Friendster.com which appeared in 2003 (Heer and Boyd, 2005; Reid and Gray, 2007). Today, claim Reid and Gray (2007), social networking sites attract one out of every 20 Internet visitors. According to Shields (2007), more than 70% of Americans today use some kind of online social networking sites, particularly in the primetime hours.

Reid and Gray (2007), and Klaassen (2007b) identify following online social networks as the ones that currently hold the top positions in the popularity and number of unique visitors and registered users (as of June 2007): MySpace (57 million), Facebook (14.4 million), Bebo (1.7 million).

Advertising and Modern Media

Web Advertising

Even though the Web was an advertising medium from its beginnings, according to Matin (2007), the advertising industry online has grown significantly in comparison with its

proportions in 1990. Today, says Matin (2007), Internet advertising is a \$12.9 billion industry and is expected to grow to \$29 billion in 2010. As opposed to other media channels, such as radio, television or print, advertising on the Internet is rarely capable of standing on its own, meaning, without being surrounded by other content which is usually the center of attention (Armstrong, 2001; Bell, Berry and Van Roekel, 2004). In Armstrong's (2001) words, the websites are built out of many different blocks, advertisements being the most important ones. The reason for advertisements to be the most important building blocks of the websites is the fact that, with the placement of advertising, many sites support themselves (Armstrong, 2001; Bell, Berry and Van Roekel, 2004). However, offering a free Internet service is not the only and the most important aspect of online advertising. The significant move in the way advertisements are carried and delivered to consumers has occurred with the usage of the Internet as an advertising medium. Interest in the Internet is characterized by interactivity (Armstrong, 2001; Bell, Berry, and Van Roekel, 2004; Schumann and Thorson, 1999; Stafford and Faber, 2005). Interactivity is described on a personal level as means for individuals to effectively communicate with each other, regardless of distance or time (Ha and James, 1998). On a mechanical level, interactivity is described as a characteristic of a medium which allows for its users to participate in creation and recreation of the content (Steuer, 1992). Barnes (2003) describes interactivity as an important characteristic of media which supports message interest and involvement. In online social networks, interactivity is an active element of social dynamics and group communication. Furthermore, states Barnes (2003), interactivity can be classified into three separate groups: interpersonal interactivity, informational interactivity, and human-computer interaction. In regards to web and online social networks advertising, informational interactivity plays major

role since it is designed in a way that allows for a user to search for and locate information (Barnes, 2003).

According to Stafford and Fabre (2005), interactivity offers the users convenience, diversion, relationship development and intellectual appeal. Moreover, with the interactive characteristic of a medium, the consumers are able to control their communication experiences because they choose the information they consume. Specifically, this relates to initiating, sustaining and terminating communication with advertising (Stafford and Fabre, 2005).

Schumann and Thorson (1999) claim that both consumers and marketers reap benefits from the Internet's interactivity. Consumers, on one hand, are able to seek information on products and services on the Internet and easily make decisions based on a variety of influencing factors, such as price and recommendations. Furthermore, they are able to either pay attention to the advertisements or simply ignore them according to their personal preferences. For that particular reason, says Armstrong (2001), the content of the advertisements online is the most important factor. Cappel (2003), claims that being able to gather information and do research before the product or service purchase is becoming ever more important in today's Internet age.

On the other hand, continue Schumann and Thorson (1999), marketers benefit from the interactivity by having the ability to reach specific target markets and find new customers more easily. Moreover, marketers can track the usage patterns of their customers and their target markets and through a variety of marketing efforts, create loyalty. Cappel (2003) believes that the greatest strength of the Internet, for marketers specifically, lies in the fact that the Internet is capable of distributing many different communication tools and that is what makes it superior to

television or radio. Table 1 (Appendix A) shows the benefits of interactivity for consumers and marketers.

One of the concepts that led to defining interactivity is push vs. pull technology. Push vs. pull technology is described as broadcasting advertisements to the public versus public interactively selecting advertisements (Barnes & Hair, n.d.). Using push technique, advertisers decide which advertisements are presented to the public and such is usually done through less interactive media, primarily television and radio. On the other hand, pull technology allows users to select the advertisements they are interested in and usually involves interactive features of the medium, primarily Internet (Barnes & Neil, n.d.).

Many different types of advertising can be found online. However, they can be simply categorized as display-based and search-based advertising (Matin, 2007). The difference between the two is simply described as the pattern in which the ads appear. Display-based ads present a mixture of old media technology, banner ads and new rich media, while search-based ads utilize the search engine queries to determine which ads should be displayed at a particular moment and contexts.

When it comes to the most common users of the Internet, Calisir (2003) claims that students are most frequent users and they represent the biggest segment in the Web usage. Cappelletti (2003) agrees by saying that the Internet should be viewed by advertisers as the medium primarily used by people between ages of eighteen and thirty four who tend to be better educated and more affluent. This information is very valuable when considering advertising online because the advertisements released in cyberspace reach primarily this group of people.

Significant discrepancies have been found in a variety of studies that compared advertising online and advertising offline focusing on the consumers' perceptions and opinions. In Goldsmith and Lafferty (2002) study of 122 college students using a questionnaire, consumers revealed that they remember better the advertisements launched in magazines and on TV than they do the ones that are thrown at them online. Furthermore, the same study revealed that even though Web advertising has its advantages, interactivity primarily, in the opinion of consumers, it has more disadvantages as well, as opposed to the traditional media channels, which would include magazines and TV. The disadvantages mentioned by the respondents in this study relate primarily to issue with seeking out the ads and dealing with clutter online. Another significant study, done by Gordon and De Lima-Turner (1997) came up with interesting results. According to that particular study, consumers prefer advertising to be strictly and visibly separated from the editorial content on the website. The reason for that, revealed in the study, is the fact that Internet users want to make an efficient use of their time while online. The study was conducted among random Internet users and generated 376 hits on the website where the survey was posted.

According to Calisir's research (2003) college students believe that online advertising is not very effective in communicating brand image to consumers and is less effective in communicating corporate image. However, at the same time, they perceive websites and online advertising to be excellent in utilizing two-way communication between brand and consumer. Furthermore, they do not find online advertising to be irritating and deceiving as they find radio to be that. Calisir (2003) believes that the Internet is an excellent channel for communicating with consumers and developing a relationship. The conclusions Calisir (2003) provides are based

on the research done among 220 college students utilizing construct elicitation technique and rating tasks.

When it comes to characteristics of advertising that attract or repel consumers, Jones (2007) claims that advertising should be done in a way that it cannot be recognized as advertising. In his work he states that most of the people are repelled by the advertising as a concept, in that respect advertising needs to be amusing and friendly enough as not to be recognized as advertising immediately. Taking that premise online becomes even more challenging, says Paglia (2003). She believes that text used in advertisements online must be visually attractive and designed in a way that it catches the consumer's eye. According to Paglia (2003) that means that the text incorporated in the ad should use interesting vocabulary; and ads in general should allow consumers to rest and refresh their eyes instead of additionally tiring them. In other words, online advertisements should be entertaining.

Advertising in Online Social Networks

Gruber (2006) starts off by asking how advertising in online social networks can lead to success taking into consideration the fact that in that specific medium advertisements need to compete against user generated content which is usually somewhat more appealing and attractive to the audience. On the other hand, says Rosenbush (2006), advertising rates in online social networks are relatively low hence advertisers hurried in there to grab their share of advertising space. Consequently, these sites are slowly changing from a push medium to a pull medium when it comes to advertising (Gruber, 2006). In other sense, users accept advertisements on these sites as a content they need to participate in to keep the service free. According to Gruber (2006), consumers agree to exposure to advertisements more easily than they would agree on paying the

service of social networking. The question that remains unanswered though is whether consumers notice the advertisements they agreed to put up with and whether those advertisements have any influence on the purchasing decisions and brand recognition among consumers.

Shields, (2007) explains the results of the study done by Fox Interactive Media claiming that 70% of return on investment (ROI) comes after users are exposed to advertisements in online social networks. In addition, Goldsmith and Lafferty (2002) developed a cross-tabulation of advertising media with reaction to the ad and came up with very interesting results. According to their research, 48.9% of participants liked the advertisements delivered through the Internet, compared to 73% and 41.8% for TV and radio respectively. These numbers confirm that Internet, as an advertising medium, is enjoying a rising popularity, hence delivering greater revenues to the advertising companies. According to eMarketer.com, online advertising spending projection for 2007 is \$15.5 billion.

When it comes to understanding the relationship between the types of advertisements found in online social networks and the development of brand recognition among users, not many studies have been done. According to research done by Li (2007), 50% of adult online social network users tell their friends about products advertised. Even though that does not necessarily include the brand recognition development, it certainly points to the fact that the advertisements in online social networks are noticed and interesting enough for users to share them with friends. This piece of information takes on a much greater significance considering the finding of Forrester Research reported in Microsoft Digital Advertising Solutions (2006). According to Forrester, 80% of consumers trust advice from friends online specifically when

advertising and brands are in question. However, it is still uncertain how to attract the leaders to look at the ad and recommend it to friends.

In order to better understand the perceptions of advertising in online social networks, one must turn to web advertising and basic principles of it. The first step to understanding ad recognition, claim Goldsmith and Lafferty (2002) is the attractiveness of the website the ad is found on. According to their study done among 122 college students, positive and attractive websites evoke a positive and enhanced feelings and remembrance of different brands. However, continue the authors, even though online advertising with the help of website layout evokes positive feelings and attitudes, it is not as nearly strong as it is when compared to TV influence. Gordon and De Lima-Turner (1997) did a very interesting study regarding the advertising on the Internet. The findings of the study which included 111 Internet users revealed that the majority of the respondents use the Internet as an entertainment vehicle and prefer the advertisements to be the same – entertaining. Moreover, the study found that the same users prefer advertisements to be tailored to them specifically which is explained by the fact that otherwise the users will simply ignore the advertisements. That can also relate to the brand recognition in the sense that the users will recognize the brands targeted specifically towards them; and the ones which they have interest in (Bhattacharya, Scott, & Arthur, 2006).

Many other questions regarding advertising in online social networks remain unanswered such as how to reach the right target population and understand the consumers' opinion of advertisements placed in online social networks. The reason for that lies in the fact that the popularity of online social networks and their recognition as a potential advertising medium have grown so fast that the research studies were not able to follow it. There has simply been no time

for development of such studies. The lack of research studies and scholarly data on advertising in online social networks stimulated the beginning of this study.

Theoretical Perspective: Attitude-toward-the-ad

It is almost impossible to talk about opinions and views of advertising in online social networks, and brand recognition without considering users attitudes. One of the most important ways of understanding users and their perceptions and acceptance of advertising messages is a study of attitude. Attitudes are most of the time consistent and stable and integrate three parts: affect or positive and negative feelings, cognitions or knowledge, and behavioral intentions (Vanden Bergh and Katz, 1999). Many researchers, throughout the history of studying advertising have used attitude-toward-the-ad (A_{ad}) as a measurement of reaction to a commercial stimulus including Batra and Ray, 1985, 1986; Cohen, 1987; Edell and Burke 1987 (MacKenzie and Lutz, 1989).

In simple words, A_{ad} measures positive or negative consumer feelings towards the advertising, products or services (MacKenzie, Lutz and Belch, 1986). One of the most used prepositions of the attitude-toward-the-ad theory is that A_{ad} has a strong impact on attitude-toward-the-brand (A_b) which in turn has a positive effect on purchase intention (PI) (Bruner II and Kumar, 2000). In this case, A_{ad} serves as a causal mediator which affects the outcome of other variables such as A_b or PI (MacKenzie, Lutz and Belch, 1986). However, it is not as simple to explain the consumers' positive or negative attitudes towards advertising, since those depend on many different variables such as parental and peer communication, media, gender and race.

MacKenzie and Lutz (1989) use a structural model of cognitive and affective antecedents of A_{ad} (Figure 1). In this model, the authors explain the complicated process of various variables

that have an influence on a creation of A_{ad} among consumers. Even though many of the variables are easily affected by advertisers, such as advertiser credibility, ad claim discrepancy and similar, others are internal variables, which advertisers have a little or no affect over. Those variables include individual differences, perceptions of advertising and mood (MacKenzie and Lutz, 1989). Testing of this model can do much for understanding the way A_{ad} is created and formed, and the ways it can be conditioned to lead to a positive reaction.

Attitude-toward-the-ad theory is irreplaceable in understanding the variables behind consumers' opinions and choices. However, in today's digital age, there is a difference in attitude formation through TV and Web. First and foremost, it is crucial to stress that advertisements on the Internet are not the only focus of the consumer because pages are filled with so much content. While watching TV the consumer focuses only on the advertisement, and there is nothing distracting him/her from it. On the Internet, however, the advertisement is almost never the only content on the website, therefore needs to "fight" for attention with the other content (Bruner II and Kumar, 2000). Hence, more variables are included in the advertising hierarchy of effects online then in the traditional advertising environment.

Bruner II and Kumar (2000) have done a study to uncover different variables affecting attitude-toward-the-ad on the Internet and have presented them in the Antecedents of Web Advertising Hierarchy-of-Effects model (Figure 2). The model suggests that the more the website is liked by the consumer, the more positive attitude-toward-the-ad is. Furthermore, the more complex the website is, the more it is considered interesting by the consumer. This is in conflict with the previous study, which resulted in a conclusion that more complex websites have

a negative effect on the A_{ad} . This new model actually focuses on attitude-toward-the-website (A_{ws}), but with the findings it presents it can easily be extended to A_{ad} .

Attitude-toward-the-ad theory is very important for this study because it helps explain how the other content on online social networks' websites influence the ad message among consumers. It is yet to be decided whether the additional content hinders or enhances the advertising message on a website.

Method

According to the available literature, the topic of advertising in online social networks has not been explored in depth so far. There is no research done recently which would reflect the current situation in the advertising industry as it pertains to online social networks. Therefore, data mining is eliminated from the research study as a process of obtaining valuable data that could answer the research questions. Personal interviews have been chosen as a method that would contribute to the obtaining of the valuable data. We need to conduct interviews of online social network users to determine their perceptions of advertising in online social networks.

Sample

Online social networks offer a vast number of services for many different kinds of people and almost all of the online social networks allow advertisers to use the space on their websites. Hence, it would be very hard and inefficient to research every single social network available online; and reach many different users which would be willing to participate in personal in-depth interviews. Due to the named reasons, the researcher decided to focus solely on Rochester Institute of Technology's (RIT) students as the researcher attends graduate school at the same institute. For further selection of students who will be asked to participate in personal in-depth

interviews, researcher decided to focus only on RIT's students who use Facebook. Facebook has been chosen among other online social networks due to its reputation as a college student community and due to a fact that 19,159 students (October 16, 2007) are currently members of RIT's Facebook. Furthermore, Facebook has become an advertising medium.

Originally, researcher decided to give out invitations for personal in-depth interviews to her Facebook friends. The assumption was that friends would be more prompt in responding and it would be easier to coordinate time and place for meetings with people researcher knows. Moreover, researcher relied on a snowball technique where one participant would recommend another person for participation in the study. 20 invitations for a research study were sent out, however, the response rate was very low. Hence, researcher decided to extend the invitation for the research study on the whole RIT Facebook community. 57 invitations were sent out in a randomly fashion, which generated a response rate of 28.07%. The total number of research population was 20.

The random sampling of the RIT Facebook community was done using the Super Cool Random Number Generator software. There were specific characteristics an RIT Facebook user had to meet in order to be counted into the sample population. The user had to have more than 50 friends at RIT Facebook community and was supposed to log in the RIT Facebook account at least once a week. The preliminary elimination was done when the invitation was accepted. The researcher responded with a thank you letter asking whether the participant logged in the RIT Facebook account at least once a week.

Results from this sample cannot be generalized and applied to the general public or any other specific population. However, the results showing substantial negative opinions on

advertising or very low brand recognition despite the advertising effort in online social networks would be very important. These results would enable advertisers to understand their potential mistakes and develop a different method for advertising in online social networks. They would furthermore realize the variables that enhance the brand recognition among consumers which could possibly lead to purchase.

