UNIVERSITY OF LJUBLJANA SCHOOL OF ECONOMICS AND BUSINESS

## MASTER'S THESIS

# CONSUMER'S PERCEPTIONS AND EFFECTIVENESS OF ADVERTISEMENTS ON SOCIAL MEDIA

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ANA VULOVIĆ

## **AUTHORSHIP STATEMENT**

The undersigned **Ana Vulović**, a student at the University of Ljubljana, School of Economics and Business, (hereafter: SEB LU), author of this written final work of studies with the title **Consumer's perceptions and effectiveness of advertisements on social media**, prepared under supervision of **doc. Gregor Pfajfar**, **PhD** 

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## LIST OF ABBREVIATIONS

ATOA – Attitudes Toward Online Advertising
CGC – Consumer Generated Content
eWOM – Electronic word-of-mouth
SM – Social Media
SMA – Social Media Advertising
SMM – Social Media Marketing
SNA – Social Network Advertising
SNS – Social Network Sites
US – United States

## **INTRODUCTION**

Development of web and social media has rapidly changed marketing conditions worldwide. People's media habits have changed and so have companies quickly switched their marketing strategies from offline to online platforms (Lagrosen & Grunden, 2014; Al Abri & Valaee, 2019). It is believed that under these changed market conditions, marketers should reach their customers at the place where they spend most of their time – on the social networks (Leake, Vaccarello, & Ginty, 2012; Scott, Bay-Cheng, Prince, & Nochajski, 2017).

Among many benefits that online marketing offers, one of the biggest is that it allows companies to obtain detailed information about consumers and therefore to have better access to the target population of consumers (Gong & Wang, 2019). There are many different online marketing tools and ad formats used by marketers in digital world. Some of them include: contextual ads on search engine results pages, banner ads, blogs, rich media ads, special networking advertising, interstitial ads, online classified advertising, e-mail marketing, including e-mail spam and so on. (Deshwal, 2016; Tchai, 2011).

Social media marketing, as a product of social media as a phenomenon, is one of the tools that companies use to influence people's shopping behaviour and to establish close relationships with their customers (Lagrosen & Grunden, 2014), to drive traffic, achieve customer loyalty and retention and so on (Piller, Vossen, & Ihl, 2012). Companies' motivation for applying this type of marketing in operating their businesses is justified and more than clear if we are aware of the fact that there were around 2.82 billion social network users in 2019 (eMarketer, 2017b). According to Statista, it is calculated that 161 997 billion USD dollars in total was spent on display advertising in 2019, out of which 83 391 billion USD dollars was spent on social media advertising worldwide (Statista, 2020).

Besides huge revenues and increasing popularity of online advertising, researches show that consumers are becoming more and more frustrated about their digital media experiences. Advertisements have become so intrusive and frequent that they distract users on a large scale from their reading, searching, watching and other activities on the web (Perrin, 2019). Not only do consumers complain about the amount of marketing content and their intrusiveness, but also about their annoyingness, irrelevance, inability to close them, about too much screen space that they take and so on (Statista, 2016; Jeon, Son, Chung, & Drumwright, 2019). Most consumers use social media platforms such as Facebook, Instagram and YouTube mainly for socializing and connecting with people and they are not so much interested in connecting with the companies at that time. Because of that, they believe that social networks are not the place for annoying and aggressive marketing campaigns (Pikas & Sorrentino, 2014).

In order to attract the right consumers, marketers have started tracking people's actions on the web, using specially created algorithms. By using these tools, marketers are now able to gather information about customers' internet usage, their interests and preferences and based on that data to offer them customized advertising (Priyanka, 2018; Ozcelik & Varnali, 2018; Chen, Feng, Liu, & Tian, 2018; Jason Choi, Jerath, & Sarvary, 2019). However, this marketing approach has caused increased privacy concerns among the customers while using internet technologies of any kind (Fisher, 2019). Their concerns enormously increased during 2018 when numerous data-privacy scandals occurred. One of the biggest took place in March 2018 when Facebook allowed a UK based data-company, named *Cambridge Analytica*, to access the data of 50 million platform's users without permission (WARC, 2019; Presthus & Vatne, 2019) In order to protect themselves from large volumes of unwanted advertisements, consumers have started using special tools that allow them to block the content (ad-blockers) (Abramek, Sołtysik-Piorunkiewicz, & Strzelecki, 2019). The percentage of people using these tools reached its all-time high in 2019 and amounted to 764 million people, which is 18, 5 % of the global internet population (Clapp, 2020).

Most of the businesses today are involved in online advertising, but the main question that arises is the question of its effectiveness. It is important to consider whether there is a less invasive way to perform advertising activities and what can be done in order to improve current poor customer experience on the web (Taylor , 2019). Improvements in this segment will bring benefits to both customers and marketers. Therefore, the purpose of this research is to identify consumer behaviour and attitudes toward advertising on SM and to investigate the level of online advertising effectiveness (Hadija, B. Barnes, & Hair, 2012). In order to achieve the purpose of the research, following research goals are set: (1) To investigate and understand the characteristics of consumer behaviour on the web, the process that leads them to behave the way they behave and to find drivers that make them perform certain actions; (2) To examine whether there is a significant benefit for the effort that companies put into online advertising campaigns; (3) To compare effectiveness of different marketing tools, to examine the most effective ones and to investigate alternative ways to make ads on SM more attractive.

The main research questions that are addressed throughout this thesis are: (1) What makes consumers oversee the advertisements on social media platforms? (2) What annoys and irritates them most about online advertisements? (3) Which amount and frequency of marketing content is acceptable and desirable? (4) How concerned are they about their privacy on the web? (5) How often do people make purchasing decisions based on online ads? (6) Do online ads raise brand awareness and recognition? (7) How can marketers adjust the marketing strategies which they apply on SNS, in a sense that they become less invasive and disruptive? (8) What can marketers do to make ads more attractive to their customers?

The thesis first explains digital concepts that are necessary to build the foundation for the empirical part of the research. Based on available academic literature, it describes marketing conditions that are present at the moment, characteristics and types of marketing tools in use, concept of SMM and its unavoidable parts – online communities and eWOM. It highlights leading SNS (Facebook, Instagram and YouTube) and examines their marketing role and

impact they have in shaping online reality. The second chapter presents the concept of online advertising and its main challenges, it reviews already known behavioral patterns toward advertising, effectiveness of online advertising tools in use, effectiveness measurement issues and points up new and future trends in the field of SNA. The research framework and methodology of the thesis are presented in the third chapter, while the results are presented in the fourth chapter. This is finally followed by a brief discussion and implications (fifth chapter), as well as by research limitations and suggestions for the future research (chapter six). The research helps scholars and marketers to better understand how SM users perceive advertisements on digital platforms and to understand motivation behind their purchasing decisions. The thesis is useful in understanding customers' needs and wants which can lead to revising existing marketing strategies and marketers' relationship with the customers.

## 1 THEORETICAL BACKGROUND

## **1.1** New market(ing) conditions

Due to the well-known phenomenon of *globalization*, the world has lost its previous barriers in economic, political, geographical and cultural terms and has suddenly become united more than ever (Waters, 2001). Globalization has influenced the way we live, communicate, perceive things, eat and even dress ourselves. The whole new global environment, that we witness today and that was not known before 1940s, would not be successfully established if the new digital technologies, primarily the Internet, were not invented (Singh, 2013).

The *World Wide Web*, or the Internet, was developed to be a place of gathered human knowledge, where people from any part of the Planet can share their ideas with the rest of the world and access others' ideas likewise (Berners-Lee, Cailliau, Luotonen, Nielsen, & Secret, 1994). This platform has brought a wide variety of opportunities to the market place and has completely changed the previous business environment. Digital technologies have transformed whole industries, especially those in which information plays the key role, such as media industry, telecommunication industry, computer and electronics industry and many others. Those fundamental industry transformations were predominantly triggered by the increased value of creation potential of both demand and supply, which was a consequence of Internet appearance (Salazar & Sawyer, 2007).

The invention of Internet has brought many changes on market level as well. It has attracted numerous new entrants who have now got the equal opportunity to grow their business and build their brands together with the giant players and in that way the industry structure has significantly changed. Internet technologies have contributed to decrease in costs and increase in demand. Drop in transaction costs has caused direct increase in businesses' efficiency and stimulated development of new organizational forms that match this new reality, guided by reduction in cost structures. Costs related to a consumer's search for the product have significantly decreased and at the same time more space for product

differentiation has been created, consumers have started to demand better variety of products which has consequently had an impact on their willingness to pay (Salazar & Sawyer, 2007).

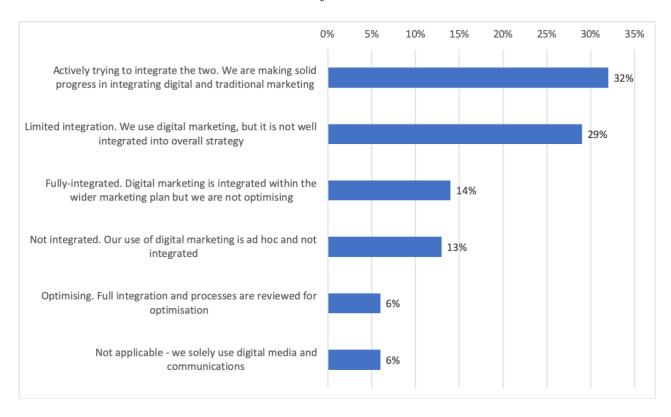
The companies had gone through different phases before they were able to fully adopt new technologies in their usual activities. It was not before 1990 when the Internet started to gain its great popularity and experience sharp expansion regarding the number of users. In the early beginning, companies were not ready and skilled enough to use its whole potential and they started using Internet as a tool for direct communication, for the purpose of just showing their presence and becoming visible on the web. Later, during the 2001, the phase of real interactivity and communication started and so did the companies begin to use result-oriented strategies. During 2008, when the great recession happened, companies were forced to reconsider their business models due to major changes in buying behaviour of the customers and market changes in general. Customers became less loyal and started losing interest in buying locally, since they could purchase items from whichever part of the world online, now easier and faster than before. Information gathered via using search engines such as Google, Yahoo and Bing, became something that started influencing the process of a wish creation. Buyers started wanting a certain product not because they needed it, but because they read about it and got convinced (Molenaar, 2011).

Relationship marketing as a marketing approach dates back from 1994 (Morgan & Hunt, 1994) but due to its usefulness and effectiveness it has remained dominant until today. This approach focuses on interactivity, a two-way communication with customers and it is based exclusively on their individual needs and wishes. This type of marketing started being applied as a tool for tracking and tracing customers and it has become more and more frequently used as location-based services, community developments and social networks came to light. It is considered that building relationships, as a marketing approach, is a result of numerous market changes that have happened previously and that refers to customers that became better informed, increase of Internet purchases, occurrence of new services (for example home delivery), low costs of web-based shops, direct communication tools (emails, FAQs) and ability to monitor customers' behaviour on the web (Molenaar, 2011).

New social conditions have changed marketing function and traditional marketing in many ways. The costs of using digital marketing tools are much lower in comparison to the old forms of advertising such as newspaper ads, business cards, printed materials and TV and radio commercials (Abdulmajid, 2019). By using statistical and analytical tools, marketers can now easily monitor effectiveness of the undertaken marketing activities and get valuable information about their customers. Greater level of measurability of the collected data and its easy and quick access, gives companies the opportunity to customize their activities instantly. Constant increase in the number of Internet users has made the population that is reached much greater than it could ever be possible with the traditional marketing tools. What is more, communicating and connecting with the customers has never been simpler and quicker (Roncevic, Lukcic, & Spoljaric, 2019; Abdulmajid, 2019). Finally, one of the main characteristics of digital marketing are keywords and search engine optimization

(SEO). Marketers are now able to find out what their customers want through analyzing what they searched for and accordingly adjust the content they are offering (Fierro, Gavilanez, & Diego Alonso, 2017).

*Figure 1: Level of integration of digital and traditional marketing activities among the firms* 



Adapted from Chaffey (2018).

Even though new, internet, technology-based practices have replaced the traditional ones on a large scale, it does not mean that traditional marketing tools are no longer relevant. Both marketers and customers still trust traditional marketing because they are familiar with it and due to the fact that traditional marketing has longer history and it is the topic that is more researched (Roncevic, Lukcic, & Spoljaric, 2019). Some marketers still struggle to successfully and fully integrate new marketing tools with traditional ones in their business strategies, which is nicely shown in the Figure 1. Supporters of the old techniques also find numerous criticism of new approaches and concepts that refer to physical separation of buyers and sellers, mass customization, obsession with the competitive advantage and so on (Harris & Cohen, 2003). The presence of traditional marketing tools in today's business activities is unquestionable and so is the growing popularity of digital marketing approaches. However, in order to achieve the best performance and satisfy demand, marketers should devote their time and efforts to find the golden middle and successfully benefit from the opportunities that both approaches offer (Roncevic, Lukcic, & Spoljaric, 2019).

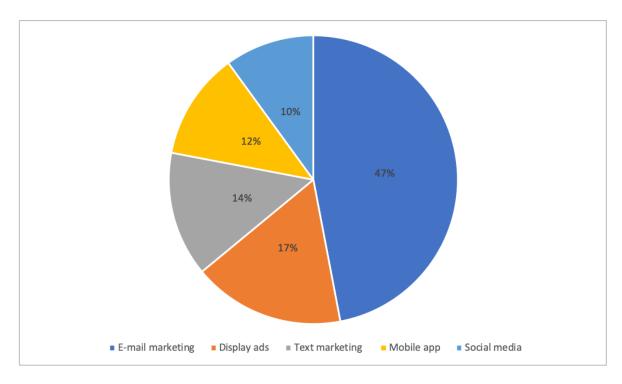
#### **1.2** Characteristics and types of online marketing tools

Digital marketing is a broad concept that uses both online and offline marketing tools, while online marketing or as some define it "Internet marketing" is a type of marketing that is based inclusively on online marketing technologies and channels. Even though, offline marketing tools, such as catalogues, brochures, direct mail and similar have lost their previous popularity against online strategies, that still does not mean that they are not useful anymore. As already mentioned, they are still being successfully applied in combination with the innovative, web technology-based ones (Roncevic, Lukcic, & Spoljaric, 2019).

Today, the term of digital marketing mainly refers to marketing that is based on using online tools. In practice, terms internet marketing or online marketing, are commonly used in the same meaning as digital marketing. As Zahay in her book "Digital Marketing Management" states: "Digital marketing refers to using any digital technology to facilitate the marketing process, with the end goal to facilitate customer interaction and engagement" (Zahay, 2015). Digital marketing is the tool used to efficiently and interactively communicate with potential customers through electronic channels (web, e-mail), smart devices (phones, tablets) and mobile applications. As marketers are aware that they can reach their customers in the place where they spend most of their time – on the web and social media – they have started using different techniques in order to achieve that goal. Among the most frequently used ones are: e-mails, social media advertising, display advertising, search engine optimization (SEO), Google AdWords etc. (Zahay, 2015). Leading marketing tools that are used in communication between customers and brands are graphically shown in Figure 2. Some of the most popular ones will be explained in short in continuation.

With more than 3.2 billion accounts, which is three times more than the number of Facebook and Twitter accounts together, e-mail as a channel and accordingly e-mail marketing, remains to be one of the most effective and profitable marketing tools until today. It is formally defined as: "A structured, systematic process that is one of the most successful channels for delivering highly relevant marketing communications to targeted subscribers" (Dodson, 2016). E-mail marketing is said to be one of the most powerful methods of customer retention, a way to maintain customer engagement, strengthen brand image and increase business credibility. What contributes to its popularity the most is the highest return on investment among all marketing tools (Ryan, 2016). It is calculated that the return on every dollar invested (ROI) in e-mail marketing will amount to 21-23% (Reske, 2017). In its simplest form, e-mail marketing refers to an e-mail that is sent to all the customers from the recipient list, in order to motivate them to make a purchase or simply to inform them about our current activities (discounts, sales, promotions etc.). In practice, e-mail marketing works with the help of the software that lets the marketers manage e-mail lists, create and edit e-mail templates and track the results of their campaigns (Ryan, 2016).

Figure 2: Leading channels preferred by consumers to communicate with brands in the U.S. as of June 2018



#### Source: Statista (2019d).

Search engines, such as Google-as the most popular and Bing-as its follower, have brought numerous opportunities to marketers. Those tools help them to become more visible to the customers, to generate more traffic to their websites and consequently to increase their sales and general interest. In order to reach those goals, marketers need to choose the keywords that are the most effective, which means words that have low competition and high traffic, also paying attention that the words are the most relevant ones for their business. Search engine optimization is a tool that came along with the search engines and it gives businesses the opportunity to position themselves as high as possible in the search results and in that way to increase their chances for being seen (Reske, 2017).

Display advertising is another frequently used form of digital marketing that is based on using display ads that are published on different websites or social media platforms in order to communicate previously defined commercial messages to a specific group of customers. This type of marketing is applicable on different devices, such as desktop computers, laptops and tablets, but it is by far most frequently applied on mobile devices, thanks to their enormous usage. Display ads appear in many formats, so they can be animated, static, floating, expandable, in a form of banner, video and so on. Apart from a couple of challenges such as overseeing the ads and low click-through rates, display advertising has numerous advantages, such as ability to control where and in which form the ad will appear and who will see it (Dodson, 2016).

In order to present their product and services clearly and to provide customers with all the necessary information about their business, marketers try to get the best from websites and their various components. The main purpose of websites is to convert visitors to leads and clicks into income. Landing pages, or the first page a visitor sees, when he or she enters the website, aim to provide customers with all the fresh offers and encourage the visitors to leave their contact information, by signing in, starting a chat session or a phone call. Secondly, landing pages are a great way to attract customers' attention and make them purchase something from the offer. (Reske, 2017).

With the popularization of internet technologies and benefits that they brought, new marketing tools - content marketing and influencer marketing - were introduced. Content marketing has become integral part of marketing strategies of many firms and it is present almost everywhere. Around 86% of marketers successfully use different types of content marketing, which include: social media content, articles on websites, newsletters, blogs, videos, case studies and so on. On the other hand, companies have started taking advantage of the social influence that certain individuals have on community members. Today's customers' purchasing decisions are strongly influenced by the choices that are made by people they find interesting and inspiring inside their community. As marketers keep up with trends, they have adjusted marketing activities accordingly. In practice, this means that they look for the most influential people in their industry, try to reach them and build relationships with them. After that, they motivate them to promote their products and also make as many people as possible to like the product. In this way, both sides win. Companies increase their brand awareness and recognition and influencers gain more popularity and increase their earnings (Reske, 2017).

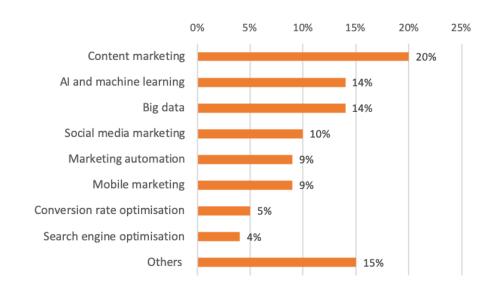


Figure 3: Most effective digital marketing techniques according to marketers worldwide in 2018

Source: SmartInsights.com (2018).

Beside already mentioned content marketing and SEO marketing techniques, from the Figure 3 we can see that AI and machine learning, big data and SMM are the marketing tools that will deserve more and more attention. Social media marketing has great expanding potential and is very popular type of marketing at the moment, which brings different advertising strategies and types of ads with itself. This topic is recognized as very important among scholars and marketers and particularly for this research, which is why it will be discussed in detail in separate chapter that follows.

## 1.3 Social media marketing

In order to discuss the term of social media marketing, we should try to define the phenomenon of the social media first. There are different definitions of social media available by different authors. Although they can seem similar, we will offer a couple of them. Social media is defined as: "a group of Internet-based applications built on the ideological and technological foundations of Web 2.0 that allow the creation and exchange of user generated content" (Mahoney & Tang, 2016). Some researchers state that social media refers to: "any web presence where users can add their own content but do not have control over the site in the same way as they would with their own website" (Charlesworth, 2017). On the other hand, there are researchers that believe that social media refers to: "online platforms that enable firms and users to connect in new (before unknown) ways, through using sites, such as social networking sites (e.g., Facebook), microblogging sites (e.g., Twitter) and content communities (e.g., YouTube) (Li, Larimo, & Leonidou, 2020). The short overview of literature review on the concept of social media is presented in the Table 1.

According to a report made by Statista (2020), it is expected that the number of social network users worldwide will reach 3.43 billion by 2023 (see Figure 4). In 2020 there will be 3.32 billion users while, interestingly, in 2010 there were less than a billion social media users (0.97 billion). Since Asia is technologically the most developed world region, it does not surprise that the highest number of users is noticed in those countries, precisely in China and India, while the United States and Brazil follow them on the third and fourth place (Statista, 2020a).

Participation in social media can be driven by different motivation and according to statistics from 2018, most people use social media in order to stay in touch with their friends (40%), to find funny and entertaining content (37%), to share content with others (33%), to find products to buy (30%) and to meet new people (27%) (Figure 5) (Valentine, 2018). People also engage in social media platforms in order to express themselves, to achieve a status within a community, to seek out reviews for products, to improve themselves, to learn, educate themselves and so on (Charlesworth, 2017).

Author	Year of publication	Definition of the concept	Factors of study	Main research findings
Mahoney, L. Meghan; Tang, Tang	2016	Social media is defined as:" a group of Internet-based applications built on the ideological and technological foundations of Web 2.0 that allow the creation and exchange of user generated content"	- User behaviour on SM - Strategic planning	<ul> <li>SM brought new opportunities that marketers should take advantage of</li> <li>Businesses need to personalize marketing activities and leave space for customer engagement</li> </ul>
Charlesworth, Alan	2017	Social media refers to: "any web presence where users can add their own content but do not have control over the site in the same way as they would with their own website"	<ul> <li>Marketing on SM and how to benefit from it</li> <li>Understanding new technologies and users</li> </ul>	<ul> <li>SMM is all about engagement</li> <li>Measuring ROI on SM is extremely difficult</li> <li>SM is not a viable option for every type of business/product</li> </ul>
Li, Fangfang; Larimo, Jorma; 2020 Leonidou, Leonidas C. Jorma C. Jorma C. Leonidas C. Leonidas C. Leonidas C. Social media refers to online platforms that enabl firms and users to connect in new (before unknown) ways, through using sites, such as social networking sites (e.g., Facebook), microblogging sites (e.g., Twitter) and content communities (e.g., YouTube).		online platforms that enable firms and users to connect in new (before unknown) ways, through using sites, such as social networking sites (e.g., Facebook), microblogging sites (e.g., Twitter) and content communities (e.g.,	- Social media marketing strategy - Customer engagement	<ul> <li>Definition of SMM</li> <li>Conceptualization of the developmental process of SMMSs (four components: drivers, inputs, throughputs, and outputs</li> <li>Taxonomy that classifies SMMSs into four types (social commerce strategy, social content strategy, social monitoring strategy, and social CRM strategy)</li> </ul>

#### Table 1: Literature review on the concept of social media

Adapted from Mahoney & Tang (2016); Charlesworth (2017); Li, Larimo, & Leonidou (2020).