Research Variables

The research variables are the ones pertaining to the initially established research questions. The variables studied in this research are: the content found in online social networks, amount of advertisements noticed by users, characteristics of the advertisements, amount of exposure to advertisements, brand recognition development, positive or negative opinions on advertising, amount of personalized advertisements and willingness of users to be exposed to advertisements. All of these variables were covered by the research questions and hypothesis. The interview guide can be found in the Appendix C. However, due to the open questions that usually required probing questions, not all of the questions are listed in the interview guide. The interview guide is tentative. For better understanding of the interview guide, several expressions need to be explained: a phrase “social networks” pertains to online social networks; “other content” refers to anything found on the website that cannot be classified as the advertisement; participating in online social networks is defined as having set up a profile in one of the social networks.

Procedures

Zaltman Metaphor Elicitation Technique

The personal in-depth interviews were chosen as a method of research because they offer the researcher the greatest freedom in improvising and elaborating the respondents' answers using sub-questions. Furthermore, the second part of the interviews was based on the Zaltman Metaphor Elicitation Technique (ZMET). Zaltman Metaphor Elicitation Technique is based on the premise that the big part of human communication is nonverbal, much of it is visual. According to research done in this particular field, the sensory images are an important media of communication ("What is ZMET", n.d.).

The ZMET interview employs several steps to surface and further define consumers' key thoughts and feelings. Each step in ZMET provides a different opportunity for identifying and understanding metaphors, thereby gaining a deep understanding about consumers. The use of multiple steps also increases the likelihood of uncovering an important idea that might be missed by more narrowly focused techniques. At the same time, each step provides validation of ideas from other steps, a process known as convergent validity. That is, redundancy adds confidence about the validity and importance of the ideas being expressed ("What is ZMET", n.d.).

Due to the above mentioned reasons, researcher decided on personal in-depth interviews as a proper method of surveying.

Personal In-depth Interviews

Each interview lasted approximately 30 minutes, and had 14 preset questions. Most of the interviews consisted of several probation questions after participants' responses. The researcher recorded the interview with the permission of the participant and each participant was asked to sign a consent form which can be found in the Appendix E. The interviews guaranteed

confidentiality for each participant where the answers or names of participants would not be displayed or associated in any possible way. The recordings of the interviews were destroyed after the interviews have been transcribed. The participants were informed that the results of the study would be published in the statistical form where no participant would be identified or mentioned separately. Each interview began with a small introduction in the research study topic – advertising and online social networks. Afterwards, researcher acquainted participants with the flow of the interview and question types. The first part of the interview was general questions about participants' opinions and views of advertising in general and advertising in online social networks. The majority of the questions required only yes or no answers, or choosing among multiple choice answers. The second part of the interview required participants to look at the variety of online social networks' screenshots which displayed advertisements. Using the Zaltman Metaphor Elicitation Technique, researcher probed into participants' opinions and feelings in regards to different characteristics of advertisements.

The screenshots used for the last question referring to Zaltman Metaphor Elicitation Technique included the following online social networks: Myspace, Bebo, Orkut, Facebook, Xanga, Facebox, Cyworld, Linked In, Friendster, and Hi5. These particular online social networks were decided on based on the number of users they each have. According to their websites, these were the online social networks with the largest number of users in May 2007. Each screenshot contained one advertisement, except for Hi5 which contained two advertisements. It was up to the users to decide which advertisement they would like to talk about. Each user did not review every screenshot, instead, the screenshots were divided into three sets, and then randomly assigned to the participants using a random number generator

software. This was done due to the number of screenshots and the limit of the interviews to one hour. The researcher estimated, according to pretest, that one participant can only review three to four screenshots in detail in one hour. The screenshots were divided into sets randomly using a random number generator software and the sets were following: Set 1- Bebo, Facebook, Friendster, Hi5; Set 2 – Cyworld, Facebook, Linked In; Set 3 – Myspace, Orkut, Xanga.

Variables being measured by research can be found in the following research questions and hypothesis. “Do advertisements in online social networks catch your attention among other content?” relates to the variables of content found in online social networks and amount of noticed advertisements. The results obtained will help in answering the first research question and will pose a base for further questions on brand recognition. The following questions relate to the hypothesis stated in the introduction: “Have you ever visited a product website after being exposed to an ad in an online social networking site?”; “Have you ever purchased a product advertised in an online social networking site?”; “Can you list advertisements you remember seeing on Facebook?”; “In your daily activities do you recognize brands as the ones that are advertised in online social networks?”, and “Is it easier for you to remember brands advertised through other media channels such as TV and radio as opposed to the ones advertised in online social networks?” These questions refer to several different variables studied, but they are all concerned with the brand recognition and brand development among consumers. By asking these questions, the researcher will gain a priceless insight in the way consumers recognize the brands; remember them after leaving the website; and decide on a purchase. These results combined with the results gained from questions referring to characteristics of advertisements that consumers

consider positive, will help researcher make a judgment on the reasons for success or failure of advertising techniques in online social networks.

Part of the results has been analyzed using the simple statistical analysis; however, the rest of the results have to be content analyzed. For that purposed, a content codebook has been created which can be found in the Appendix F. The coding of the data was done by the researcher due to the fact that the amount of data was not excessive. In order to determine the validity of the interview guide questions, a pretest was done on two RIT Facebook users. After the interview has been done, respondents were asked to provide the researcher with the comments on the instrument. In general, respondents found questions to be fairly easy and understandable. The question “Do you think advertisements on Facebook are targeted towards you?” was found to be confusing so it was rephrased into “Do you think advertisements on Facebook are tailored to your interests?” which obtained more positive feedback. A question which was asking about respondents’ view of advertisements on television was eliminated from the instrument because it did not measure any of the variables stated in the research questions.

The method used for reaching the results has several limitations. First of all, the sample studied is too small for the results to be applied to a greater population, or a specific group of people. However, the results will provide with the implications for future studies that will be conducted in the field. Secondly, the method required personal interviews where the researcher might have unconsciously led the respondents to the answer desired creating answers that might skew the final results. The coding method which required researcher to group the answers into categories could be easily biased by the researcher due to the fact that the participants’ answers

were not very clear. The coding very much depended on the researcher's subjective opinion of the answers.

Results

Transcribed in-depth interviews resulted in a vast amount of data that needed to be analyzed. Two different techniques for analysis had to be employed due to different question types. Questions one through 13 required simple statistical analysis resulting in pie charts depicting the data obtained. All of the respondents participated in at least one online social network as that was one of the requirements for participation in the study. Figure 3 shows the number of social networks per person; 60% of the respondents participate only in one online social network; 35% of the respondents participate in two online social networks, while 5% participate in three. When asked about their frequency of online visits, 75% of participants replied they go online more than 10 times per week. 10% of them visit the Internet one to three times per week, while 15% do that four to six times per week. The pie chart depicting these results can be found in Figure 4.

The majority, 80% of respondents, spend less than an hour per day using online social networks. The rest 20% are divided among the respondents who spend one to three hours per day using online social networks (15%), and the ones who spend more than four hours using online social networks (5%) (Figure 5). When asked how they feel about advertising in general, the participants provided 28 answers cumulative which were then grouped into four categories. Out of 28 answers, 10 were rating the advertising positively, 10 were doing that negatively, and 8 of the answers were neutral to the advertising. However, only 20% of respondents notice the advertisements in the online social networks, while 40% of them either don't notice it at all, or

notices the ads occasionally (Figure 6). 60% of the respondents never visited a product website after being exposed to the advertisement in online social networks (Figure 7), while 70% of them never clicked on an advertisement in online social networks (Figure 8). 80% of the respondents never purchased a product advertised in online social networks, while only 5% did purchase products (Figure 9).

Equal percentages of respondents, 26%, believe that advertisements in Facebook are and are not tailored to their interests (Figure 10). 80% of respondents do not recognize brands advertised in online social networks, in their daily endeavors (Figure 11). 70% of respondents believe it is easier for them to remember brands advertised through other media channels, such as TV, radio and magazines, as opposed to social networks. Only 10% respondents believe social networks are better in promoting the brands (Figure 12).

When rating advertisements found in screenshots, respondents generally focused on 6 major categories: color, logo, content, picture, overall design and attractiveness of the advertisement among other content. Across the board, respondents rated attractiveness among other content as the most positive feature of all the advertisements (30 votes), followed by the overall design (28 votes) and color (25 votes) the votes were collected based on the respondents' comments on the screenshots. Each respondent had to view three to four screenshots, making the total number of possible answers 66 (Figure 13). Figure 14 shows the Pareto chart with the characteristics of the advertisements that are most valued by the respondents and most positively rated. Four categories account for 79% of all positive ratings given by respondents. The four categories are: attractiveness among other content, overall design, content and color. Each of the categories has been separately analyzed and graphed to depict the ratings according to different

advertisements. All of these charts for each category can be found in Appendix B, Figures 15 through 32. Figure 33 represents the responses of participants when asked whether they would click on an advertisement shown to them. Myspace advertisement generated the highest number of positive answers, while Xanga, Facebook and Hi5 generated the highest number of negative answers. Screenshots with advertisements can be found in Appendix H.

Discussion

Reasoning in Relation to research Questions and Hypothesis

At the beginning of the paper, three research questions and one hypothesis have been posed in regards to a number of variables. Through secondary and primary research a sound reasoning for the research questions has been proposed. The results obtained through primary research have laid out a number of possible explanations of the variables studied. First and foremost, it is important to stress once again that the sample studied is too small for the results to be applied to the whole population or a larger group without more extensive research. Hence, the results obtained through this study will only present individual opinions as opposed to the general population's view.

The first research question posed at the beginning of the paper looks at the relationship between the content found in online social networks' websites and the users' awareness of the advertisements in the same websites. Only one of the variables in this research question was depicted statistically due to the lack of answers from respondents in regards to the other variable (the saturation of data for this variable has not been reached), however, a number of respondents reported that they do not visit online social network websites for advertisements, but for the other content; hence, they ignore the advertisements and focus only on the content that interests them.

For instance, one respondent reported: “If I go specifically to see one corner of the website, I would notice it (advertisement, i.e.), but I go to see what my friends are doing, and then I don’t notice it”. Another respondent reports: “Generally they (advertisements, i.e.) don’t catch my attention among other content because mostly they tend to be in the same place on the website so I just kind of put the blinders on to those areas of the page in online social networks.” The whole list of answers in regards to this research question can be found in Appendix G. As far as the second variable is concerned, the frequency of noticing advertisements, a larger percentage of respondents admits that they do not notice any advertisements when using the online social networks which can be linked to the theoretical background explained below.

Although the results obtained from the answers pertaining to the variables studied by this research question have a low statistical significance, it is possible to judge these answers in relation to the theoretical background. Namely, these results oppose the theory presented by Bruner II and Kumar stating that the more interesting website is, the more positive attitude-toward-the-ad is. In this case, the content on the social networks websites inhibits users from noticing advertisements; therefore it can be assumed that the theory presented by MacKenzie, Lutz and Belch in 1986 is valid.

The second research question pertains to the variable of characteristics of advertisements that attract the users. According to the statistical data obtained from the primary research, attractiveness among other content, overall design, content and color of the advertisements accounted for 79% of all positive opinions on advertisements. It can be assumed that out of six major categories identified, four of them are valuable to the users. An assumption is that these characteristics of advertisements are the ones users mostly notice, and are the ones that attract

users to the advertisements. According to the Pareto theory, these four characteristics are the ones that mostly affect the users' positive opinions on the advertisements, leaving the other characteristics insignificant in creation of the positive opinion. Even though, according to MacKenzie and Lutz (1989) these categories fall under the internal variables which advertisers have little or no affect over, it can be implied that these categories can be effected by advertisers to certain extent. Having that in mind, advertisers could create ads based on the consumers' perceptions and preferences.

When it comes to brand recognition among users in online social networks, primary research revealed that a very low percentage of users is interested in seeing brands in online social networks; does not notice them; never clicks on ads, buys products or visits products' websites. Furthermore, a large percentage does not recognize advertised brands in their daily endeavors, and admit that TV is more effective in promoting brands than online social networks. Again, the reasoning for that can be traced back to the theoretical background. The statements by Bruner II and Kumar cannot be sustained looking at the results of this study, because the complexity of the website and the other content that is more interesting than advertisements for the users inhibits the users from noticing, recognizing and remembering brands advertised in online social networks.

It can be assumed, therefore, that online social networks are not an effective way for promoting brands and building brand recognition among consumers. It can be recommended that the advertisers create brand recognition among consumers using other media channels, TV in particular, and then transfer the already established brand recognition to the online social networks environment. In several cases, some of the respondents recognized certain brands

advertised (such as MSN Windows Live Search in Hi5), and responded they would click on it simply because it is a brand they are already familiar with. Some previous researches state that the brand recognition is built easily in online social networks through personal referrals (IProspect, 2007; Harris & Cohen, 2003; Microsoft Digital Advertising Solutions, 2007), however, such theory is not within a scope of this research.

The second research question seeks to uncover the characteristics of advertisements that are most valued by the online social networks' users. The third research question, on the other hand, looks at the relationship between these characteristics and the positive or negative opinions of users on the same advertisements. Respectively, the advertisements that contained the four most valued characteristics were the ones that received the most positive opinions from the respondents. Moreover, the same positively judged advertisements generated the largest number of possible clicks from the respondents. It can be assumed that the correlation between the two variables studied here, relationship between ad characteristics and positive or negative opinions of users on the ads, is proportional, in other words, the more positively rated characteristics the advertisement has, the higher positive opinion the respondents have of the advertisement.

The last research question inquired about the relationship between the personalized advertisements and users' willingness to be exposed to advertisements in online social networks. The primary research revealed interesting data. The same percentage of respondents (26%, Figure 10) feel that the advertisements in online social networks are personalized towards them, and that the ads are not personalized towards them. These results occurred probably because the interests of the respondents differ significantly. However, none of the respondents would pay for the service of social networks in order to be free from advertisements, the personalized ones as

well, justifying that by the fact that most of the time they do not notice advertisements; they simply ignore them, or they like to keep their options open, meaning they might notice an interesting advertisement sometime in the future. It can be assumed that it would be very hard for advertisers to personalize every ad according to every users' preferences; even more so knowing that the users do not mind having advertisements on the website, no matter what kind, because they simply block them out. That implies that advertisers should look in a different direction from personalized advertisements, focusing on other means of capturing users' attention and creating brand recognition.

General Conclusions

Some general conclusions can be drawn from the study regarding the researched sample. The majority of the respondents almost never notice the advertisements on the social network websites because they focus on other content, such as friends profiles, pictures and similar. The respondents mostly do not have very negative opinions of advertisements, and many of the advertisements catch their attention at least for a split second due to color, tagline, design and similar; however, the respondents choose to ignore them in favor of more interesting content on the website. Such conclusions oppose the attitude-toward-the-website theory proposed by Bruner II stating that the more interesting the content on the website is, the greater chances for the advertisements to be noticed and liked.

Conclusion

The study was done among 20 college students, avid users of online social networks, to uncover the perceptions of advertising among them. The research done involved in-depth interviews as well as secondary research of previously done studies. The results answered all of

the research questions and rejected the hypothesis stated. It was generally concluded that the users of online social networks do not dislike advertisements, but they simply do not notice them. Other content found in online social networks mitigates the attractiveness of the advertisements. Hence, the respondents reported that the brand recognition in online social networks was found to be much lower than the recognition created through other media channels.

Online social networks are a growing communication tool which, like any other website, has an advertising space in it. However, it is up to the advertisers to recognize the possibility of advertising to the online social networks' population, taking into consideration different needs and preferences of such users. Advertisers need to realize that online social networks are not the same as websites. Moreover, the proper kinds of advertisements should be created to fit into the model of appealing characteristics respondents reported. Due to a growing field of research in this area, future studies will expand on this research and offer more detailed information, if not instructions for the advertisers.

Limitations of the Study

One of the biggest limitations of this study is the uniformity of the sample which makes it very hard to draw general conclusion or assumptions. The sample made up of online social network users with various backgrounds, as opposed to college students only, would provide more diverse answers and greater research results credibility. Furthermore, a limited number of variables could fall within the scope of this research, leaving out many important variables. Many respondents chose not to answer certain questions leaving the research data incomplete.