Due to their different motivation to participate in social media, we can distinguish between many social media personas among the users. The ones that are addicted to likes and approval and are distracted by social media even when they work are called *ultras*. There are *deniers* – the ones that claim that social media does not control their life when it actually does, *dippers* – users that are not so active in posting or even checking social networks, *lurkers* – those that are present but not actively participating due to their fear of being rejected or judged (Charlesworth, 2017). Due to its influential nature, we can see that social media affects people in not only positive ways. Sometimes people start comparing themselves with the people they see on social networks, that are in their opinion more

successful, influential, skinnier or funnier than them and start feeling bad about themselves. Because of its negative impact on mental health of users, some social networks, such as Instagram, had begun to hide likes in order to test how it will impact the users and businesses as well. If the experiment proves to be successful, they are considering removing them completely (Droesch , 2019).

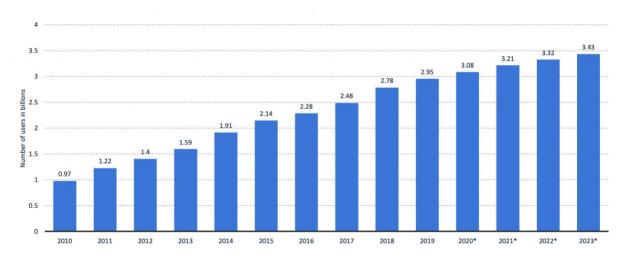
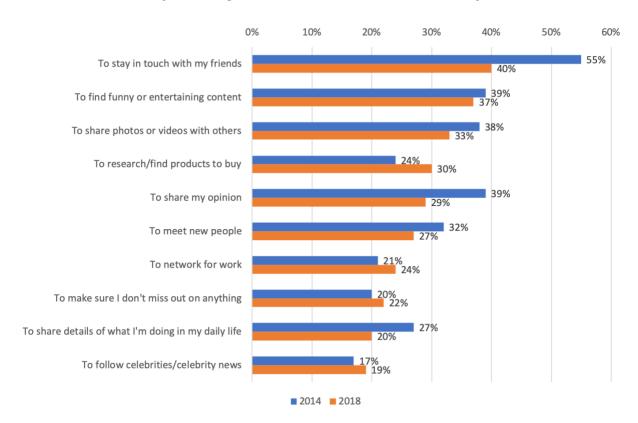


Figure 4: Number of social network users worldwide from 2010 to 2023 (in billions)

#### Source: Statista (2020a).

As the marketers have recognized the power and influence of social media and as they always strive to keep up with the trends, they have naturally adjusted their marketing efforts and are now meeting their customers online, on social networks. Social media marketing (SMM) has become so important, that marketers nowadays cannot afford not to invest in these activities (Tektas, Bertrand, Daddieh, & Yang, 2018). This type of marketing is completely based and dependable on using social media platforms when attracting consumers (Neti, 2011). In a research conducted by eMarketer, it is found that 91% of companies with 100+ employees in the U.S. had been using social media for marketing purposes in 2019 (eMarketer, 2017a). Another research conducted by the University of Massachusetts proved that 84% of companies that participated in research stated that being active on social media is essential for their business success and 78% of them claimed that social media marketing activities proved to be effective (Statista, 2019a).

Core objectives for using this type of marketing are not much different from objectives to any Internet presence. They include brand development, that aims to increase brand awareness and brand affinity. However, as it is commonly believed, brand development strategies do not necessarily influence sales growth, but can affect a brand's stock value. Secondly, by applying social media marketing tools, marketers tend to generate revenue which they achieve by direct sales, lead generation or direct marketing. Third objective, according to Alan Charlesworth (Charlesworth, 2017) refers to enhancing customer service and support, that consequently positively influences the other two objectives (Charlesworth, 2017). SMM is proven to have positive impact on brand loyalty as well and customers' purchase intentions, which is another reason why it is being applied by a large number of marketers (Bader, 2019). Other than already mentioned reasons for applying SMM, Statista's most current research (2019) that included 4.859 marketers, shows other important benefits such as: increased exposure (93%), increased traffic (87%), provided marketplace insight (58%) and growth in business partnerships (56%) (see Figure 6) (Statista, 2019b).

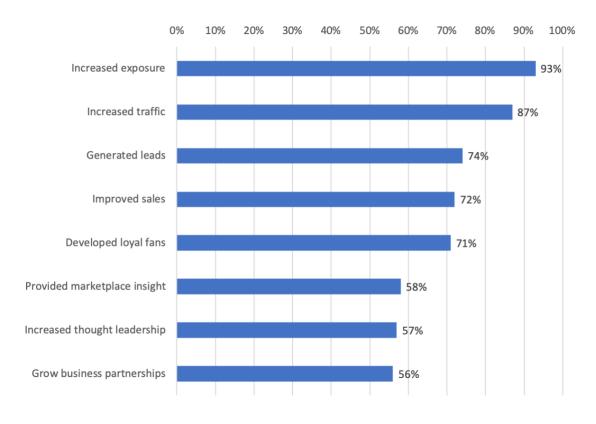


#### Figure 5: Top motivations behind social media usage

Adapted from GlobalWebIndex (2018).

In order to achieve all the benefits that SMM offers, marketers should be very cautious about the actions they take in its application. Larter and McColl claim that before we even try to sell something to someone using social media as a tool, we have to make sure that customers know who we are, they like and trust us and the most importantly they need what we are trying to sell (Larter & McColl, 2016). They believe that we should start first by increasing awareness and visibility of our business and gradually people will start to recognize our qualities and will start engaging with us through likes, shares or comments. We should not hurry to sell right away (as it is proved to be immediate turn off) but continue to nurture relationship with our customers and once our connection is strong, we can perform the last step, which is selling. The reason why customer relationship is so important in SMM is because of the belief that "people love to buy, but they hate to be sold to." Once customers trust and appreciate who you are and what you do, they will have no hard time to make a purchase decision (Larter & McColl, 2016).

# Figure 6: Leading benefits of using social media for marketing purposes worldwide as of January 2019



Source: Statista (2019b).

## 1.3.1 Online communities

Many authors emphasize the power and role that online community plays in SMM. It is in human nature to seek belonging and to wish to be a part of community. That is where we feel safe, comfortable and connected. Similarly, it is well known that people trust more messages they receive from those they already know and have some kind of relationship with, even virtual, than messages that came directly from marketers that are clearly trying to sell their products for profit. Some of the most important dimensions of online communities that can help us to understand their essence even more are nicely shown in Figure 7 (Mahoney & Tang, 2016).

Products or places that our friends recommend us are much more likely to influence our behaviour and motivate us to take an action, than pure ads. Moreover, individuals we admire and identify with have the same power of persuasion as our real friends, as we tend to copy their habits, choices and values. That simply means that if the person I follow and respect recommended a certain seafood restaurant in the city, I will most likely get the instant desire to visit it, even though I planned to go to a pizza restaurant today. That is how powerful and influential online community can be (Mahoney & Tang, 2016). It is believed that there is

something so strong about the community that paid advertising can never replace (eMarketer, 2017a).



Figure 7: Dimensions of community

Source: Mahoney & Tang (2016).

As people love to do business with people, rather than with sellers directly, it is companies' task to build deep connection with their audience and to show them they really care for them. It is very important that this relationship is sincere since human connection is the root of all business success and as customers are able to easily "smell" if we are not being honest (Golodner, 2020). Besides all positive aspects of SMM, there is always the other side of the coin. It is commonly found in the literature that marketers are struggling with measuring the effectiveness of SMM, to be exact, their return on investment (ROI). The issue with measuring ROI of SM lies in the fact that by using SM we generate a large amount of qualitative data that is difficult to convert in monetary, financial terms. In that way marketers remain uncertain about their ROI (McCann & Barlow, 2015). In the research from 2015 (McCann & Barlow, 2015), 65% of SME surveyed did not measure their SMM ROI and in the one conducted in 2019 (Statista, 2019c), which included 4.859 respondents, 34% were uncertain how to measure ROI (Statista, 2019b). Some authors even claim that the value of SMM cannot be measured at all, because SM is all about people and not money (McCann & Barlow, 2015).

In spite of the challenges they face in terms of measuring its effectiveness, it is expected from marketers to constantly be active on SM, but on the other hand not too active which sometimes brings difficulties in finding the golden middle (Tektas, Bertrand, Daddieh, & Yang, 2018). They are expected to create content but also to be cautious not to offend any social groups in terms of their religion, race, gender, sexual orientation and other group characteristics. Social communities are extremely important, but at the same time there is always a certain chance that members, especially competitors, will misuse online communities to their own favour and intentionally leave negative feedback about our

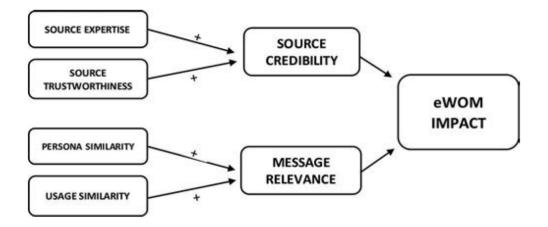
business, which will turn our customers away from us (Pasternak, Veloutsou, & Morgan-Thomas, 2017).

#### 1.3.2 eWOM

Closely related to online communities and something that appears as their product are electronic word of mouth (eWOM). Word of mouth in face-to-face communication used to be one of the most effective marketing methods, long before it got its electronic form. eWOM refers to "positive or negative statement made by a potential, actual or former customer about the product, service or a company" (Moriuchi, 2019). eWOM is, simplified: "information written by other consumers on the Internet" (Kristine De Valck, 2020). It is an inevitable part of digital marketing and goes hand in hand with influencer marketing or even wider phenomenon known as consumer generated content (CGC). eWOM can be found at different places on the web: on review sites, forums, blogs, vlogs, company websites, SNS and it is available for reading to a large group of Internet users. Marketers take advantage of this tool in order to gain better understanding of consumers' decision-making processes and to test their opinion on numerous topics. It is such a powerful tool primarily because it is well known that the information that is published online travels much faster to consumers than through any other medium and secondly, because it creates a much higher level of trust compared to any other content that is created and presented by the companies directly. Consumers trust their peers who leave reviews more than messages that are created intentionally to generate sales (Moriuchi, 2019). In psychology this phenomenon is recognized under the term trusting someone like me (Charlesworth, 2017).

Results of one research show that in order for eWOM to make an impact some prerequisites have to be reached. Factors such as source credibility and message relevance play important role in how potential customers are going to perceive content they have just read (see Figure 8). Two underlying dimensions of the before mentioned factors are also meaningful and will shape users' reactions to eWOM. For source credibility those are: source expertise and source trustworthiness. This means that users are less likely to assess a source as credible if the reviewer's expertise is lacking, namely if the review is not well-written, is too short, not detailed enough and includes inappropriate jargons. Similarly, if users do not feel that they can trust the source that is leaving a review, if they realize that the reviewer's intention is to have them buy the product, click here or forward the post, the source will not be deemed credible and eWOM will not have any impact. Two dimensions of message relevance – persona similarity and usage similarity have similar effects. Users are more likely to trust reviews written by someone they consider similar to them (they use specific tone and style of writing that relates to user) and also in cases when they perceive source's intended use of the product is similar to their own (O'Reilly, Macmillan, Mumuni, & Lancendorfer, 2016).

#### Figure 8: Conceptual framework of eWOM impact



Source: O'Reilly, Macmillan, Mumuni, & Lancendorfer (2016).

eWOM used to be created exclusively by consumers who genuinely wanted to help other consumers of the product or service in their experience. However, thanks to the increased use of SNS in the recent years, people have started creating more and more posts that will ensure them social recognition, rather than in order to help others make a decision about a certain place or product. This is also when marketers started influencing eWOM and using them to their own favour. It is stated that they can influence them in all their three stages: creation, exposure and evaluation. In order to achieve the set goals, it is recommended for marketers to devote their time to understanding different motivations that drive consumers to create eWOM, so they can adjust their activities accordingly. For example, if they aim to support altruistic eWOM creation, they can try forwarding product-related questions from other users, as Amazon does. On the contrary, if they want to stimulate creation of eWOM for social recognition they can offer picture-perfect photo contests, as Disneyland does. With the quick changing environment, technological developments and shift in consumer preferences, it is a must for the marketers to think beforehand and predict or just be prepared for the new trends, so it is highly recommended for them to continuously strive to stay ahead with the game (Kristine De Valck, 2020).

#### 1.4 Leading social networks and its marketing role

Boyd and Ellison (Boyd & Ellison, 2008) define social networks as web-based services that have following features: (1) allow users to create public or semi-public profiles, (2) to articulate a list of other users with whom they interact and (3) to view their and others' connections within the network (Boyd & Ellison, 2008). Social networks allow individuals to express their opinions and emotions on different topics with other participants in the community regardless of geographical location (Can & Alatas, 2019), to comment, leave a review and share information and in that way to contribute to the creation of significant value

that is being made by and for, both users and organizations (Dolan, Conduit, Fahy, & Goodman, 2017).

Through social media channels, users are able to maintain existing friendships or to make new ones, (Boyd & Ellison, 2008) to entertain and educate themselves, seek social status or even find romantic connection (Stockdale & Coyne, 2020) Some argue that social networks are of extreme importance for us as humans, for the simple fact that *no man is an island* and that we all need connection and support from others (Kane, Alavi, Labianca, & Borgatti, 2014). This assumption was definitely confirmed during the recent Corona virus crisis that had all people in the world locked down in their own homes (De Valck, 2020).

When joining social networks, individuals are usually asked for a certain amount of personal information that they have to fill out, such as name, age, gender, location, e-mail address and personal interests. Other than that, there is "about me" section, where users can introduce themselves briefly and add a profile photo additionally. Different platforms are based on different type of ties and so, there are networks with one-directional ties, such as Instagram and Twitter, whose participants are known as followers or fans and contrary, platforms with bi-directional ties, as it is Facebook, that requires confirmation of friendship request, in order to connect users between each other (Boyd & Ellison, 2008). As the number of different platforms that are available to the potential users is constantly increasing (Tandoc, Lou, & Lee Hui Min, 2019), users have become "spoiled" with a vast variety of choice that is offered to them and many of them are now active on multiple sites, even though they all have similar features. The reason why users switch from one network to another and efficiently navigate through them is because they find certain platforms more convenient in terms of satisfying their needs and expressing themselves, than the others. For example, people use Instagram mainly for sharing photos and video content, Facebook is most convenient for organizing events and forming social groups, while WhatsApp is mainly used for messaging (Stockdale & Coyne, 2020).

Social networks and different methods of their analysis have gained great interest among different researchers from numerous fields of science such as sociology, education and economics (Can & Alatas, 2019). Academics are trying to approach the phenomenon from different angles and perspectives and to explore usage motivation of participants, nature and types of social interactions that are being created on those channels, usage patterns and user characteristics more in depth (Dolan, Conduit, Fahy, & Goodman, 2017). Thanks to these numerous researches it is ascertained that among many benefits that users enjoy while using social networks, they can also develop some pathogen, undesired behaviour. Namely, it is noticed that more and more people use social networks to manage their negative moods and boredom. This gradually creates dependence on social networking sites (Stockdale & Coyne, 2020; Sanz-Blas , Buzova, & Miquel-Romero , 2019) and increases time spent on those platforms, that then becomes ineffective and basically wasted (Rokon, et al., 2018). Well known and frequently discussed questions related to social networks are disorders such as

depression, anxiety, aggressive behaviour and narcissism for which it is believed can be developed or intensified by social media (Stockdale & Coyne, 2020).

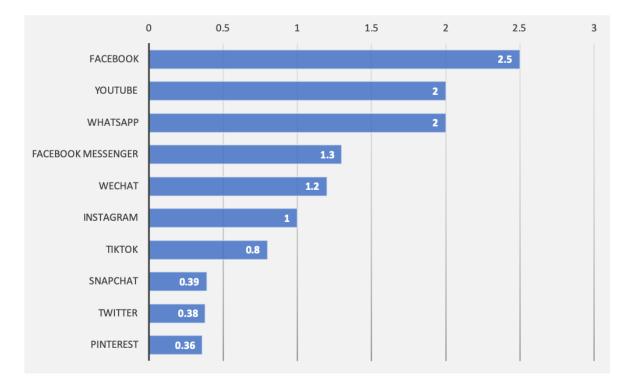


Figure 9: Number of social network users (in billions)

Source: Statista (2020b).

As social media platforms are growing in popularity and number of users (Ortiz-Ospina, 2019) they have become mainstream platforms that connect one third of global population (Dolan, Conduit, Fahy, & Goodman, 2017), with around 3 billion users (Abrams, 2019) and over 15 billion registered brands (Dolan, Conduit, Fahy, & Goodman, 2017). Figures from 2014 revealed that the most popular social medium in the world was Facebook, with 1.32 billion of users and it accounted to 85% of all orders through social media (Duffett, 2015). Facebook has kept its leading position until today, with nearly 2.5 billion active users per month (Statista, 2020b) and whose founder and CEO, Mark Zuckerberg, is the wealthiest social media entrepreneur in 2020, according to Forbes' *World billionaires list* (Forbes, 2020). Right after Facebook, YouTube and Instagram are the social networks that count significant number of users and are hurriedly growing in popularity and for that reason will be in particular focus of this master thesis. Since What's App, Facebook Messenger and We Chat are the social networks that are used exclusively for messaging, they will be excluded from this research. Share of the most popular social networks is shown in the Figure 9.

#### 1.4.1 Facebook

Originally, Facebook was created as a student-only platform to enable Harvard University students to connect with each other (Treadaway & Smith, 2012). It all started in 2004 (Hew,

2011) and after that the platform's value and usability was recognized by other universities and it expanded to all colleges in the U.S., likewise (Treadaway & Smith, 2012). As the time was passing by, Facebook gradually continued to open its doors to more and more users, such as high school students and workplace networks. In 2006 they made the network available to the general public and started growing internationally. They succeeded in conquering the business world, came closer to the baby boomer generation and even older, retiree demographic groups. Facebook's development path is graphically shown in Figure 10 (Treadaway & Smith, 2012).

#### Figure 10: How Facebook's audience has evolved



#### Source: Treadaway & Smith (2012).

Today, any user that has a valid e-mail address is welcome to join this world's biggest social network (Abram & Pearlman, 2011). Since its establishment, Facebook has kept up with innovations of the platform's features which appeared as a response to the changing environment in terms of competition, user preferences and practicality (Treadaway & Smith, 2012).

Facebook is an online social network that enables individuals to maintain and improve their social relationships (Abram & Pearlman, 2011). That is a platform where people can share photographs, personal information, join different groups (Hew, 2011), make friends with other users, keep themselves updated about what they are up to, send them direct message via Facebook Messenger, organize events and invite their friends, get reminded of friends' birthdays, entertain themselves by playing various games and using other applications that are available (Abram & Pearlman, 2011). Establishing a Facebook profile is a very simple, five-minute long process that requires only basic computer literacy. A person's profile serves as a representation of oneself and even as a resume for a future employer, since it is not rare that companies check on a person's Facebook profile prior to the job interview. When creating a personal profile and later, at any time, users can manage the amount of personal information that will be available to the public. They can choose the content that will be visible to wide audience and similarly hide the information they consider private (Abram & Pearlman, 2011).

Facebook as a platform offers many features for companies as well, which is a reason why such a large number of them decide to promote their business through this platform. Companies are able to make close relationships with their customers, deepen them using direct communication tools and widen customer's network (Guhl, Winkler von Mohrenfels, Abshagen, & Klapper, 2016). Advertising through this platform is very effective as it provides organizations with the very precise information about customers and makes it easy

to track them and control their marketing efforts accordingly (Treadaway & Smith, 2012). Facebook collected \$17.4 billion from advertising in the first quarter of 2020, which is an increase of \$2.5 billion from the same time last year (Clapp, 2020a; Clapp, 2020b). Research carried out by eMarketer showed that marketers prefer to spend the most on social media ads on Facebook platform (96%), while that share was 75% for Twitter, 59% for Instagram and 16% for Pinterest (Kats, 2020).

Even though Facebook is the most popular social network, both among users and marketers, its further growth remains to be seen. Some researchers predict a drop of 20% of marketers' spending on Facebook in 2020 and an increase of two thirds of marketers that will spend more on Instagram instead (Clapp, 2020b). There is a decrease in popularity of this platform noticed among users in Europe and U.S. as well. To be exact, one fifth of internet users worldwide (19%) stated that Facebook was one of their top three favorite websites in 2019, which is a drop from 27% in 2017. The largest drop is spotted in Norway (from 33% in 2017 to 18% in 2019) and in the UK, similarly (from 30% to 19% over the same period) (Clapp, 2020c).

Facebook's management is trying to slow this growing unpopularity down, especially among young users, by investing in features like social video, influencer content, gaming livestreams, podcasts and travel content (Clapp, 2020b). Additionally, the unpopularity of this network has been driven by numerous data privacy scandals (Cadwalladr & Graham-Harrison, 2018), spread of misinformation that had influenced election results in some countries and perceived negative impact that social media have on mental health. Many countries even call for restrictions on Facebook's current data-collection practices and request investigation on cases where data privacy laws were violated, especially in Germany and UK where those initiatives are the strongest (WARC, 2020d).

#### 1.4.2 Instagram

Instagram is a platform used for self-presentation via posts, mainly photos and videos (Johnson, Potocki, & Veldhuis, 2019). Namely, this platform enables users to share their everyday activities through features like photo and video sharing, Instagram stories (posts that are visible only for 24 hours), there are also options for direct messaging the followed ones, commenting on their posts, options to discover community and get inspired by other users. Instagram offers even a shopping feature, which makes placing orders from the favorite brand very simple (Instagram, n.d.; Manovich, 2017). As Facebook and Instagram are under the same roof, Instagram has started offering more and more options that relate to Facebook and so users can share the same content simultaneously on both networks. This is very convenient for users, especially, when keeping in mind the already mentioned fact that users love to be present on numerous platforms at the same time (Tandoc, Lou, & Lee Hui Min, 2019).