The method for obtaining the results is very much subjective and depends on the researcher's reasoning which diminishes validity and reliability of the study.

Future Implications

Due to the limitations of the study mentioned above, implications for the future research can be proposed. A study should be expanded on a bigger sample size, across the population using online social networks. Furthermore, additional variables, such as types of advertisements, and types of online social networks should be included in the study to research more relationships and correlations. Content analysis can be used as a method in the future studies as well, however, validity and reliability of it should be taken into account. In that regard, coding should be done either by someone else other than the researcher, or by the content analysis coding software. Due to a high answer accrual in regards to the characteristics of advertisements variable, it is recommended to do a similar study focusing solely on that variable and researching it more in depth.

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Appendix A

Table 1

Benefits of Interactivity

Interactive Marketer	Interactive Customer
New selling channels	Convenience
Targeted messages	Fewer irrelevant messages
Measurability	Availability
Ever-present messages	Access to peers' dialogue
Customer dialogue	Informed decisions
Loyalty	Speedy response
	Ads on demand
	New sources of information
	Product satisfaction

Note. From *Advertising and the World Wide Web* (p. 30), by D. W. Schumann and E. Thorson, 1999, Mahwah, NJ: Lawrence Erlbaum Associates. Copyright 1999 by Lawrence Erlbaum Associates, Inc.

Appendix B

Figure Captions

Figure 1. Structural model of A_{ad} formation. *Note.* From “An Empirical Examination of the Structural Antecedents of Attitude Toward the Ad in an Advertising Pretesting Context,” by S. B. MacKenzie and R. J. Lutz, *Journal of Marketing*, 53, p. 5. Copyright 1985 by R. J. Lutz.

Figure 2. Antecedents of web advertising hierarchy-of-effects model. *Note.* From “Web Commercials and Advertising Hierarchy-of-effects,” by G. C. Bruner II and A. Kumar, 2000, *Journal of Advertising Research*, 40, p. 5. Copyright 2000, G. C. Bruner II and A. Kumar.

Figure 3. Number of social networks per person

Figure 4. Frequency of respondents’ online visits

Figure 5. Time respondents spend using online social networks

Figure 6. Intrusiveness of advertisements in online social networks

Figure 7. Product website visits after exposure to advertisements in online social networks

Figure 8. Have you ever clicked on an advertisement in an online social network?

Figure 9. Have you ever purchased a product after exposure to an advertisement in an online social network?

Figure 10. Do you think that advertisements found in online social networks are tailored to your interests?

Figure 11. In your daily activities, do you recognize brands as the ones advertised in online social networks?

Figure 12. Is it easier for you to remember brands advertiser through other media channels or the ones advertised through online social networks?

Figure 13. Respondents ratings of advertisement characteristics

Figure 14. Pareto chart

Figure 15. General color ratings

Figure 16. Negative color rating divided by ads

Figure 17. Positive color ratings divided by ads

Figure 18. General logo ratings

Figure 19. Negative logo ratings divided by ads

Figure 20. Positive logo ratings divided by ads

Figure 21. General content ratings

Figure 22. Negative content ratings divided by ads

Figure 23. Positive content ratings divided by ads

Figure 24. General picture ratings

Figure 25. Negative picture ratings divided by ads

Figure 26. Positive picture ratings divided by ads

Figure 27. General overall design ratings

Figure 28. Negative overall design ratings divided by ads

Figure 29. Positive overall design ratings divided by ads

Figure 30. General attractiveness among other content ratings

Figure 31. Negative attractiveness among other content ratings divided by ads

Figure 32. Positive attractiveness among other content ratings divided by ads

Figure 33. Respondents potential clicks on advertisements.

Figure 1

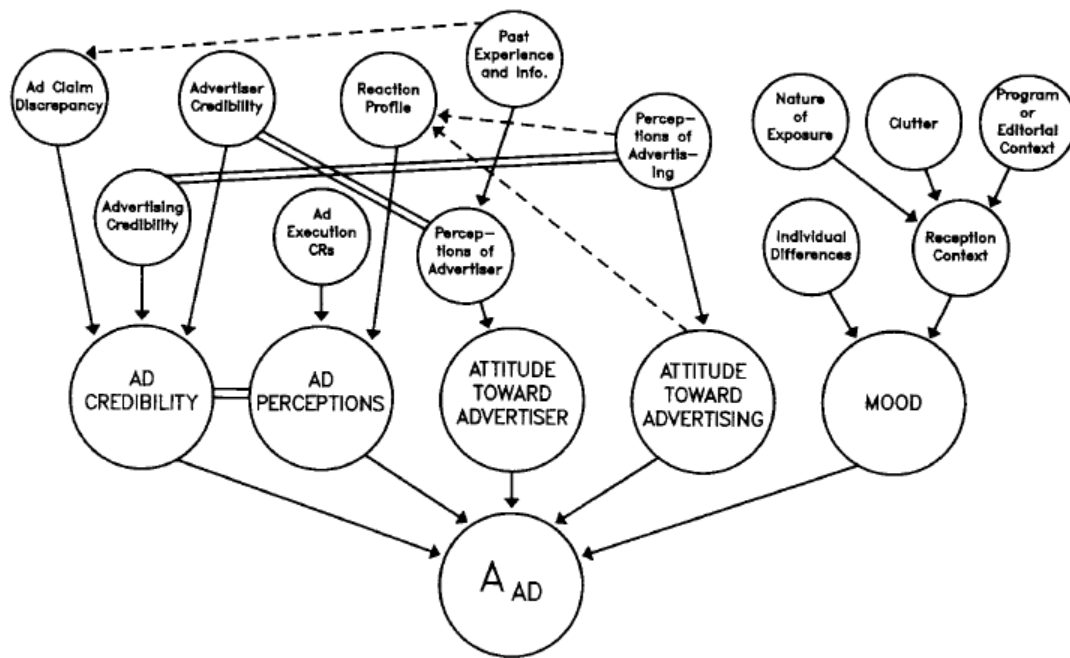


Figure 2

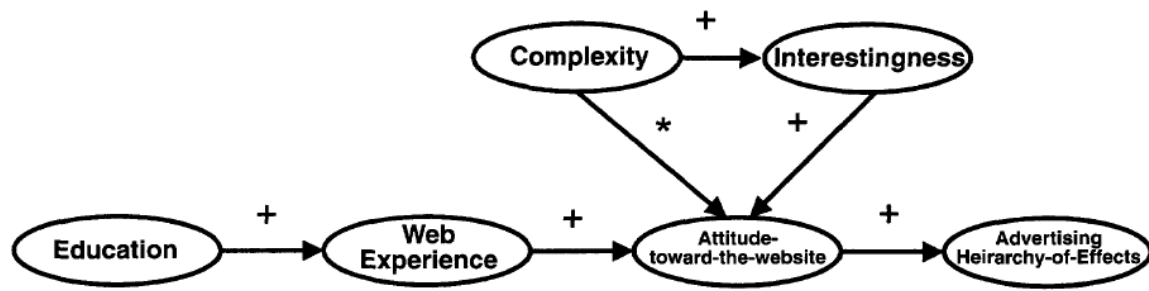


Figure 3

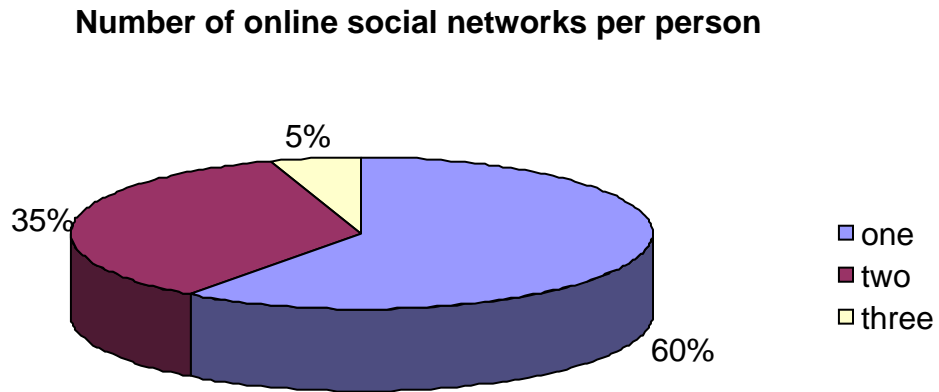


Figure 4

Frequency of Respondents Online Visits

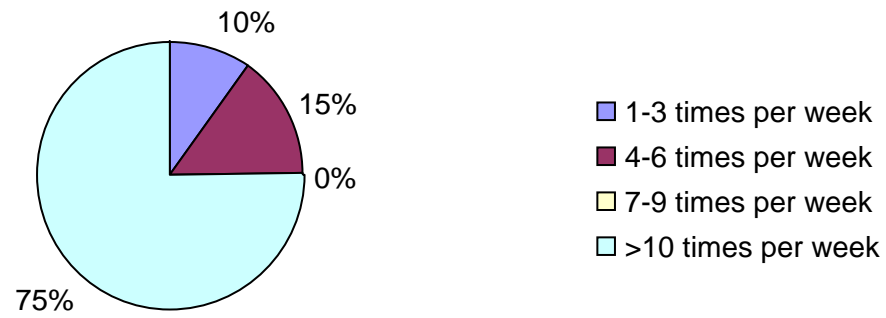


Figure 5

Time spent using online social networks

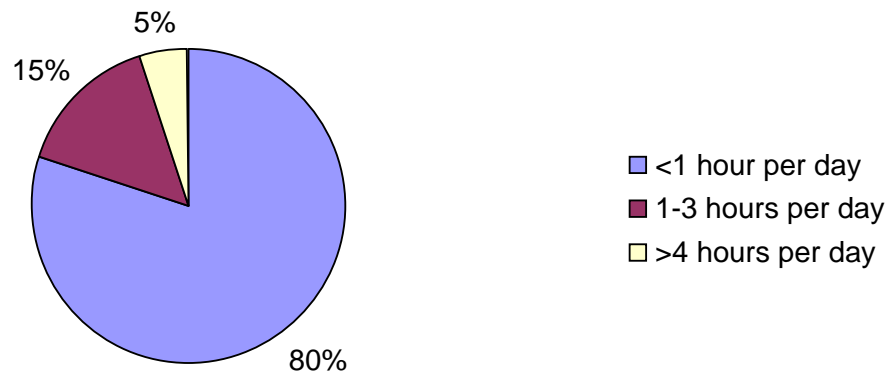


Figure 6

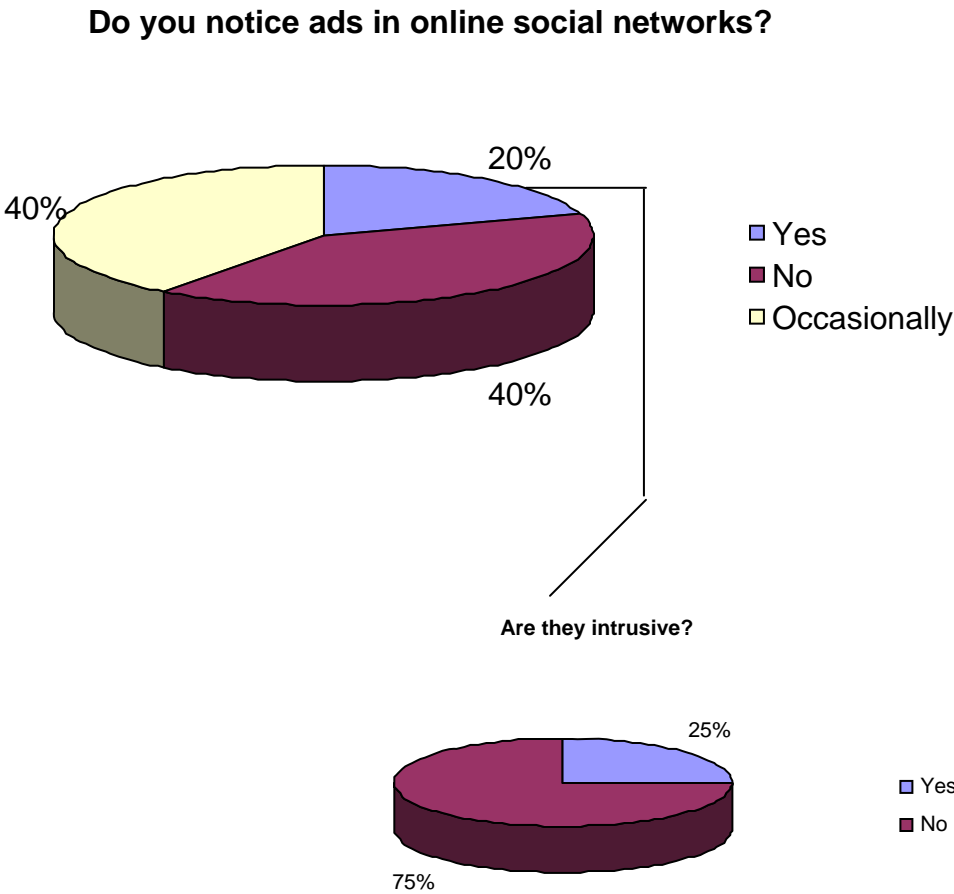


Figure 7

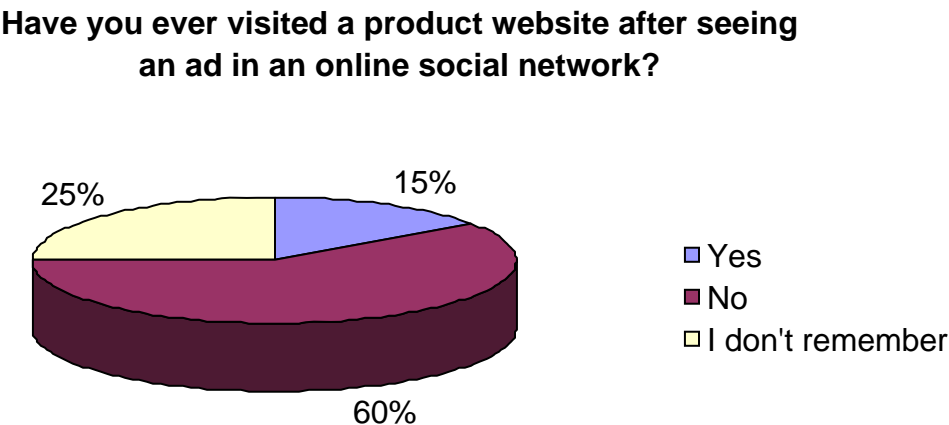


Figure 8

Have you ever clicked on an ad in online social network?

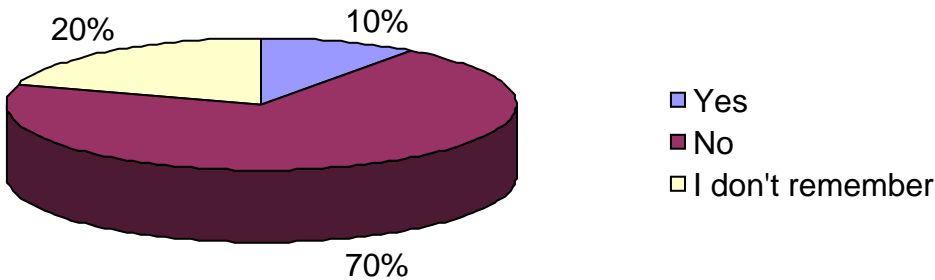


Figure 9

Have you ever purchased a product advertised in an online social network?