Instagram was founded in 2010 and according to the statistics from 2018 it has more than 1 billion monthly active users worldwide, 500 million daily active users with the largest user group consisting of young adults 25-34 years old (35%) and 18-24 years old (29%) (Statista, 2020c). Marketers find this fact, that Instagram gathers mainly younger population, very attractive, as they can meet their target group of consumers at the place where they are relatively engaged (Johnson, Potocki, & Veldhuis, 2019). It was calculated that 73% of marketers globally use Instagram as advertising platform and that there were 25 million registered business accounts on this platform in 2017 (Statista, 2020c). In their advertising strategies related to Instagram, marketers use mostly native ads, which means that they craft their messages in a way that they do not appear as ads but are on the contrary perceived very organic. Formats they are most focused on are paid sponsorships and placements in celebrities and influencer posts (Johnson, Potocki, & Veldhuis, 2019).

As users enjoy following celebrities, popular lifestyle and fashion influencers, rather than just posting their own photos and checking on their friends' feed, (Johnson, Potocki, & Veldhuis, 2019) Instagram succeeded in becoming the leading influencer marketing platform (Enberg, 2018). However, the competition with two main platforms - Snapchat and TikTok for the users from young demographic groups is expected to be intense. Instagram's growth is expected to slow down (but not decrease) in the next years, but despite all those circumstances, researchers are convinced that it will manage to keep its current position on the market (He, 2020).

## 1.4.3 YouTube

YouTube is a video based social network that allows users to express themselves, to find useful information, educate themselves in various fields and to promote their business (YouTube, n.d.). Users of the platform establish their personal "channels", create and post video content that then becomes visible to both unregistered and subscribed viewers (Taylor, Lewin, & Strutton, 2011). Even though everyone has the opportunity to watch, only registered participants have the option to rate the video, to like or dislike it, to leave comments below it and share videos with friends (Khan, 2016).

YouTube was launched in 2005 and today it gathers over 2 billion registered users that visit the site each month. Statistics show that over a billion hours of content is watched on the platform daily (YouTube, n.d.). As this platform has a very broad reach and huge audience, and welcomes everyone from amateurs, politicians and artists to educational institutions, marketers have recognized this opportunity and started using YouTube on a large scale as a means of advertising their businesses (Khan, 2016). Videos are perceived as huge differentiators when it comes to nowadays advertising strategies and many companies, both for and not for profit, create videos, carefully choosing content and words to intentionally attract selected customers (Boysen, 2019). Sharing content in a form of video is rising in popularity among advertisers, mainly thanks to the increased speed of internet and growing mobile device use (Khan, 2016). When TikTok showed up on the market, many thought it will take a significant amount of YouTube's advertising revenues. However, shortly it became clear that TikTok is not suitable for advertisements, because the form is too short and ads would take too much of video space (Droesch, 2020). In that way, YouTube remained the strongest video platform worldwide, while its future is still to be seen.

## 1.4.4 How SM companies shape online reality

Major SM companies - Facebook, that owns both Instagram and Facebook and Google that is in charge of YouTube, have an inconceivable impact in creating reality we witness every day. They successfully manage to affect not only the lives of individuals, the way they think and act, but also the whole digital world, through setting new trends and directions of development. Those companies have changed (and still do) the way people communicate and especially how brands communicate with their clients. They are influencing businesses of all sizes respectfully and are reshaping their marketing strategies with success (Bochenek & Blili, 2014).

Instagram itself, as a primarily photo-based platform, impacts digital and business world through emphasizing importance of visual. It has made users, content creators and finally marketing strategies' planners pay much more attention to esthetics. It seems that visual has never been more important and everyone is putting so much effort in order to make their posts look good. As a consequence of the rising influence of the visual element, all marketing messages have become more effective in a form of photo than in any other. Similarly, the popularity of photography has increased over night, just like a must of using sophisticated cameras and latest versions of smartphones with extra performances (Lynch, Patterson, & Bheacháin, 2020; Valentini, Romenti, Murtarelli, & Pizzetti, 2018). Furthermore, through its recently added features (IGTV and Stories) Instagram has contributed to creating a new trend where video sharing is becoming the most effective tool that brings best marketing results and catches potential consumer's attention most successfully (Oziemblo, 2020).

Through offering editing tools, Instagram has encouraged people to post almost anything they like and, in that way, created online reality that is in constant need of producing more and more content. That resulted in increased online presence and made being constantly active on SM platforms normal (Van Driel & Dumitrica, 2020). They manage to make users engage in actively using the site by enforcing their curiosity through adding new features like AI filters, reaction to stories and new tools that help users to connect with each other better. In digital world, Instagram is considered to be the shiniest example of what real engagement should look like and it is said to be the strongest platform for that purpose among all the others (Valentini, Romenti, Murtarelli, & Pizzetti, 2018; Instagram, n.d.). This influential company has succeeded in shaping digital reality in one more way and brought a

completely new perspective and level of connection with the ones we follow. That happened with the introduction of live streaming, where users got the opportunity to connect with each other in real time which enabled both viewers and content creators to experience a much more intimate connection. Live streaming existed long before Instagram introduced it, but they were the ones that succeeded in making it so meaningful and used (Instagram, n.d.). A similar effect has been achieved with Facebook's feature "Facebook Live". In order to contribute to solving increasing mental health issues, caused by huge comparison levels by the users of the platform, Instagram (and Facebook) have started removing the number of likes visible to public for certain group of users. It is believed that this move will increase creation of more authentic posts, since users will not be making only content they know other people would like anymore (Leventhal, 2020).

Although two remarkably different platforms, YouTube (YT) and Instagram have initiated some changes in digital world that are very similar. Namely, they brought in the concept of prosumer, which made users not only consumers but also producers of online content. Through encouragement of content creation, YT executives have managed to make everyone creators and all that under the slogan that this concept is important for developing creativity and self expression. By forming the platform where video content on any topic can be published, they have completely erased barriers to enter production and distribution of media content and have notably changed the role of the traditional media, such as TV and radio. Immediacy and intimacy have become much more important than any other values like fidelity and trust. Online world is now filled with influential users (Youtubers) that record almost everything from their daily life, which is why we now have cyberspace where we can easily step into their bedrooms, we can get to know their family, friends, listen about their personal challenges etc. What is more, YT has induced the trend of everything being one click away, content that is always available and instantly accessible. It is believed that this trend is the reason why consumers have less and less patience and shorter and shorter periods of active attention (Parker, 2015). The recent Corona Virus crisis has triggered some new changes in digital reality. As it made people all over the Planet stay "lock downed" at home, users have started producing "at home" videos, which led content creation toward a more realistic instead of a perfectionistic pattern. People have turned to a more productive type of entertainment and started looking for attainable authenticity (WARC, 2020).

Together with YouTube and Instagram, Facebook, as a powerful means for introducing new digital trends has also triggered certain changes in online reality, some of which were already mentioned. They were probably the first ones that promoted, today well-known situation of presenting reality better than it actually is. It has become new normal for people all over the globe to edit their social media profiles in a manner that represents them and their lives more beautiful and successful (Jarrett, 2015). Facebook (and later other SNS) have created a space that is becoming more and more based on artificial intelligence. That brought us one relatively open cyberspace, where we do not depend on working hours of a company anymore and can ask for help anytime, everything thanks to "chatbots" that have replaced humans on a large scale. This all again resulted in increasing lack of patience among

consumers and tendency to get things done as quickly as possible. AI is changing our both online and offline realities and seriously changes the way we communicate, replacing in person communication, communication over the phone and even e-mail with short text messages and a large amount of information available on the web (Wilson-Nash, Goode, & Currie, 2020).

## 2 ONLINE ADVERTISING AND ITS CHALLENGES

Marketing is a broad discipline and social media marketing as its part is a very intensively researched topic, especially in recent years when marketers became aware of the social media potential and started using its marketing tools repeatedly. Social media marketing (SMM) is commonly mistaken with social media advertising (SMA), where SMA refers to solely advertising on SM and having a FB page for example would be SMM. Another issue that researchers have noticed to be making an even greater confusion is related to a vast majority of uneducated and inexperienced people that work in digital marketing and call themselves marketers. Online advertising has many forms and thus the users are able to see different forms of ads while using mobile apps, playing games, searching the web, shopping etc. However, the ads are most commonly seen on social media platforms which is also the reason why online advertising on social media will be in the spotlight of this master thesis (Charlesworth, 2017).

## 2.1 Attitudes and beliefs towards online ads

Online advertising has become an inevitable part of every marketing strategy nowadays, but its effectiveness is still to be completely investigated (Moriuchi, 2019). Advertising is being criticized for promoting materialism, misleading audiences and compromising the values that society cherishes (Wang & Sun, 2010). One especially common complaint, reported by the users of social media platforms, is that ads are often being too invasive, annoying, irrelevant and that there are simply too many of them all over the network (Boateng & Okoe, 2015).

As every marketer aims to be successful in their advertising activities, it is important to explore attitudes and beliefs that customers have toward advertising, as they are proven to be the main factors that will determine ad acceptance or avoidance. Attitudes toward online advertising (ATOA) serves as an important measurement tool for effectiveness of online advertising in general. Although it may sound the same, attitudes and beliefs are two different terms. Attitudes toward a certain question are formed on the basis of the beliefs we have, which means that beliefs about advertising, for example, are antecedents of attitudes toward advertising that we will form later. Beliefs refer to statements that describe attributes of the object and attitudes, in contrast, are broader terms that serve to summarize evaluations of certain objects. Hence, the statement: "online advertising is entertaining" will refer to one person's belief and on the other hand, statement: "overall, I consider online advertising a

good thing", will be one person's general attitude toward advertising (Wang & Sun, 2010). Some additional definitions of the concept of ATOA are presented in the Table 2 (Liu, 2009).

Author	Year	Definition of the concept	Factors of the study	Main research findings
Wang, Ying; Sun, Shaojing	2010	ATOA are defined as: "the aggregation of evaluations of perceived attributes and benefits of online advertising"	<ul> <li>Belief factors</li> <li>Online ad clicking</li> <li>Online shopping</li> </ul>	<ul> <li>Belief factors (information seeking, entertainment, economy, credibility, and value corruption) are predictors of ATOA</li> <li>Consumer ATOA vary across the countries</li> </ul>
Duffett, Rodney	2017	ATOA are factors that are relatively enduring, consistent and constant over time and are consisted of three elements (cognitive, affective and behavioral). The concept of ATOA is based on the theory that states that positive ATOA will result in positive influence on purchase intention.	<ul> <li>SMM</li> <li>Intention to purchase</li> <li>Brand performance</li> </ul>	<ul> <li>User online behaviour such as time spent, frequency of logging in etc. influence their ATOA</li> <li>Brands should pay attention to these variables and direct marketing activities according to conclusions they make</li> </ul>
Taylor, David G.; Lewin, Jefferey E.; Strutton, David	2011	ATOA is a concept that is composed of two dimensions – instrument (individual's evaluation of advertiser's methods) and institution (social and economic impact of advertising).	<ul> <li>Effectiveness of online ads</li> <li>Customer perceptions of online ads</li> </ul>	<ul> <li>Ads are effective when users accept them</li> <li>Users are more likely to develop positive ATOA when the content presented is entertaining, informative and brings social value</li> </ul>

Table 2: Literature review on the concept of ATOA

Liu, Wen- Ling	2009	ATOA refer to: "enduring systems of positive or negative evaluations, emotional feelings, and pro or con action tendencies with respect to social	-	Effectiveness of online advertising Factors influencing purchasing decisions	<ul> <li>Marketers should choose advertising channels wisely, pay attention to changes in customers behaviour and mind the gender of their customers when creating advertising messages</li> <li>Opinions of friends and colleagues, lifestyle and standard</li> </ul>
		respect to social objects."			of living have important role in
					decision making process

Adapted from Wang & Sun (2010); Duffett (2017); Taylor, Lewin, & Strutton (2011); Liu (2009).