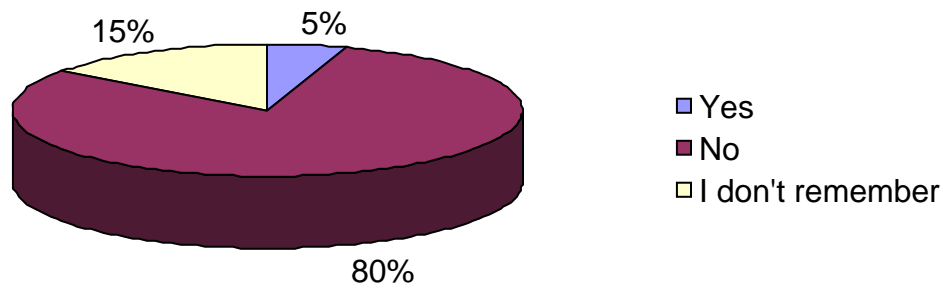


Figure 10

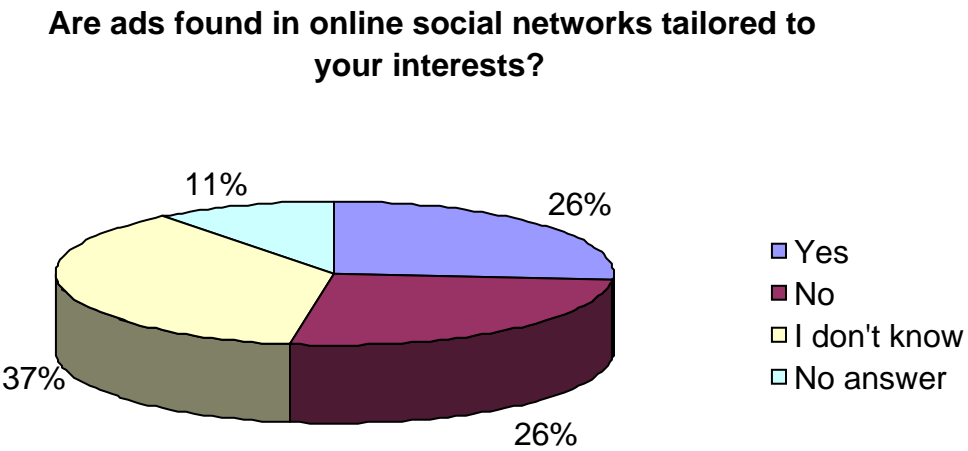


Figure 11

Do you recognize brands advertised in online social networks in your daily activities?

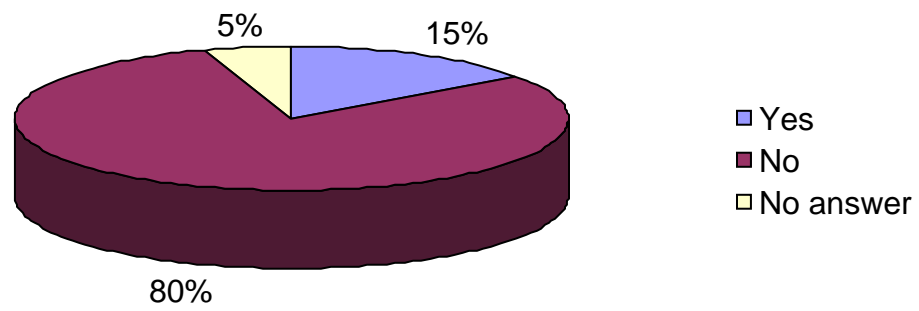


Figure 12

Is it easier for you to remember brands advertised through online social networks or the ones advertised through other media channels?