The role of social media marketing (SMM) is to influence a certain user's attitude components such as to raise awareness and knowledge about the brand, to stimulate liking and to influence consumer preferences, to affect purchase decisions and intentions to purchase (Duffett, 2017). Attitudes toward ads can be influenced by numerous factors like credibility of the brand, ad perceptions, preexisting attitudes toward sponsors, recipient's mood (Taylor, Lewin, & Strutton, 2011) and previous experience and relationship with the brand (Boateng & Okoe, 2015). It is also believed that factors like: information seeking, entertainment, economy and value corruption can be useful in predicting attitudes toward advertising. Attitudes and beliefs vary across different countries and so, when analyzing them, marketers have to be aware of those cultural differences and take them into account when they make conclusions and predictions. Because of this, a need for more detailed cross-cultural studies has been recognized by researchers in this field (Wang & Sun, 2010).

## 2.1.1 Consumer behavioral responses

In order to be effective, ads have to be accepted by users first. Ad acceptance is equally important to both advertisers and SNS providers, as social media platforms are highly dependent on revenues from advertising (Taylor, Lewin, & Strutton, 2011). Consumers' attitudes and beliefs drive their behavioral responses, particularly - intention to purchase and purchasing behaviour, which are two variables of the greatest importance for advertisers. The more positive ATOA consumers have, the more likely it is that they will recall the brand and their ads, be receptive to advertising and develop buying interest (Wang & Sun, 2010).

ATOA are based on perceived costs and benefits that a user achieves. Hence, if the perceived benefit of the advertising exceeds the perceived cost, the attitude will be positive and vice versa. Benefits that consumers gain from advertising can be:

- 1. content related (users are gaining information and entertainment)
- 2. structural (refers to filling and structuring user's time) and
- 3. social benefits (derived from the self-enhancing value of advertising and the peerinfluence socialization factor)

Numerous researches have been made in order to determine which factors result in creating positive ATOA and consequently, favourable behavioral responses. It is claimed that consumers tend to hold more positive attitudes when ads are informative and entertaining, when they affect customer's image about themselves and when the peer influence is strong (Taylor, Lewin, & Strutton, 2011). Users are going to be more receptive and responsive to ads if they believe that online advertising is beneficial for the country's economy, brings certain values to them and is credible and trustworthy. Product information, level of hedonic pleasure they bring and social role and image are also belief factors that are proven to be important in creating positive ATOA (Wang & Sun, 2010). Consumers are relevance driven, so it is important to create content that customers are looking for and to which they are likely to respond (Zhang & Mao, 2016).

Researchers came to the conclusion that certain parameters that generate positive ATOA are related to users' habits and behaviour on social networks. Variables such as frequency of using SM, type of user (active/passive), frequency of commenting, leaving reviews, updating their profiles and previous experience with certain SM platform are said to be the factors that marketers can rely on when analyzing their users and creating marketing campaigns (Duffett, 2015). Other than that, users are more likely to click on the ad if they have previous knowledge about the brand and have a favourable attitude toward sponsored ads and especially if they match their expectations and values (Gauzente, 2010). It is found out that a company's reputation and a consumer's relationship and interaction with the brand have been linked with the consumer's response to a firm's marketing programs. Consumers respond favourably toward social media ads by a company they appreciate and trust and those they would recommend to family and friends (Boateng & Okoe, 2015).

Similarly, just as being able to create positive ATOA, consumers can develop negative ones as well and respond to advertising content by ignoring or disliking the ads and brands in general. Consumers usually tend to negatively respond to marketing messages when ads intrude on, distract or irritate them by interfering with their goal-directed behaviour. There are two barriers to ad acceptance that are considered to be the most limiting: invasiveness of the advertisements (that lead to ad avoidance) and users' loss of privacy concerns (Taylor, Lewin, & Strutton, 2011).

#### 2.1.2 Ad avoidance

Ads have always been problematic and were topic of many debates and research studies. The main reason for that lies in the fact that ads are sometimes very interruptive, annoying and irrelevant. One study showed that 44% of consumers have never clicked on a FB ad, 31% rarely, 10% often and only 3% regularly. 8 out of 10 respondents of this study have never viewed ad or sponsored content on FB (Duffett, 2015). Intrusiveness of SM advertising today is much higher than it was a case with traditional marketing channels like TV and radio. The attitude consumers have toward advertising on TV is different because they are somehow

aware of the fact that they have to be exposed to advertising in order to receive programming for free. This contract is however, not perceived in cyberspace (Zhang & Mao, 2016).

Marketers apply numerous strategies that appear problematic and often lead to ad rejection. They commercialize their products too excessively, overloading consumers with ads that are sometimes not even well targeted. Advertising clutter usually causes ad avoidance, which diminishes ad effectiveness, decreases positive attitudes toward messages and brands and lowers customer's intention to purchase. The most common consumer's mental states that drive avoidance of online advertising include: perceived intrusiveness, irritation and perceived lack of navigation control. When users perceive ads as intrusive, that is usually because their browsing activities and communication with the friends on the web are being interrupted, which causes them to see ads as annoying and disturbing. The situation only worsens in cases when marketers have to deal with users that are completely not interested in advertising and use SNS exclusively to keep in touch with their friends and family or to browse for information (Zhang & Mao, 2016). Some consumers are of the belief that Internet is more a tool for completing tasks than it is a medium for entertainment. For this reason, they tend to avoid ads more willfully, especially if they have a certain time limit to complete their task (Rejón-Guardia & Martínez-López, 2014).

Avoidance of ads is not only connected to motives for accessing SNS and type of navigation that is being done (goal directed versus exploratory), but also to the particular moment when the interruption has happened, the factor that caused the interruption and characteristics of advertising format. There are certain ad formats that are a priori considered intrusive, such as: pop-ups, intertitles and spam, whereas formats like banners, that do not block the whole page view are not perceived as intrusive. Moreover, ads that are poorly executed, last too long or take up too much screen space, those that are presented in a medium that users already perceive as having too many ads or ads that are inconsistent in advertising style with the containing website are proven to be perceived as more intrusive in comparison to the others. To such content consumers can respond in numerous ways. They can decide to ignore the certain ad or even advertisements in general, they can develop negative emotions toward ads, or they can react by leaving the cyberspace or closing the ad. In time, some users even start to unconsciously avoid focusing on the ads in their visual field, which is the case with well-known phenomenon named "banner blindness" (Rejón-Guardia & Martínez-López, 2014).

Irritation is another negative emotion that appears as a result of too many ads in too small space. This feeling is mostly triggered in cases when users are unable to close the ad but are obligated to watch it instead. Other common causes of irritation include: type of product, loss of control perceived by user, ad that is directed to wrong audience, manipulative messages, delays caused by ads, excessive repetition during a short period of time and forced exposure to ads (Rejón-Guardia & Martínez-López, 2014). Users are very sensitive to the content that is being presented to them which means that they are more likely to negatively react to ads that are irrelevant and uninteresting. On the other hand, consumers are very

receptive to the ad messages that correspond to their specific needs and interests. However, there is a thin line between relevant and invasive, so marketers should be careful and balanced when creating their advertising content (Taylor, Lewin, & Strutton, 2011). In order to protect themselves from unwanted marketing content, users have started to heavily use ad blockers, which are browser's add-ins that can be installed very simply. It was found out that people block ads because: there are too many of them, they are irrelevant and annoying, they are afraid that they contain viruses, they take up too much screen space, in order to avoid ads on all mediums and especially before watching a video content (Benes, 2018; Abdulmajid, 2019).

As already mentioned, internet is specific space where, standard, traditional marketing rules do not apply. Advertising avoidance happens under different circumstances and for different reasons. Thanks to the speed of Internet and access to data, users are accustomed to doing tasks very quickly and it seems like they are constantly lacking time and patience. What is more, users extremely like to have control over their actions on the web and over the content they see and interact with. For those reasons, it is clearer why nowadays consumers are more and more against invasive and disturbing advertising campaigns on social media (Rejón-Guardia & Martínez-López, 2014). Some authors emphasize the importance of closer investigation of demographic group of people born between 1981 and 1996, also known as "millennials" and even those that belong to the new generation Z (anyone born after 1997) (Dimock, 2019). It is proven that people in those age groups use Internet and social media platforms most frequently and heavily, as they were born in this generation where using new technologies is basic knowledge and comes naturally for them. Millennials and members of generation Z are specific in various ways, but their main characteristic in terms of their response to advertising content is that they absorb information instantly but can also lose their interest very quickly. This happens in cases when ads are uninformative, boring and irrelevant to them. However, those demographic groups have not yet developed authentic consumer behaviour patterns and it is difficult to predict their attitudes and habits. For this reason, many researchers call for deeper investigation of these two consumer cohorts in order for marketers to be able to successfully reach and attract them (Duffett, 2015).

## 2.1.3 Privacy concerns

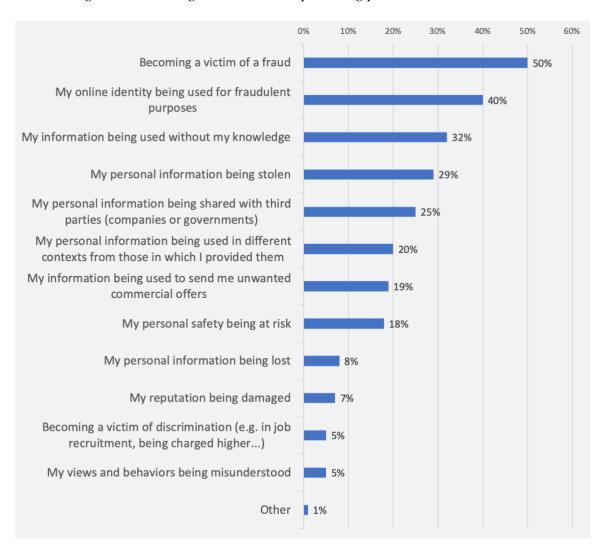
Marketplace becomes oversaturated by both the number of marketers that are trying to develop their full potential and the amount and aggressiveness of marketing content that is being presented to consumers. In order to differentiate from the competition and to attract the right customers, marketers have started using retargeting methods in their marketing strategies. Retargeting methods refer to application of personalization approach where retailers tailor advertising messages to individual consumers, their interests and preferences. This means that they track their online behaviour, collect and analyze their personal information and based on that knowledge create and present their offers to a particular group of consumers. Even though it is believed that personalization should contribute to the

advertising effectiveness, in fact, it only triggers consumers' concerns for privacy, (Bleiera & Eisenbeissb, 2015) which is said to be the second biggest barrier to ad acceptance (Taylor, Lewin, & Strutton, 2011).