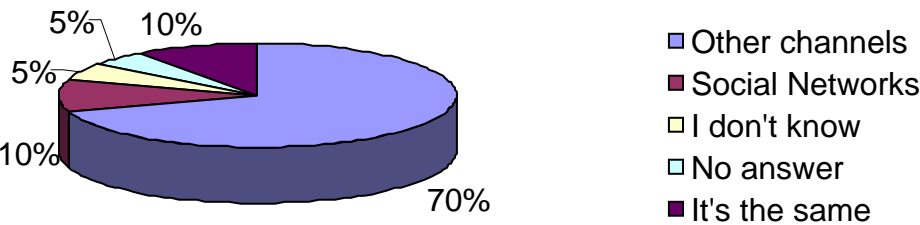


Figure 13

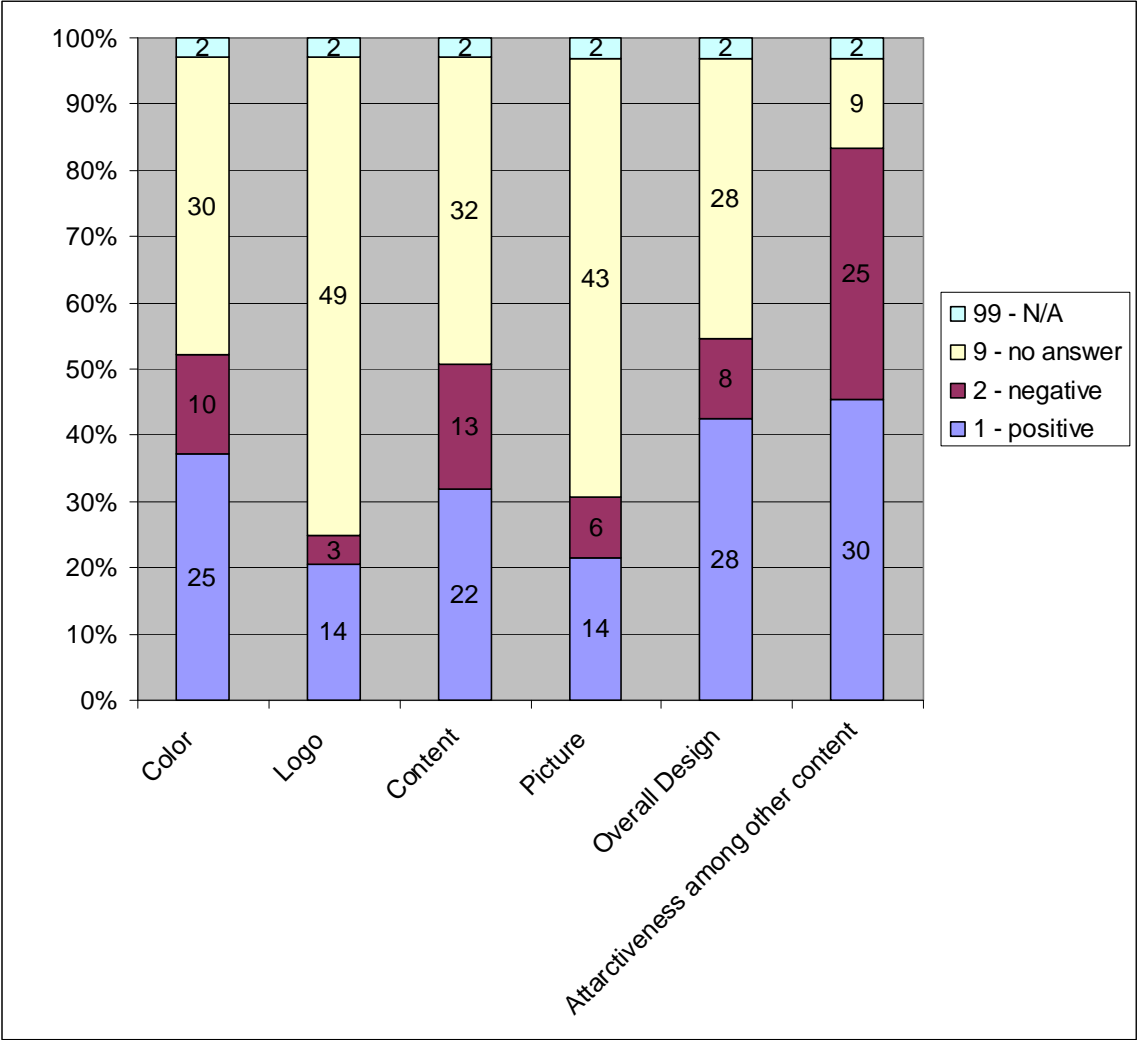


Figure 14

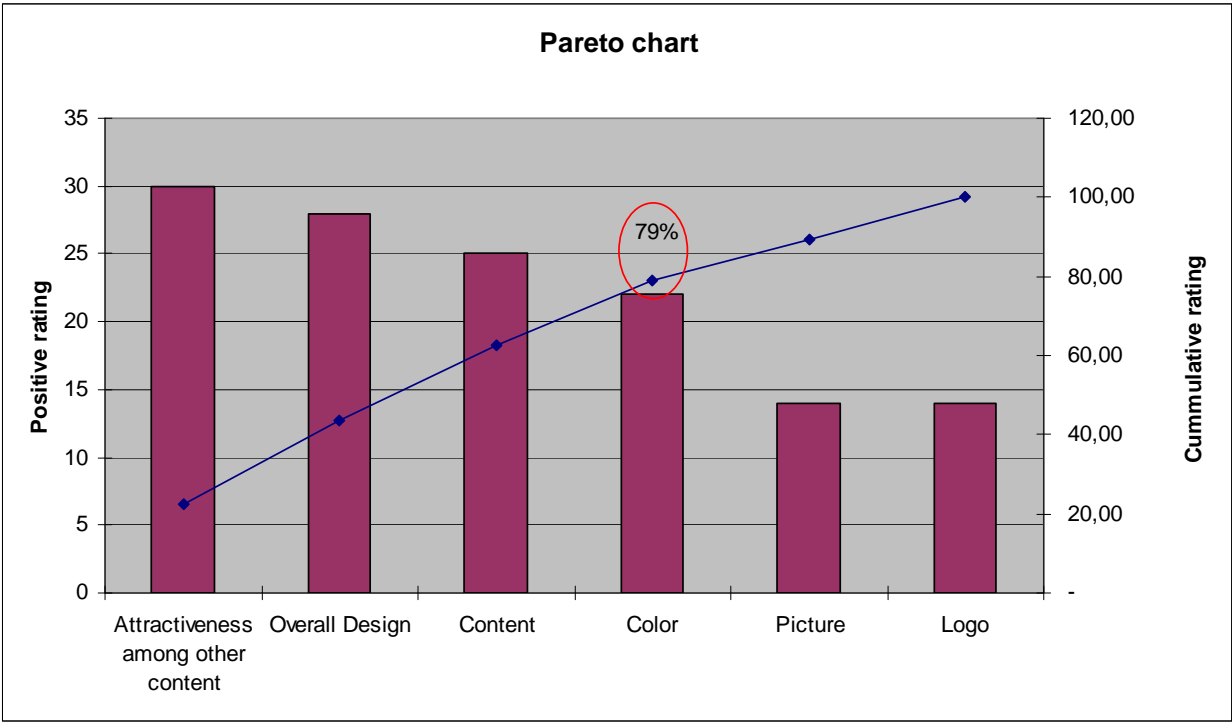


Figure 15

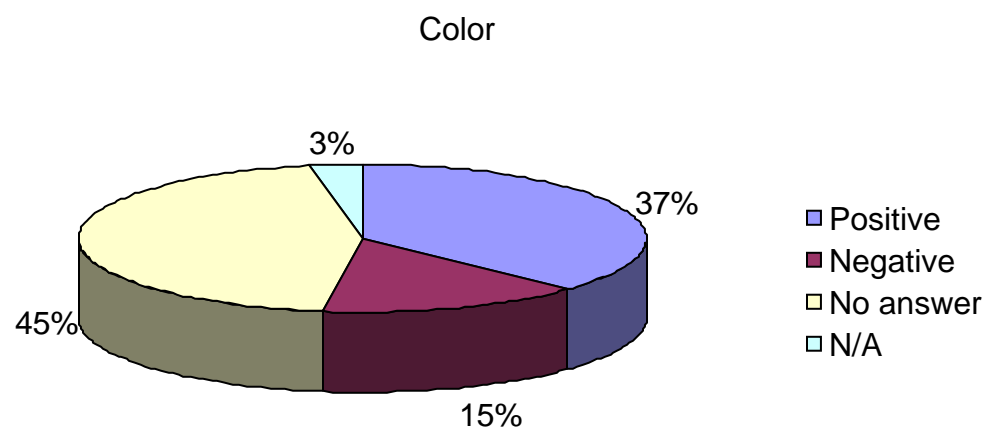


Figure 16

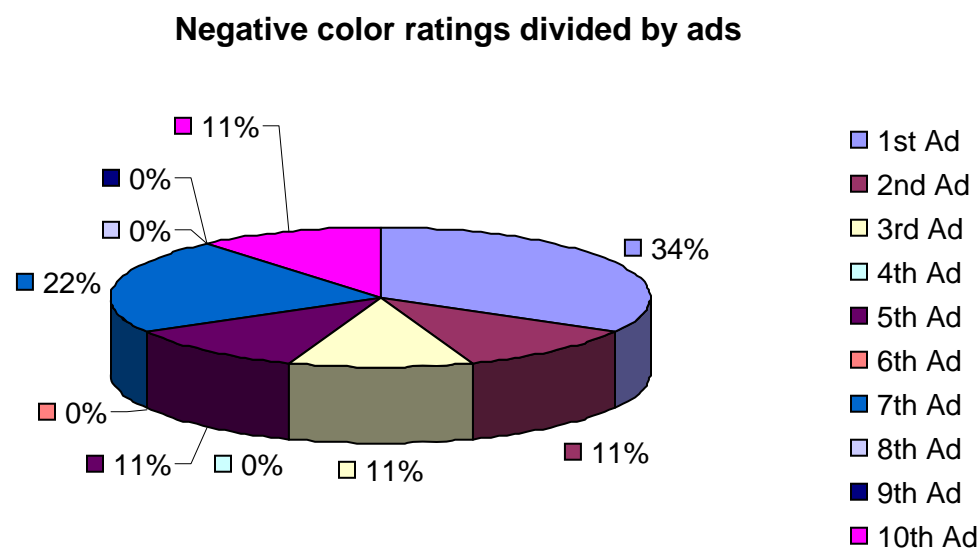


Figure 17

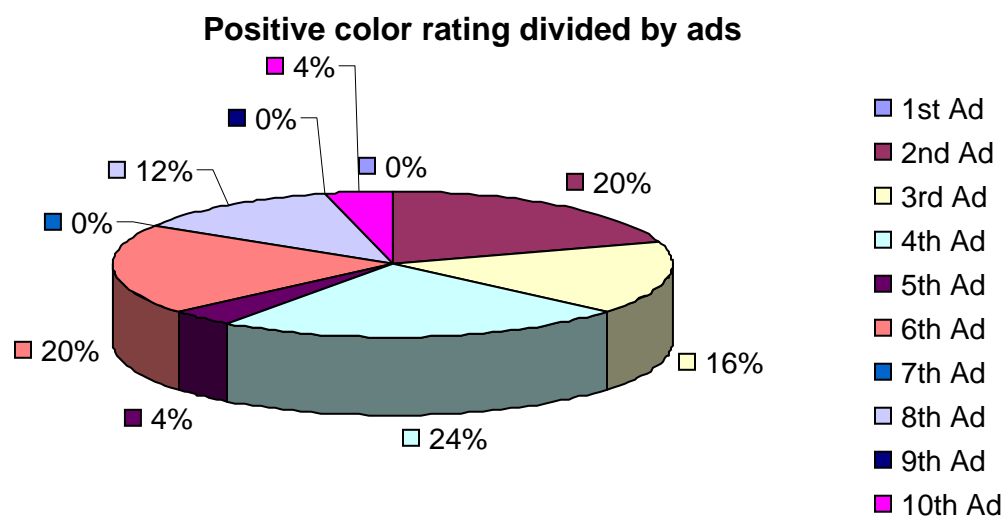


Figure 18

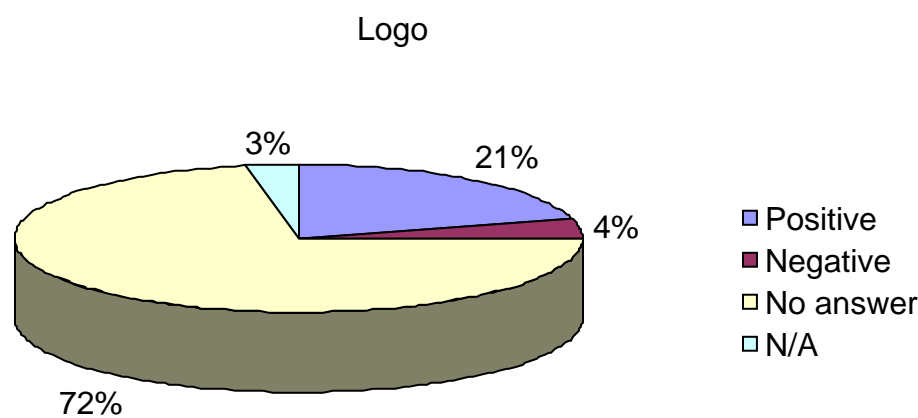


Figure 19

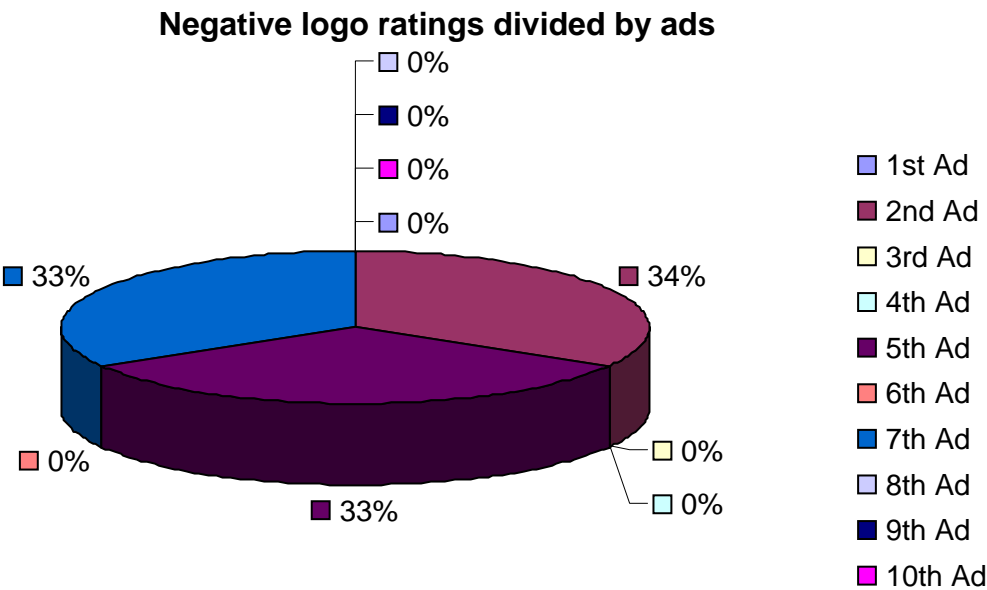


Figure 20

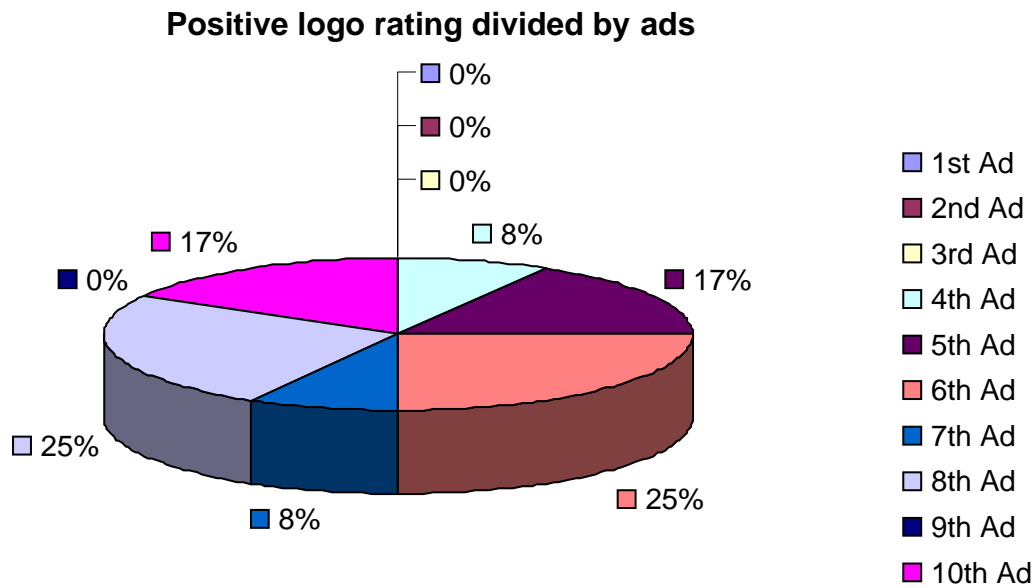


Figure 21

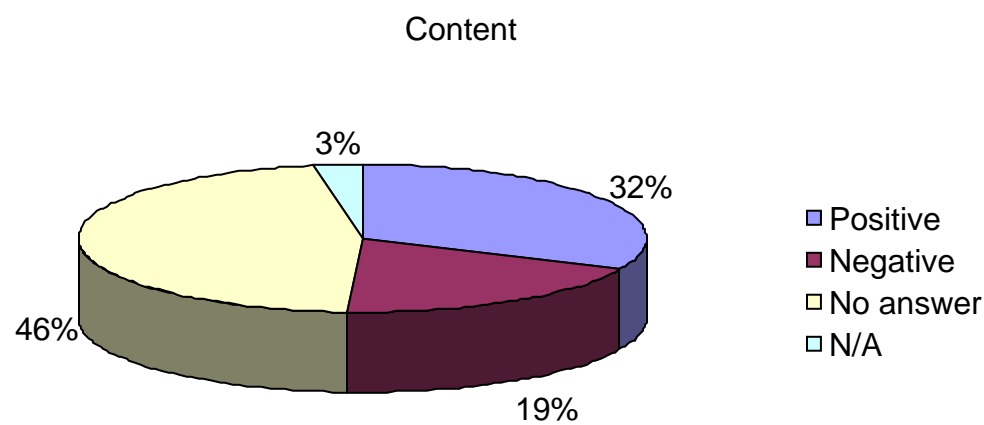


Figure 22

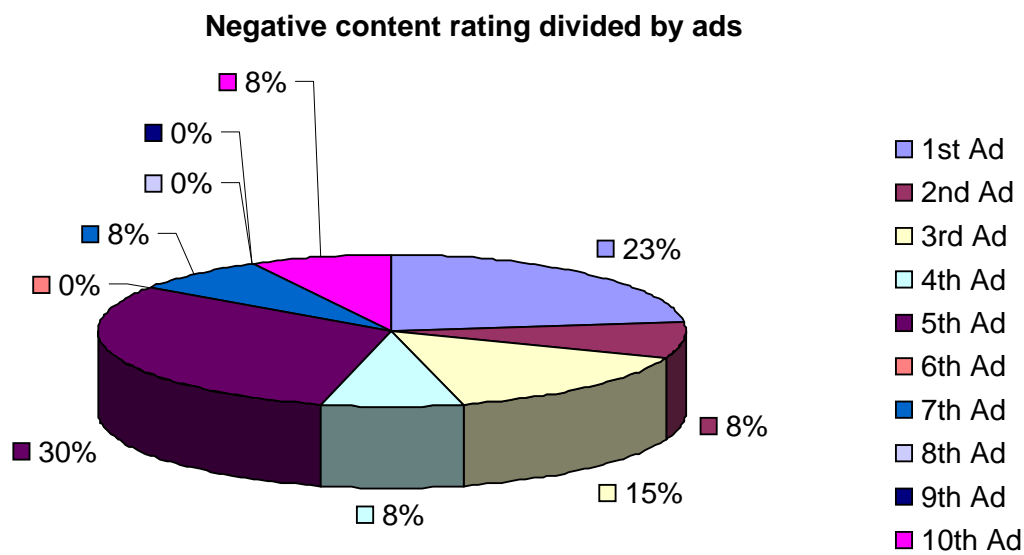


Figure 23

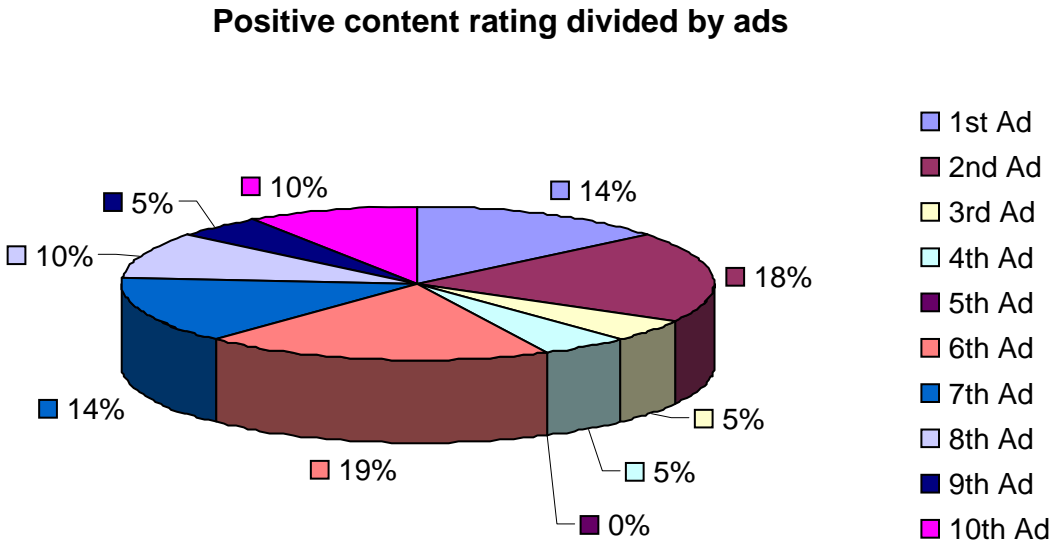


Figure 24

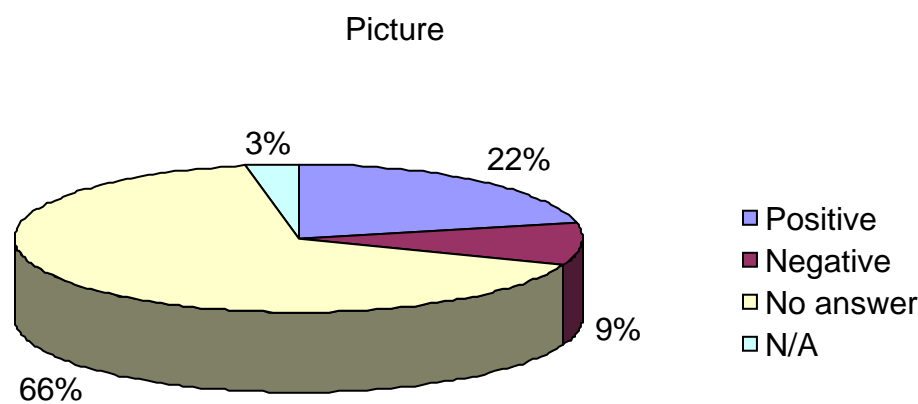


Figure 25

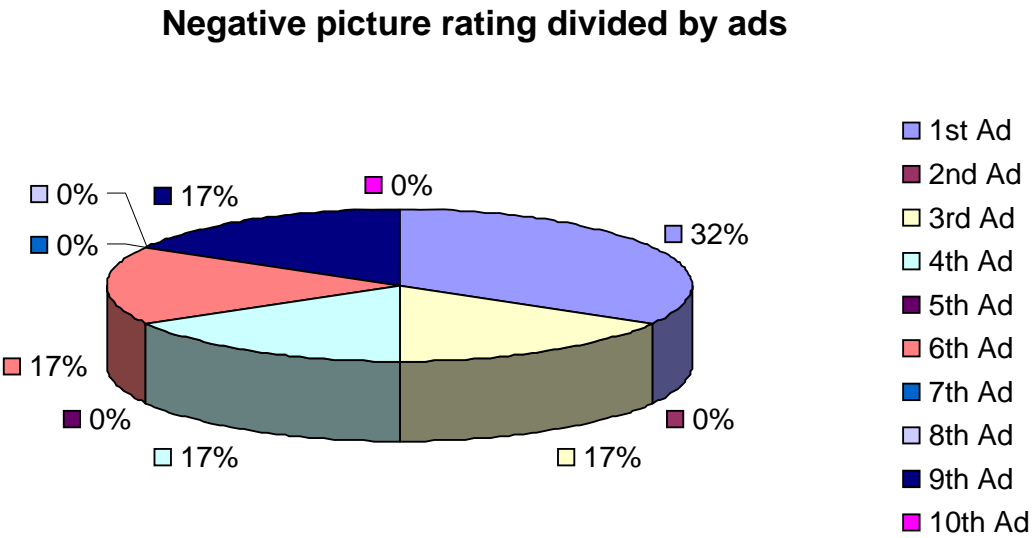


Figure 26

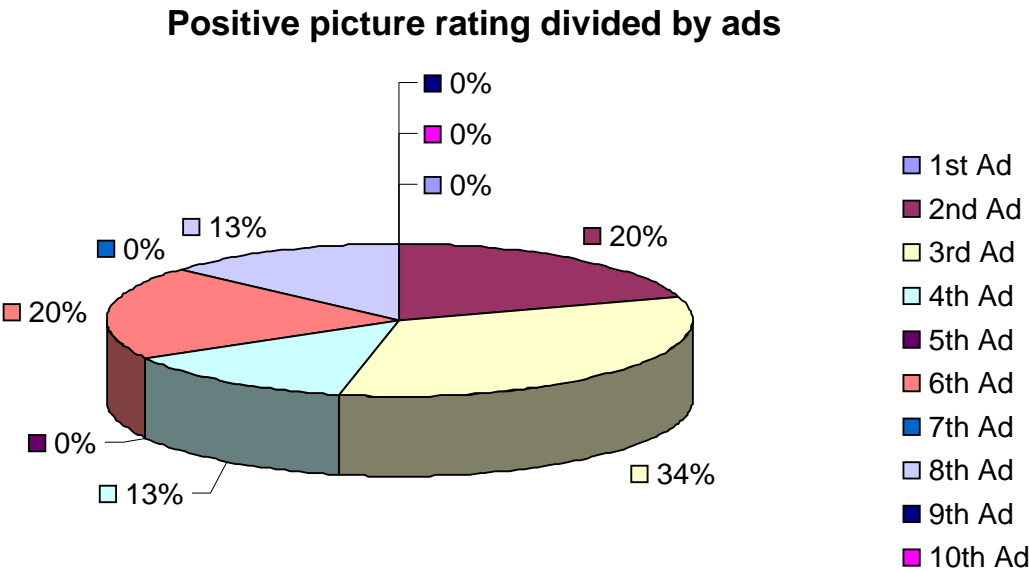


Figure 27

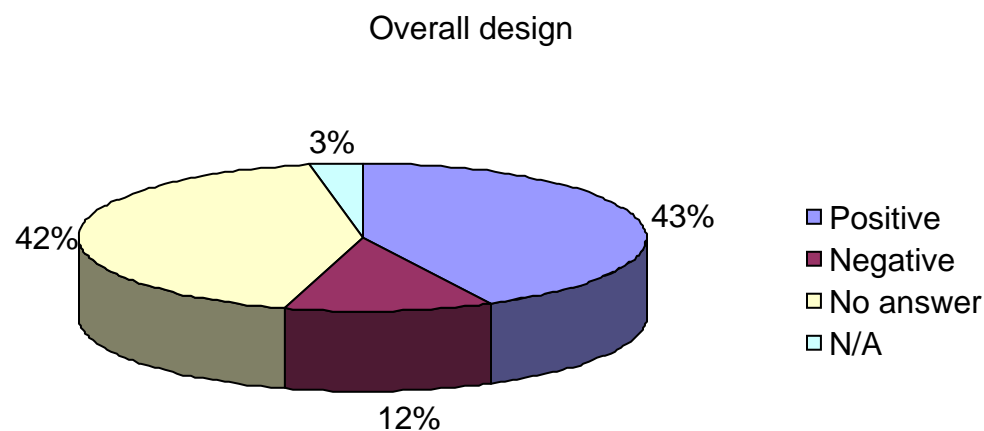


Figure 28

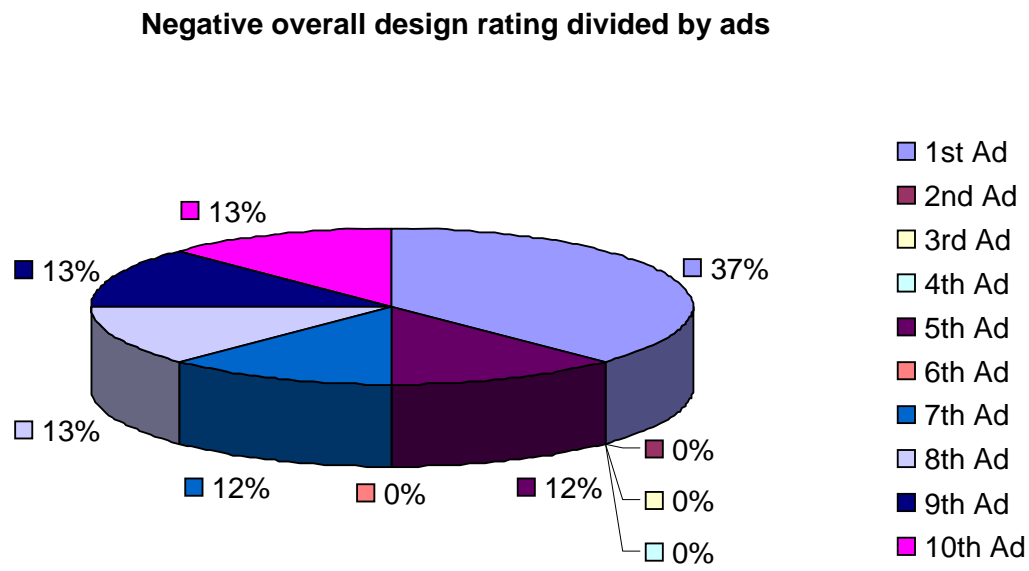


Figure 29

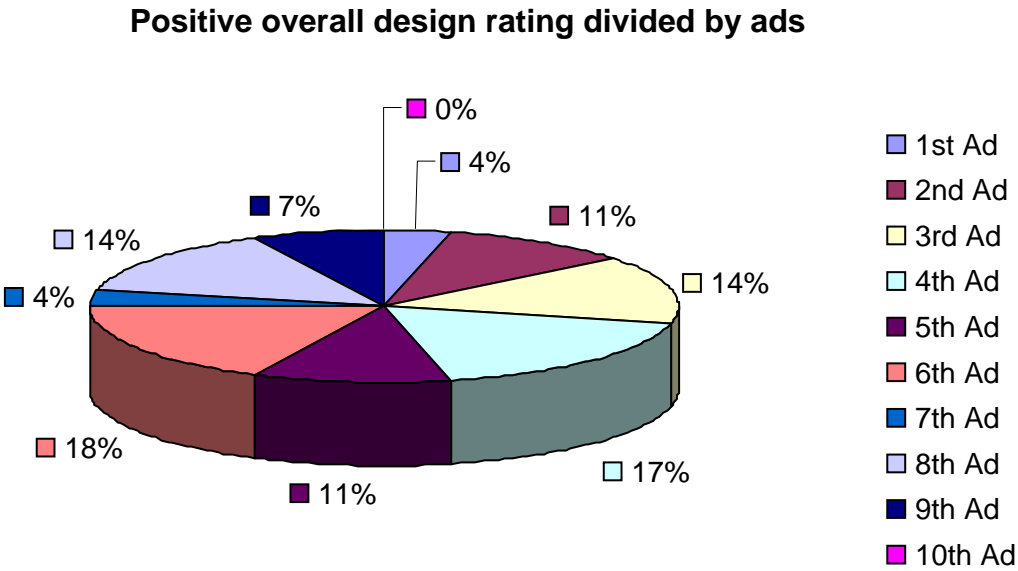


Figure 30

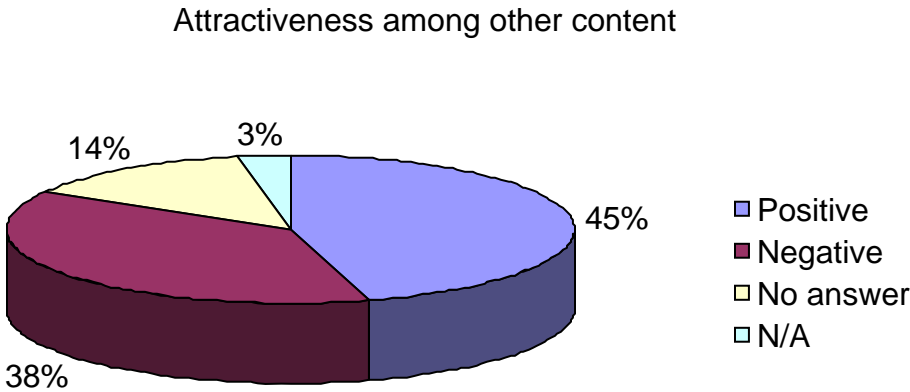


Figure 31

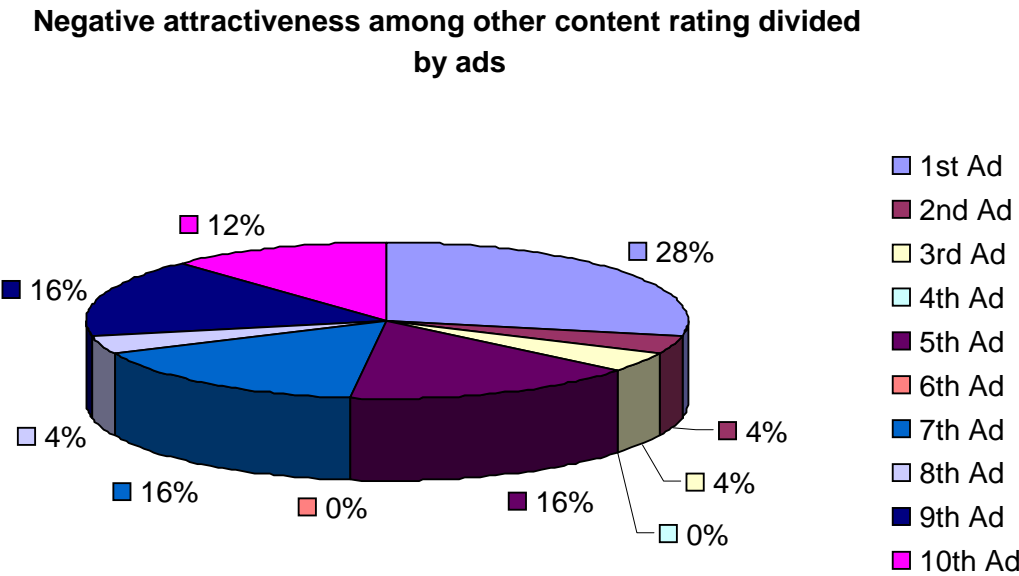


Figure 32

Positive attractiveness among other content rating divided by ads

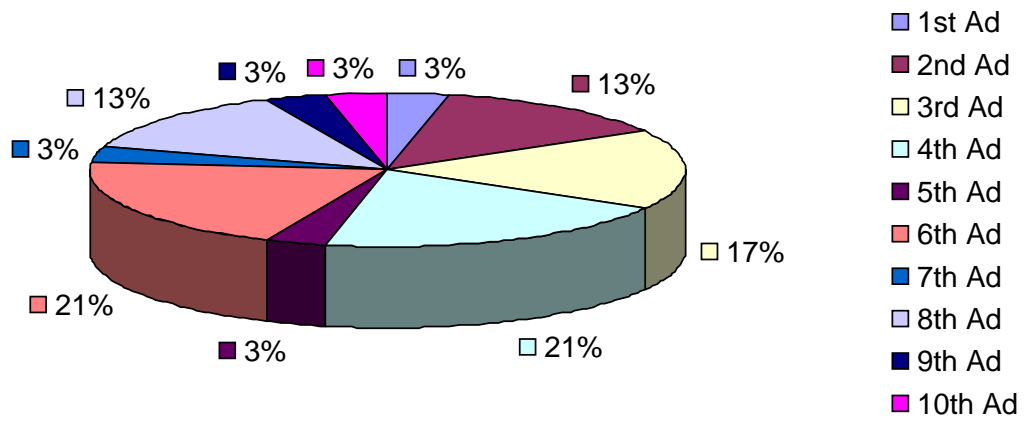
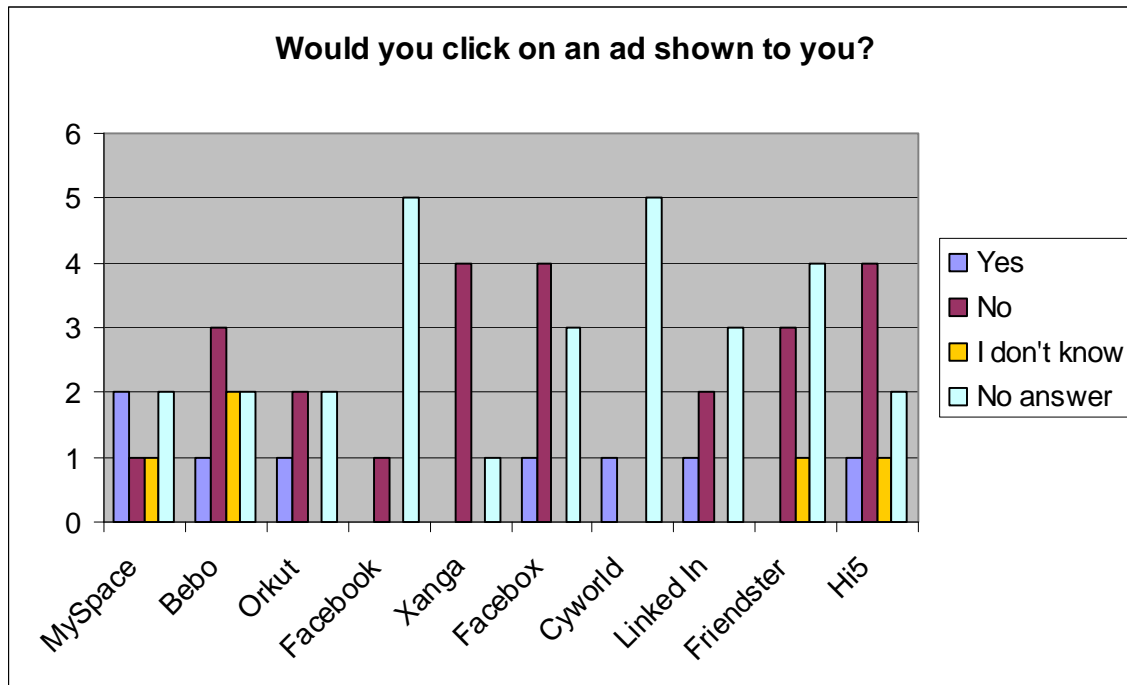


Figure 33



Appendix C

Interview Guide

1. Do you participate in online social networks?
 - a) If yes, in how many?
 - b) If no, why not?
2. How often do you go online?
 - a) 1- 3 times per week
 - b) 4-6 times per week
 - c) 7-9 times per week
 - d) More than 10 times per week
3. How much time do you generally spend using online social networks?
 - a) Less than an hour per day
 - b) 1-3 hours per day
 - c) More than 4 hours per day
4. How do you feel about advertising in general?
5. Do you notice advertisements in social networks in which you participate?
 - a) If yes, do you think those ads are intrusive?
6. Have you ever clicked on an ad in an online social network?
 - a) If yes, what attracted you in that particular ad?
7. Have you ever visited a product website after being exposed to an ad on social networking site?
8. Have you ever purchased a product advertised in online social networks?
9. Do you think advertisements found on Facebook are tailored to your interests?
10. Can you list advertisements that you can remember seeing on Facebook?
11. In your daily activities do you recognize brands as the ones that are advertised in online social networks?
12. Is it easier for you to remember brands advertised through other media channels such as TV and radio as opposed to the ones advertised in online social networks?
13. Please look at different social networking sites (screen shots) and identify the ads

- How appealing do you find these ads?
- What would you change about them?
- In what way do they contribute to your brand recognition after you leave the website?

Appendix D

Invitation Letter

Dear fellow classmates and social networkers:

My name is Zeljka Hadija and I am a graduate student in the Communication and Media Technologies program.

I am doing a research study on advertising in social networks. Online social networks, such as MySpace and Facebook, have become new venues for advertisers to promote products in a personalized and an entertaining manner. The goal of my research is to find out how successful those ads are and in what ways can both advertisers and social network users benefit from advertisements in online social networks.

I would like to invite you to participate in this research study on the topic that has not yet been explored adequately. The research will consist of in-depth personal interviews. Each interview will take approximately 1 hour and will consist of two parts: general questions about your opinions on advertising and identifying your opinions and associations with advertisements found on online social network sites. Your answers will be held confidential and will not be linked to your identity in any manner. The results of the interviews will be published in the following manner: “x% of respondents believe that...”.

If you would like to be a part of this exciting study, please respond to this message stating the time and place that would be most convenient for you to meet. Should you have any additional questions or concerns, please contact me through email (zeljka.hadija@gmail.com), or phone number (585 281 0473).

I am looking forward to your participation in the study!