Privacy is defined as: "ability of individual to control the terms under which personal information is acquired and used" (Bleiera & Eisenbeissb, 2015). It is estimated that approximately 80% of active internet users have concerns about social media advertisers accessing and using their personal information (Tulane University, n.d.). According to some researchers, concern about personal data is today's major issue related to social media use (Jung, 2017). There was only 15% of internet users in 2015 that reported they felt they have complete control over personal data provided online (Statista, 2015). All those concerns arise because marketers are allowed to collect so much information about users and to actively use it to their own interest, sometimes even without the user's clear consent (Choia & Sungb, 2018). Due to those circumstances, consumers often feel manipulated, deprived of their own freedom (Bleiera & Eisenbeissb, 2015) and find those activities performed by marketers creepy and off-putting (Taylor, Lewin, & Strutton, 2011). Moreover, they are sometimes afraid that they will become a victim of a fraud, that their data will be used without their knowledge, be stolen or shared with the third parties (Statista, 2015). Figure 11 shows leading privacy concerns more in detail.

Such issues create unfavourable attitudes toward social media and advertising as its inseparable part. Increased privacy concerns affect results of marketing campaigns negatively, lower overall effectiveness of advertising, leaving negative impact on brand image, lowering consumer's intention to purchase and click-through rates (Bleiera & Eisenbeissb, 2015). Numerous data breach scandals, including the largest one of British political consulting agency (Cambridge Analytica), had forced many users to rethink their relationship to social media and security of their personal information (Tulane University, n.d.). For those and many other reasons, users have become more cautious and less trustful on the SNS.

Many studies emphasize the importance of building trust with the customers in order to reach them and generate positive responses to ads. Before they get involved in the process of personalizing ads to their interests and preferences, it is strongly important for marketers to carefully access consumer's trust in them as that will increase their chances of success (Bleiera & Eisenbeissb, 2015). Consumers like transparency and being in control over the issues that are meaningful to them. They appreciate when brands are transparent about their data collection practices and especially when they give them options to adjust privacy settings. In that way they get the feeling of confidence and trust as they can see that marketers are not hiding anything from them. Moreover, they get the feeling that they have a certain amount of control over the ads, which is extremely important to them. For those reasons, it is highly recommended to let the users know that they are being exposed to the advertising content, to inform them about targeting process and use of their own data. Increased control over privacy, given freedom of choice and autonomy will result in better ad receptiveness and further openness to targeted ads (Zarouali, Poels, Ponnet, & Walrave, 2018).



*Figure 11: Leading concerns about providing personal data online in EU* 

Source: Statista (2015).

It is found out that some ad formats generate more success than the others, similarly as certain SNS cause more privacy concerns among the users than the others. For example, in a research done in 2018, it was observed that Instagram users reported more concern about the privacy of their data, than that was the case with Snapchat users. It is due to the fact that Snapchat users cultivate relationships with only their intimate friends, the ones they have trust in, while Instagram users share details about their lives with wider audience (Choia & Sungb, 2018). Regarding privacy related issues, there is one contradiction that is being noticed through numerous studies. Namely, as already mentioned, users appreciate when the content that is being presented to them is relevant to their needs and interests. In that way they are willing to spot the ads more easily and to react positively to them. However, there is another side of the coin when it comes to the relevance of the ads. It was observed that many customers tend to develop more privacy concerns and consequently avoid ads, when

they are exposed to a marketing content that is relevant to them. So, basically, users like ads that are tailored to their preferences but, the same marketing approach (retargeting) triggers their privacy concerns. It is clear that brands will have to find a fine balance between their targeting marketing approaches and their privacy policies in order to keep customers satisfied and attracted (Jung, 2017).

Privacy and data protection on SM are still the questions that await precise and detailed regulation. Tighter regulations will make companies responsible for data protection and in that way many consumer worries will be put under control or will even be eliminated (Tulane University, n.d.). Regulations should guarantee users more control over their personal data and transparency about how and how much information is being shared. Bad advertising experiences are not good either for businesses or the consumers, which is why there is such a huge need for regulation. Some claim that the only reason why users still tolerate ads is because they are aware that SNS are financed from ads and if there were no ads, SNS could not be available for free. Users would be forced to pay subscriptions in order to use them, for which option they are not ready yet. Some expect that new legislation concerning privacy policies will put the wall between brands and people that love them and could even cause the end of free internet. New measures concerning privacy laws, such as GDPR and CCPA define, will certainly bring critical changes but their impact on online advertisers, publishers and content is still to be seen (Golden, 2019).

## 2.2 Effectiveness of current online advertising tools

Effectiveness of online advertising is one of the crucial issues that catches attention of marketers and scholars equally, even though this variable is still very complex and difficult to measure (Wang & Sun, 2010). What is more, this question remains debatable also due to the fact that there is still no theory developed for understanding this phenomenon (Zhang & Mao, 2016). However, as we live in a digital era and most of the traditional marketing tools are abandoned and replaced with their online formats, we cannot ignore the presence and importance of online advertising. Growing popularity and diversity of SM channels have made marketers all over the world adopt these new tools as a response to the consumers' quick migration from offline to online media platforms.

SNS has become the main place where marketers can reach their target audience and grow their profits. On the other hand, consumers are not very impressed by the number and frequency of advertising content that is being directed to them on a daily basis. Most of them have developed a defensive attitude towards them and consider them overly annoying and distractive. Marketers are well aware of the poor statistics, but many authors believe the reason marketers still keep on going with SMA is simply because it pays off. For this most important reason, they sometimes even cross the line and are willing to take the risk of being judged or disliked by the SM users and everything in order to achieve one goal, which is profit. All of the mentioned makes a great base for increasing ad avoidance and development of negative attitudes towards brands. However, majority of advertisers know that this strategy is not sustainable in the long run and can end up being bad for both sides. That is why they tend to find the fine balance between too invasive and relevant marketing content. In this way they manage to both have satisfied customers and reach the company's strategic and sales goals (Jung, 2017; Taylor, Lewin, & Strutton, 2011).

In order to avoid consumer dissatisfaction and make their ads seen, advertisers should pay attention to the characteristics of their ads and apply those tactics that are said to be the most effective. Entertainment, humour and creativity are the key characteristics of successful ads that marketers should definitely not neglect when considering creation of their marketing content. Consumers are very sensitive to boring, worn out and inauthentic ads, especially the millennial group of users. Their attention is easy to attract but difficult to keep. They get bored very quickly and are constantly looking for more. More innovative, more dynamic, more original content. Ads on SM need to be regularly updated or replaced in order to respond to rapidly changing needs and wants of users (Duffett, 2015).

Some of the commonly mentioned characteristics of effective ads in the literature refer to inclusion of emotions in the ads. Provoking emotions of happiness, calmness, freedom, ease, or even fear, anger and sadness among the customers leads to higher engagement with the brand and contributes to longer memory of the ad (Lee, Hosanagar, & Nair, 2018). To depict strong emotions, some marketers use tactics that include human faces that look directly at the camera or the product, while using specific colours and contrasts in order to achieve stronger emotional effect. It is believed that all brands have equal chance of being seen but that the bigger ones manage to trigger emotional reactions more successfully and quickly (Ives, 2019). In one research it was found out that marketers have only 400 milliseconds to catch the users' attention on the web which is why there is an urge to explore the most effective tactics of online advertising into detail, so that they can be applied to a wide variety of users (Lee, Hosanagar, & Nair, 2018).

It is a well-known fact that SMA has positive effects on consumer's intention to purchase. However, not all marketing tools bring the same results. For example, reviews, posts and electronic word of mouth (e-WOM) are considered to be by far the most effective SMA tools when it comes to driving a purchase decision. Similarly, photos are proven to be more convincing than videos and status updates are still recognized as the most successful among majority of marketers (Lee, Hosanagar, & Nair, 2018). Powerful tools that increase positive behavioral responses including online contests, virtual gifting, use of FB applications and games and similar interactive tools are also some of the tools that should not be neglected by marketers (Duffett, 2015). Variables that are commonly used to predict future consumer's buying behaviour include: log in duration, activity/inactivity on SNS, frequency of editing personal profiles and others. Those are the factors (among many others, before mentioned) that should be taken into account when creating marketing campaigns, in order to increase the effectiveness of their marketing efforts (Ives, 2019).

Some of the further recommendations that are recognized in the literature refer to shortening the time of ads in video formats. It is believed that effects of an ad are visible already at 200 or 400 milliseconds and then its effect starts to flatten out. When translated to video ad format, because of this short time of its high effectiveness, it is recommended for marketers to reduce ad time from 60 and 30 second ads to 15 and 6 second lengths (Ives, 2019). However, all the proposed methods and tactics will not work on every target group and in every case. SNS is a rapidly growing, marketing communication tool and it is of extreme importance to carefully and constantly explore consumers' expectations, their continually changing needs and wants. This is especially important for the millennial group of consumers, since they represent the largest user group of SNS and are the group that have not developed certain consumer behaviour patterns yet (Duffett, 2015).

#### 2.3 Measuring effectiveness of online advertising on different SNS

When planning business activities and developing strategies, every organization, regardless of its size, expects to have a tangible, transparent feedback of its efforts. They, understandably, expect to be able to measure the percentage of money they will get back from the investment they have made. However, measuring a precise return on investment in case of social media is not that simple. The difficulty to present social media marketing efforts in a concrete numerical form happens for several interrelated reasons. First of all, undertaking SM related business activities means that a great amount of qualitative data that is hard to translate into financial terms will be gathered. The main measurement issue lies in the fact that social media is about people and not the numbers. There is still no method that can calculate all the non-financial gains of SM such as better communication with clients, brand awareness etc. There is no measurement tool that can determine whether and which percentage of in store sales were initiated by online ads (McCann & Barlow, 2015).

The second reason why ROI related to SM remains uncertain is due to the fact that social measurement is in most cases very subjective and dependable on the person that is doing the measuring. Some non-monetary returns, for example positive feelings consumers get in interaction with the brand, which can result in decision to buy, can be easily overseen and excluded from integrated ROI calculations (Khan, Mohaisen, & Trier, 2019). On the other hand, measuring SM ROI is challenging because there is no uniqueness in measurement tools. Every business is different and so will choice of KPI-s (Key Performance Indicators) vary with the set goals, business tactics and amount of assets available. Companies have to make sure they set their goals clearly and possible to measure. For this reason, there is a need to establish a measurement tool that will be flexible, so it can adjust to different companies but at the same time be transparent and standardized. Those tools should combine soft variables such as number of visitors with hard ones that can easily be converted in financial terms such as cost per engagement or cost per lead. In this way they will be able to assess worth of SM activities more precisely (McCann & Barlow, 2015).