Regards,
Zeljka Hadija

Appendix E
Consent Form

Project Title: Advertising in Social Networks (Running Head)
Investigator: Zeljka Hadija **Phone:** 585-281-0473
Date: 08/____/2007

You are invited to take a part in the research study investigating the effectiveness of advertisements found in online social networks. You have been identified as an online social network user of Facebook.com. Please read this form carefully and ask any questions you may have before agreeing to take part in the study.

The purpose of the study is to learn about the effectiveness of different kinds of advertisements in online social networks. You will be asked to look at different advertisements online and provide your opinion. Furthermore, you will be asked several general questions about your usage of social networks and your opinions on advertising in social networks. The interview will take about 60 minutes to complete. With your permission, I would also like to tape-record the interview.

I do not anticipate any risks to you participating in this study other than those encountered in day-to-day life.

Not everyone who takes part in this study will benefit. A benefit means that something good happens to you due to participation. In this case, you may benefit from increased knowledge about advertising and online social networks.

Taking part in this study is completely voluntary. If you decide not to take part or to skip some of the questions, it will not affect your potential benefits. If you decide to take part, you are free to withdraw at any time.

The records of this study will be kept private. In any sort of report I make public I will not include any information that will make it possible to identify you. Research records will be kept in a locked file; only the researchers will have access to the records. If I tape-record the interview, I will destroy the tape after it has been transcribed, which I anticipate will be within two weeks of its taping.

If you have any questions or concerns, please contact me. I will also be available during the research study to answer any questions you may have. You will get a copy of this form after you sign it.

If you decide you want to take a part in this study, please sign your name.

I, _____, agree to take part in this research study.
(Print your name here)

(Sign your name here)

(Date)

Appendix F

Content Codebook

To filled out per Incident of Self-Disclosure

Participant ID Number: number assigned to the participant by the researcher

1. Do you participate in online social networks?
 - 1 – Yes
 - 2 – No
 - 1.1. If yes, in how many online social networks do you participate?

2. How often do you go online?
 - 1 – Less than once per week
 - 2 – 1-3 times per week
 - 3 – 4-6 times per week
 - 4 – 7-9 times per week
 - 5 – More than 10 times per week
3. How much time do you generally spend using online social networks
 - 1 – Less than an hour per day
 - 2 – 1-3 hours per day
 - 3 – More than 4 hours per day
4. How do you feel about advertising?
 - 1 – I don't care about it
 - 2 – Annoying
 - 3 – Educational
 - 4 – Manipulative
 - 5 – Interesting
 - 6 – Other: _____
5. Do you notice advertisements in online social networks?
 - 1 – Yes
 - 2 – No
 - 3 – Sometimes
 - 2.1 Are they intrusive?
 - 1 – Yes
 - 2 – No
 - 3 – I don't know

6. Have you ever visited a website after seeing an advertisement in an online social network?
 - 1 – Yes
 - 2 – No
 - 3 – I don't remember

7. Have you ever clicked on an advertisement in an online social network?
 - 1 – Yes
 - 2 – No
 - 3 – I don't remember

8. Have you ever purchased a product advertised in an online social network?
 - 1 – Yes
 - 2 – No
 - 3 – I don't remember

9. Would you rather be exposed to advertisements or pay for the service of using online social networks?
 - 1 – Pay for the service
 - 2 – Be exposed to advertisements
 - 9 – No answer

10. Do you think that advertisements found on Facebook are tailored to your interests?
 - 1 – Yes
 - 2 – No
 - 3 – I don't know
 - 9 – No answer

11. List advertisements that you remember seeing on Facebook?

 - 3 – I don't remember any
 - 9 – No answer

12. In your daily activities do you recognize brands as the ones that are advertised in online social networks?
 - 1 – Yes
 - 2 – No
 - 3 – I don't know
 - 9 – No answer
 - 12.1. What characteristics of an advertisement would make you notice that ad?

3 – I don't know

9 – No answer

13. Is it easier for you to remember brands advertised through other media channels such as TV and radio as opposed to the ones advertised in online social networks?

1 – Other channels

2 – Online

3 – I don't know

4 – Both are the same for me

9 – No answer

14. Would do you think about the advertisement shown to you?

	Mspc	Bebo	Orku	Fcbk	Xnga	Fcbx	Cywd	Lidn	Frst	Hifi
Color										
Logo										
Content										
Picture										
Overall design										
Attractiveness										

	Punch
Positive	1
Negative	2
No answer	9
N/A	99

Code	Name
Mspc	Myspace
Bebo	Bebo
Orku	Orkut
Fcbk	Facebook
Xnga	Xanga
Fcbx	Facebox
Cywd	Cyworld
Lidn	Linked In
Frst	Friendster
Hifi	Hi5

14.1. Would you click on the advertisement shown to you?

	1 – Yes	2 – No	3 – I don't know	9 – No answer
Mspcs				
Bebo				
Orku				
Fcbk				
Xnga				
Fcbx				
Cywd				
Lidn				
Frst				
Hifi				

Code	Name
Mspc	Myspace
Bebo	Bebo
Orku	Orkut
Fcbk	Facebook
Xnga	Xanga
Fcbx	Facebox
Cywd	Cyworld
Lidn	Linked In
Frst	Friendster
Hifi	Hi5

14.2. What would you change about the advertisement shown to you?

Screenshot code: _____

3 – I don't know

9 – No answer

Appendix G

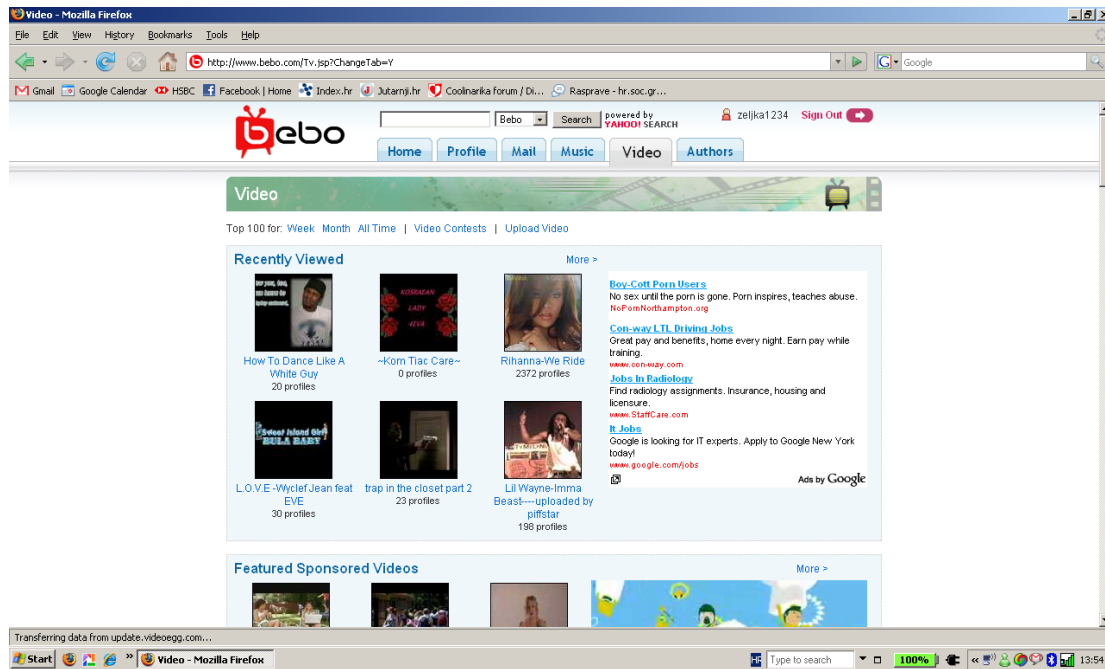
List of answers to the question whether respondents notice advertisements in Facebook

1. Generally they don't catch my attention among other content because mostly they tend to be in the same place on the website so I just kind of put the blinders on those areas of the page.
2. No, it's there but I don't pay attention to it. Because I know most of them are online things and I don't trust the online. I don't trust it because I just feel they are going to take all of your money when you go to buy something from them. So I don't normally pay attention to ads in social networks.
3. If I go specifically, to see one corner of the website I would notice it, but I go to see what my friends are doing, and then I don't notice it.
4. Yes, in Facebook, most of the time I ignore them.
5. No, honestly, I never pay any attention. Sometimes, once in a blue moon, I might see something if it really catchy and I can't avoid it if it's right there in my face but other than that, I hardly see anything.
6. No, I don't really notice them because I spend as little time as possible using those networks. I am looking more at the information that interest me. I don't pay attention to advertisement because it doesn't interest me. I'm not there to be advertised to.

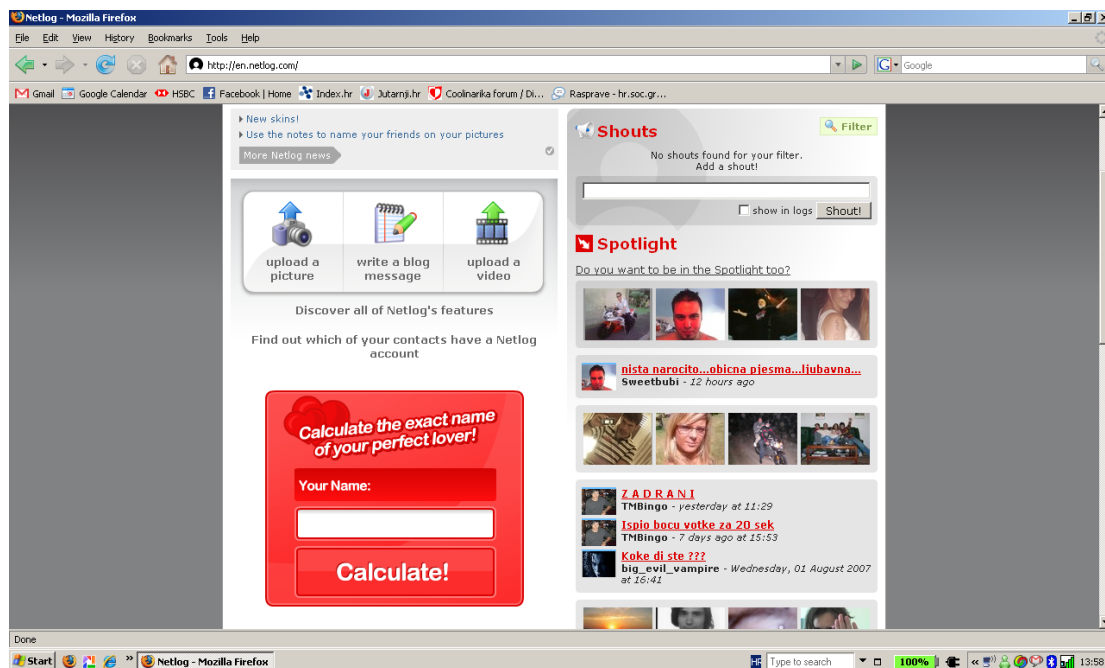
Appendix H

Screenshots with Advertisements

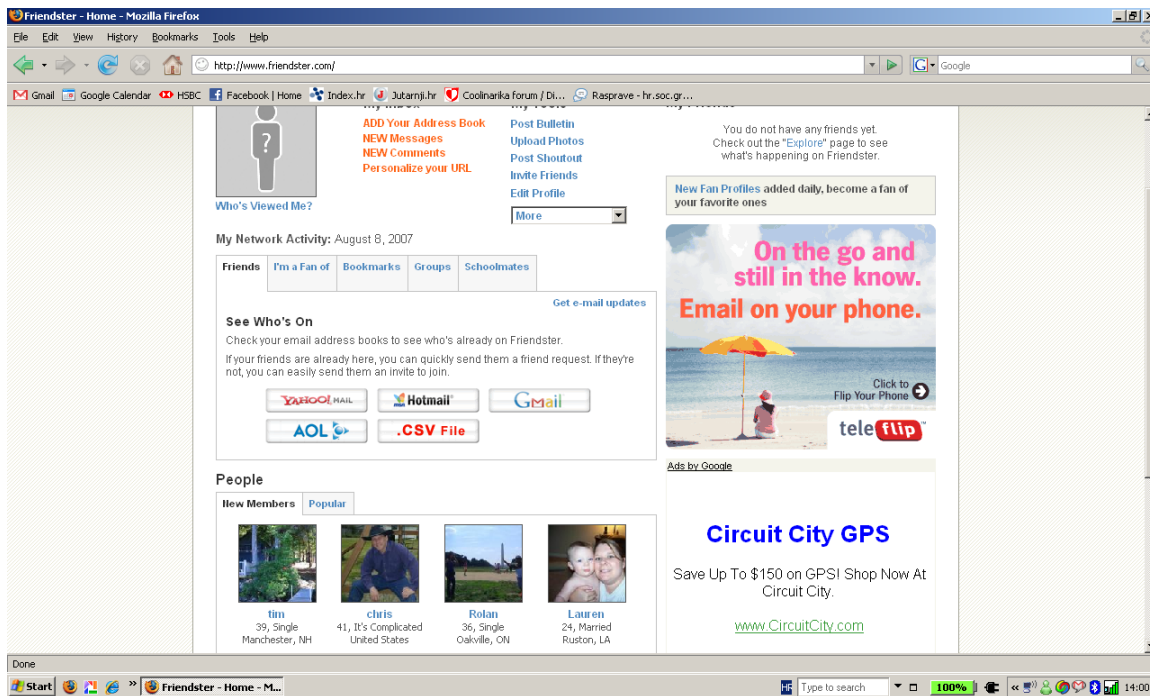
Bebo



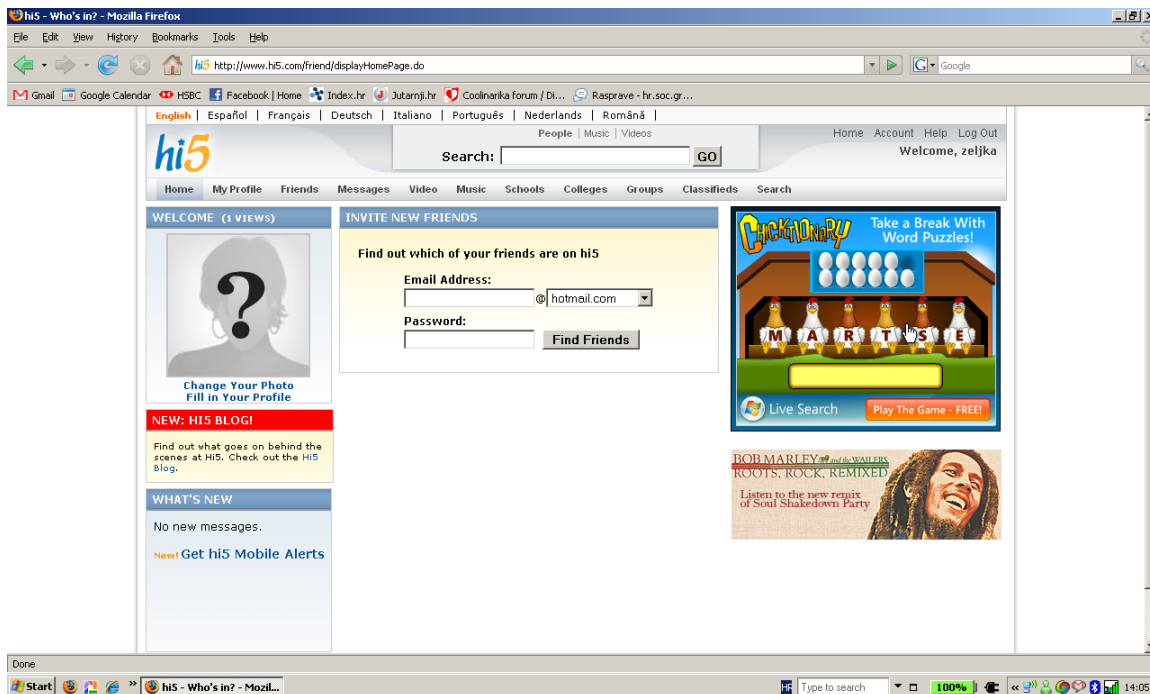
Facebook



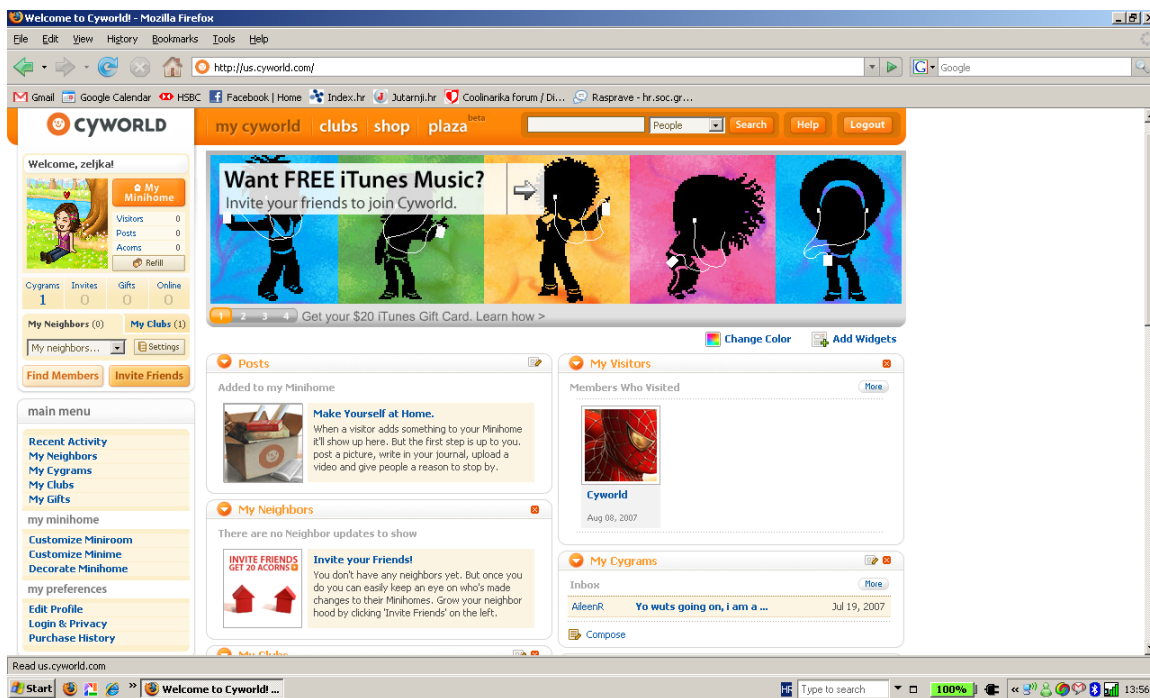
Friendster



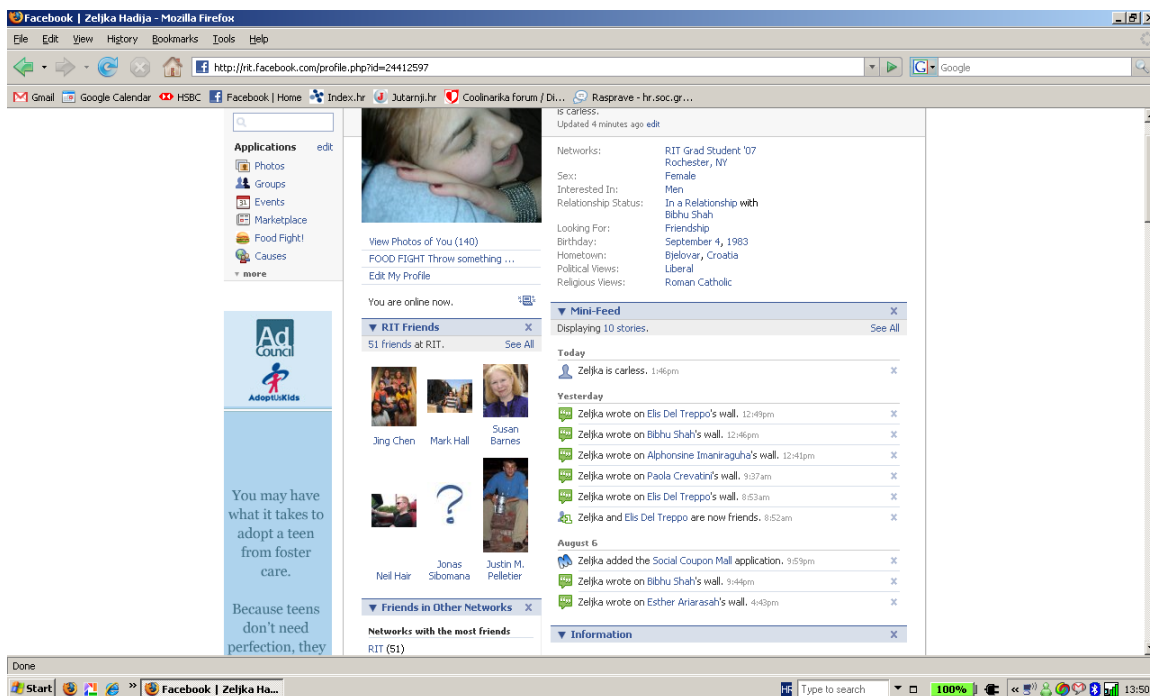
Hi5



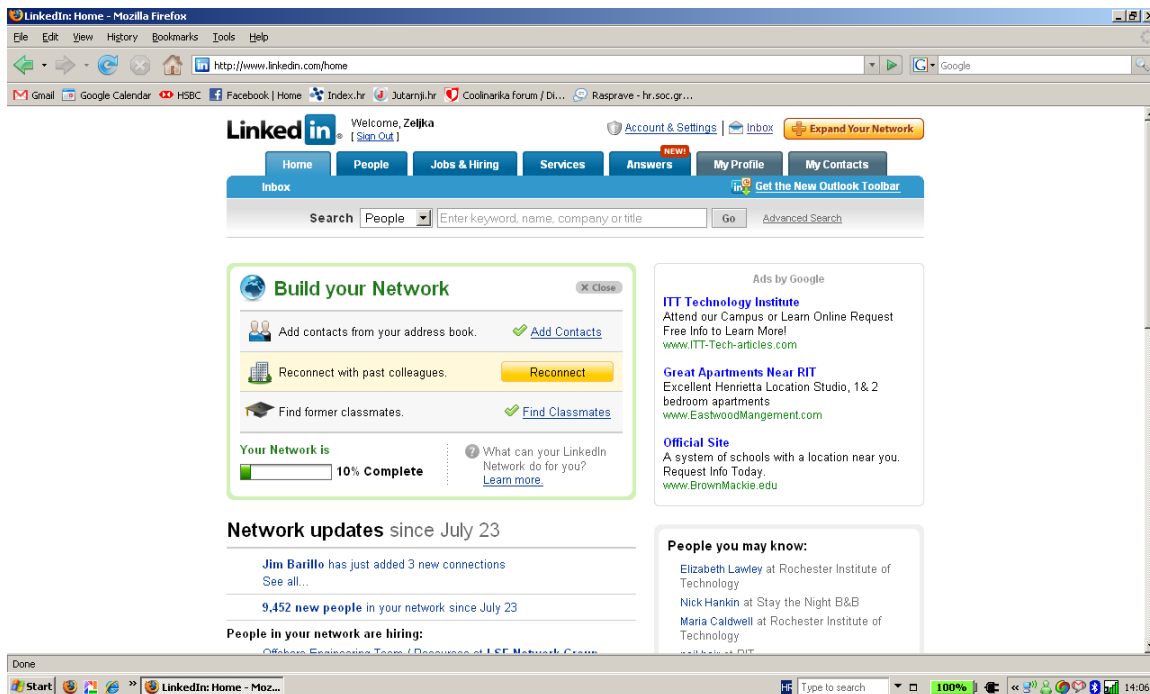
Cyworld



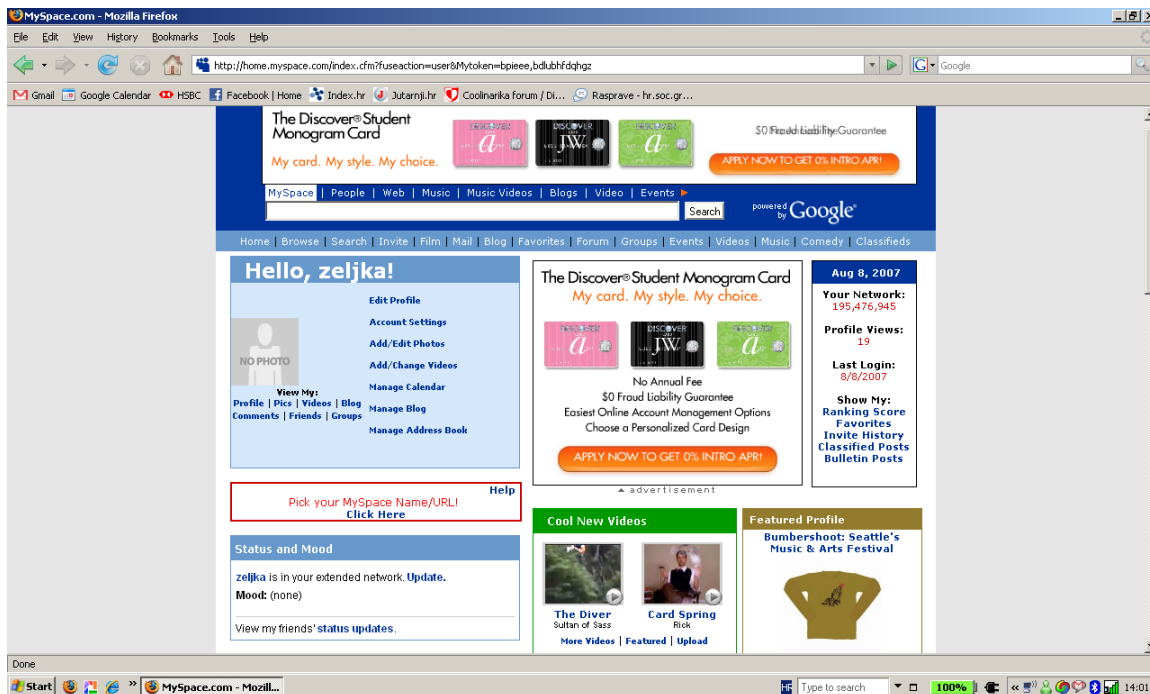
Facebook



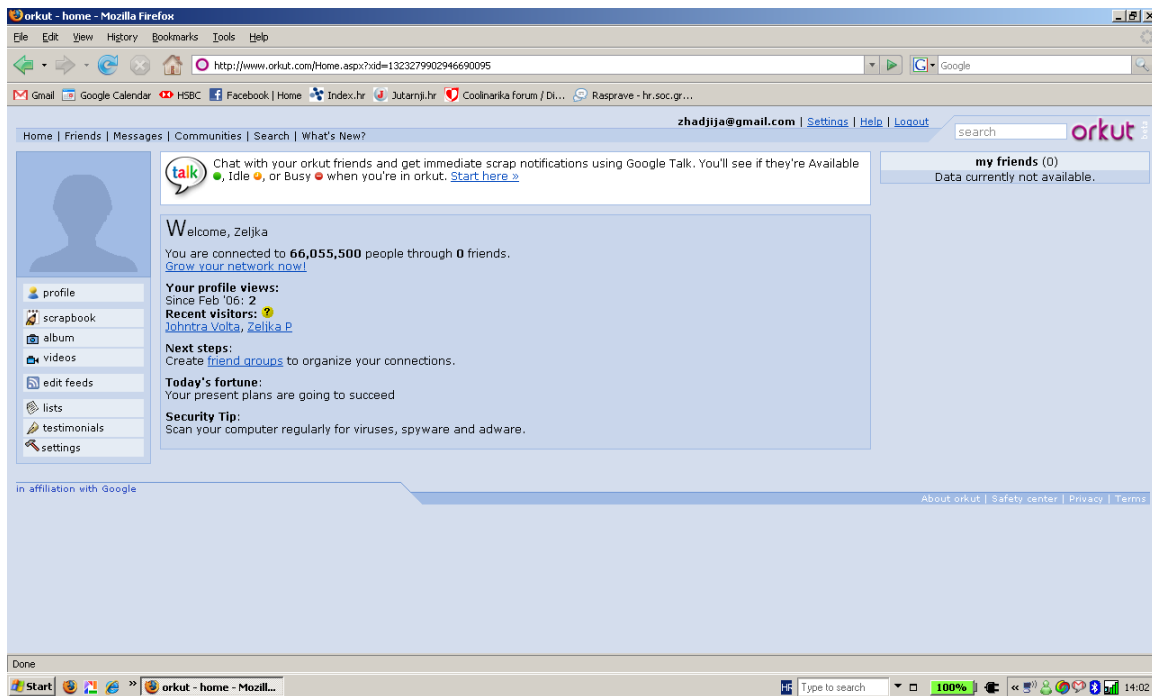
Linked In



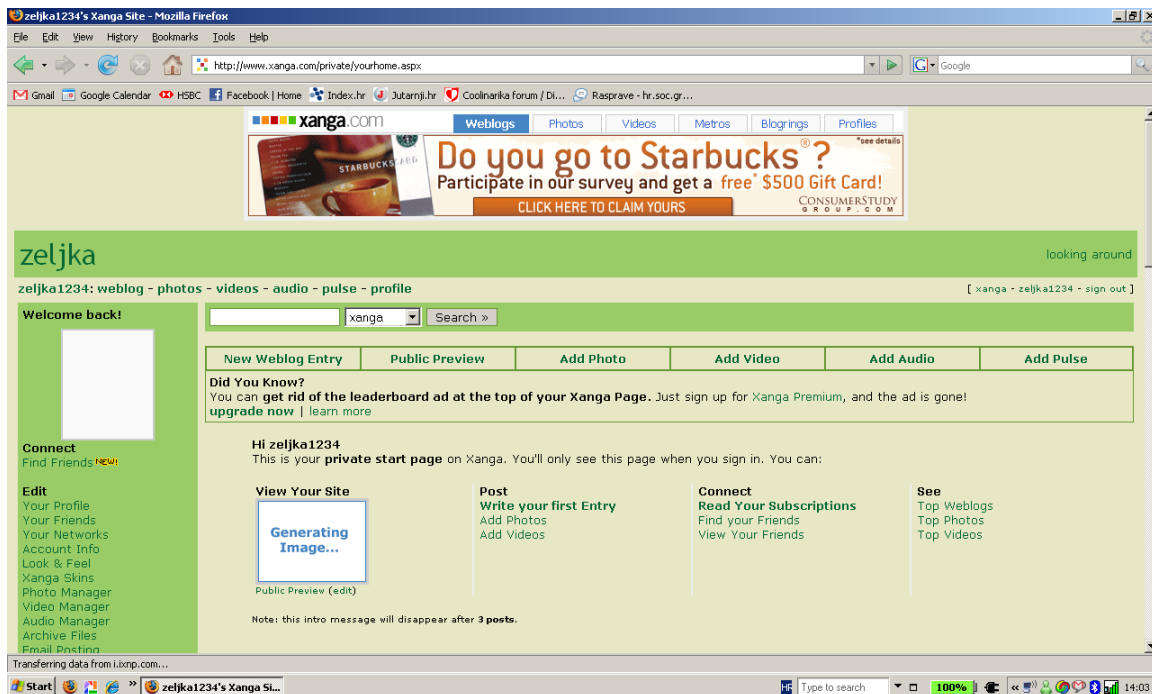
Myspace



Orkut



Xanga



Appendix I

The Literature Review Matrix

NAME	GENERAL ADVERTISING	ONLINE ADVERTISING	HISTORY	SOCIAL NETWORKS	ATTITUDE-TOWARD-THE-AD	PSYCHOLOGY	TECHNOLOGY	STATISTICS	RESEARCH REPORTS	
Applegate, E. (1998)	X		X							
Armstrong, S. (2001)		X					X			
Bauer, R. A., & Greyser, S. A. (1968)						X				
Bell, M. A., Berry, M. A., & Van Roekel, J. L. (2004)		X					X			
Bhattacharya, S., Scott, E., & Arthur, M. (2006)		X					X			
Bruner II, G. C., & Kumar, A. (2000)		X			X	X				
Calisir, F. (2003)		X		X		X			X	
Cappo, J. (2003)	X	X								
Ewen, S. (2001)	X		X							
Farris, P. W., & Quelch, J. A. (1983)	X									
Garton, L., Haythornthwaite, C., & Wellman, B. (1997, June)				X			X			
Goldsmith, R. E., & Lafferty, B. A. (2002)		X				X		X	X	
Gordon, M. E., & De Lima-Turner, K. (1997)		X			X	X				
Gruber, F. (2006, July 26)	X	X		X					X	
Ha, L., & James, E. L. (1998)							X	X		

NAME	GENERAL ADVERTISING	ONLINE ADVERTISING	HISTORY	SOCIAL NETWORKS	ATTITUDE-TOWARD-THE-AD	PSYCHOLOGY	TECHNOLOGY	STATISTICS	RESEARCH REPORTS	
Hall, E. (2007, August 6)		X		X				X	X	
Heer, J., & Boyd, D. (2005, October)							X			
Heimann, J. (2005)	X		X							
Jones, J. P. (2007)	X									
Klaasen, A. (2007a, July 30)		X		X					X	
Klaasen, A. (2007b, June 11)		X		X						
Lears, J. (1994)		X		X					X	
Lee, M., & Johnson, C. (1999)	X		X							
Lenhart, A., & Madden, M. (2007)		X		X		X		X	X	
Li, C. (2007, June 21)		X		X		X		X	X	
MacKenzie, S. B., & Lutz, R. J. (1989, April)	X				X	X				
MacKenzie, S. B., Lutz, R. J., & Belch, G. E. (1986)	X				X	X				
Matin, S. (2007)	X	X					X	X	X	
McFall, L. (2004)	X		X			X				
Microsoft: Digital Advertising Solutions. (2007, April 25)		X		X			X	X	X	

NAME	GENERAL ADVERTISING	ONLINE ADVERTISING	HISTORY	SOCIAL NETWORKS	ATTITUDE-TOWARD-THE-AD	PSYCHOLOGY	TECHNOLOGY	STATISTICS	RESEARCH REPORTS	
Mitrano, T. (2006, November/December)		X		X		X	X		X	
Paglia, C. (2003)				X			X			
Reid, M., & Gray, C. (2007, August 15)			X	X				X		
Rosenbush, S. (2006, March 28)		X		X						
Schumann, D. W., & Thorson, E. (1999)					X	X			X	
Shields, M. (2007, April 23)		X		X					X	
Staab, S. (2005, January/February)							X			
Stafford, M. R., & Faber, R. J. (2005)		X								
Steuer, J. (1992)							X			
Vanden Bergh, B. G., & Katz, H. (1999)	X		X							
Wesley Frey, A., & Halterman, J. C. (1970)	X		X							
Yang, W. S., Dia, J. B., Cheng, H. C., & Lin, H. T. (2006, January)		X		X			X			