In order to help marketers to measure their performance, SM companies offer different tools such as Facebook Analytics, Google Analytics etc. These tools provide companies with numeric data that enable them to track and gauge their marketing efforts. Most frequently used metrics refer to tracking the number of followers, viewers, comments, shares and other variables that give marketer a sense of how engaged their audience is and help them to monitor the growth of brand awareness. Metrics like CPI (cost per impression), CPC (cost per click), number of clicks, page statistics and so on, give marketers information about how well their advertising efforts prosper (McKay, 2017). Most important performance measurement system metrics and methods are presented in the Table 3. However, despite all the offered measurement techniques, there is still data that is being left uncaptured. That is already mentioned qualitative data that is gathered on SNS but is still unable to be converted in monetary terms with standard metrics. It is to be seen if researchers will come up with the sophisticated measurement system that will be based on human intelligence and will be able to solve existing difficulties (Agostino & Sidorova, 2016).

PMS met			ethods
Type of SM contribution	PMS metrics	Data collection	Data analysis
Financial	Financial indicators Social ROI	Traditional approaches	
Network structure	Network structure indicators Multiplexity Density Centrality Closeness		
Interactions	Interaction indicators Awareness Engagement Word-of-mouth Virality		Statistical analysis
SM conversation	Content indicators Relevance Uniqueness	Ad hoc social media data download Default	Natural language processing Semantic web
Users' opinion	Sentiment indicators Subjectivity Polarity Sentiment divergence metrics <i>Source: Agostino</i>	Manual Automated & Sidorova (2016).	Supervised classification Semi-supervised classification Unsupervised classification

Table 3: PMS metrics and methods

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#### 2.4 New trends and the future of social network advertising

Digital world is a specific environment that is characterized by numerous, quick changes and rapid growth. Due to its huge potential and its nature that consists of continuous, new challenges, it will be marketers' task to follow its unsteady pace. As the new trends take place, it will be of crucial importance to accommodate with changes and grow in proper direction, in order not to be left behind. Good example of the trend that is a must in today's business environment is online presence. Having a web page of your business or simply being present on one of the social media channels is new normal. It is believed that if a brand is not available online, consumers will most probably not bother to find it. In other words, if a business is not present online it is like it does not exist (Lee, 2019).

According to a recent research, three main factors are recognized as the ones that will define advertising sector in the upcoming years. They include: digital transformation, changes in the business model and the quality of creativity. The ones that manage to adjust to the new reality the quickest and develop necessary skills will take the victory. Based on the same research, most relevant changes that will define advertising future were defined. Among the most important ones are: changes in personalization, changes in digitalization, changes in standardization and measurement and changes in the co-creation of content between producers and consumers. All those changes will reshape advertising world and lead marketing strategies in new direction. When it comes to the mediums that will be used for advertising most, social networks are par excellence the ones that will take the lead, while minor importance was given to the other mediums such as television and sponsorships (Martínez-López & D'Alessandro, 2020).

In the research done in 2019, future of social media and related marketing issues were analyzed in three different time dimensions (immediate future, near future and far future) and from three different perspectives in terms of subjects that will be impacted by the new trends (individuals, firms, public policy). As we can notice from the Table 4, it is expected that immediate future will bring individuals even greater interdependence on digital platforms and will affect more and more aspects of their lives, such as work, travelling, music, food etc. Firms will witness the rise of new forms of social influence and influencers, as it is predicted that micro-influencers will replace traditional, celebrity influencers due to lower costs. Privacy concerns will continue to expand among the consumers, as there is more and more negative view of brands and rising negative trend of deleting SM accounts due to those issues. SM networks in the near future will, on the other hand, affect individual lives by causing development of a wide specter of negative feelings among users, such as depression and loneliness. SN will (contradictory to its name - social) create great distance between users which will negatively affect their wellbeing. Digital world will move in direction of much more personalized and customized customer care and it is expected that SM platforms will be heavily used for political purposes as it increases the likelihood of voting for example. According to this research, far future of SM will be coloured with a great usage of artificial intelligence, whose full potential has not been reached yet. Marketers can already recognize positive users' reactions to features based on augmented reality such as camera filters that are used on Snapchat and Instagram. It is also believed that SM future will be more audible and will offer more features for usage without hands and eyes, as people love multitasking. Furthermore, greater authenticity to SM will be added through upgraded voice features and features that will enable users to feel the product, rather than just see them (Appel, Grewal, Hadi, & Stephen, 2020). There is no doubt that AR will become an inseparable part of our reality and it will be marketers' responsibility to invest in those tools timely, as the moment arrives (Lee, 2019).

	Focal stakeholders discussed		
Predicted imminence	Individuals	Firms	Public policy
Immediate future	Omni-social presence	The rise of influencers	Privacy concerns on SM
Near future	Combating loneliness and isolation	Integrated customer care	SM as a political tool
Far future	Increased sensory richness	Online/offline integration and complete convergence	SM by non-humans

Table 4: Framework for the future of social media as it relates to marketing issues

Source: Appel, Grewal, Hadi, & Stephen (2020).

Trends that will further affect firms will include integration of online and offline tools, as it is considered that the best marketing campaign effects are obtained by combining these two. AR will play an important role in this part as well. Great example to be mentioned is L'Oréal Paris, a cosmetics company, that released a mobile app that enabled consumes to virtually try makeup products on their phones before they decide to make a purchase. AR will bring changes to public policy and we will be able to see more and more humans being replaced by social bots. Presence of non-humans will become new reality and although it might seem strange in the beginning, it is expected that people will get used to communicating with robots and will not mind them as the time will be passing by. Proof of that already exists in the form of virtual influencer profiles on SM that collect millions of followers and openly admit that they are not human beings, but robots instead (Appel, Grewal, Hadi, & Stephen, 2020).

There is no doubt that the future of digital world and, consequently, SM and marketing, will be filled with numerous challenges and will create new realities for all users. Challenges will be recognized not only in terms of technological innovations but in terms of their application from the marketers' side as well. Big companies and small businesses will evenly have to adapt new digital solutions to their usual marketing and other activities. They will have to make sure they are easily accessible at almost any time, present on web and SM, to offer wider variety of products and features as customers' needs and wants are expected to grow. Marketers will be challenged to balance between adaptation of new tools and their costs on the other side. Switch from celebrity influencers to micro influencers, that are experts in certain, narrow categories is a great example of a successful cost reduction and keeping up with the new marketing trends. Increasing privacy related concerns will demand greater transparency in terms of data collection and their usage, as well as undertaking steps to establish users' trust and feeling of safety and control over their own data. As the heavy use of SNS can easily lead to unfavourable emotional states of users and can contribute to development of mental issues and cause addiction, marketers will have to take care of this segment as well. Well-being of people should be top priority and a great example of a company that reacted responsibly in front of these issues is Facebook, which offered its users features that track their time spent on this platform and warn them when they cross a set limit. In this way they try to help users control SM usage and prevent illness occurrence (Appel, Grewal, Hadi, & Stephen, 2020).

Despite numerous predictions that the future is going to be digital, some claim that the scenario can change in opposite direction. They remind that trends are cyclical, which means that after the explosion of digital communication, it can happen that people will start looking for human-based connections again. They predict that people will gradually start getting out of cyberspace in order to maintain healthy relationships and get new perspectives. This shift will affect both individuals' lives and business practices and bring more in person communication and overall more human approach to customers. This all is still to be seen and the most important task for marketers will be to constantly question themselves about what people need and act accordingly (Lee, 2019). They will have to pay attention not to get blind in front of the innovativeness of new technologies but to stay grounded and focused on adjusting their behaviour and responding to new reality. Keeping in mind all above mentioned, it is easy to conclude that the future of digital world, SM and marketing is uncertain but it is sure that it will continue to affect our lives in many different ways some of which we cannot even imagine yet (Appel, Grewal, Hadi, & Stephen, 2020).

# **3 RESEARCH FRAMEWORK AND METHODOLOGY**

## 3.1 Research objectives

The purpose of this master thesis is multifaceted, but its main focus is to identify consumer behaviour and attitudes toward advertising on SM and to investigate the level of online advertising effectiveness.

In order to complete the purpose of the research, I have set following research goals:

1. To investigate and understand characteristics of consumer behaviour on the web, the process that leads them to behave the way they behave and to find drivers that make them perform a certain action;

2. To examine whether there is a significant benefit for the effort that companies put into online advertising campaigns;

3. To compare effectiveness of different marketing tools, to examine the most effective ones and to investigate alternative ways to make ads on SM more attractive.

These insights aim to help marketers understand continuously changing consumer preferences and in the same manner, to adjust their marketing strategies accordingly. The research brings new perspectives on consumer attitudes and opinions about online advertising and through assessing the level of user attractiveness to a certain content, it brings clear conclusions about what really gets customers' attention and, on the other hand, what annoys them the most.

## 3.2 Research framework

Four steps shown in the Figure 12 are the steps that were undertaken in order to complete the research analysis and to achieve research goals.

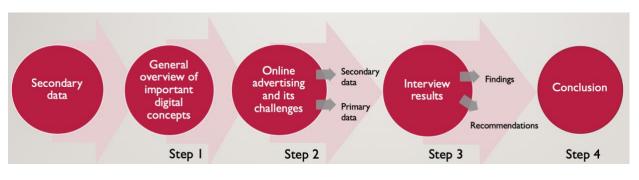


Figure 12: Framework of the research analysis

Firstly, I have presented the general overview of the relevant digital concepts and theories that served as a great foundation for later empirical part of the research. After that (the second step), I have collected necessary secondary and primary data about the concept of online advertising and the challenges that occur related to it. I have researched the topic with the help of relevant academic literature and additionally collected appropriate data from the users of SM channels directly, through conducting in-depth interviews. As a third step, I have shown the interview results, presented the main findings of the research and have provided research limitations and recommendations. Finally, at the end, I have presented the conclusion of the research, which is Step 4 of this research framework.

Source: Own work.

#### 3.3 Methodology

The approach to data collection that was applied in this research is qualitative. This approach was more appropriate than the quantitative one if we keep in mind the objectives of the research. Since I have aimed to investigate and understand users' opinions and attitudes toward advertising on SM in depth, to reach their hidden motivations and explain their behaviour, this approach helped me collect the necessary data more efficiently than the other. Qualitative approach is more suitable when we want to understand how and why something happened, while quantitative approach is useful when there is a question what and how often something happens. This is also one of the reasons why qualitative approach was chosen in this research (Sachdeva, 2008).

In order to investigate customers' attitudes and beliefs toward online advertising, I have collected primary data, through conducting in-depth interviews. Previously, I was considering obtaining primary data through online questionnaires, but since I wanted to reach the users' motivations and beliefs that are not easily accessible and request more openended questions and a lot of additional ones, I decided to use in-depth interviews instead. Indepth interviews represent the central part of the research and consist of several parts. With each of them I aimed to obtain as much data about users' behaviour on the web and particularly on SM as possible. In the first part some demographic information (such as age, gender, education and location) was collected, while the second one focused on investigating users' habits related to SM usage, such as which channels they use, how often and for which reasons. To be able to determine some individual factors that affect consumer behavior and to include them into analysis, certain personal values and preferences were tested in the third part of the interview. The last three parts of the interview included discussion about attitudes and beliefs toward online ads, about users' privacy on the SM, buying behaviour and online marketing effectiveness. The complete list of the questions that were used during the interviews can be found in the Appendix 2.

## 3.4 Data collection

The interviews were executed in person and via "Skype" and were organized in a quiet environment in order to minimalize possible distractions. They were done individually and were previously scheduled. Prior to the interview I had informed respondents about the research topic and its purpose and let them know how the data they provided was going to be used. The interviews were completely anonymous and lasted around 30 minutes.

The interviews were constructed in a **semi-structured** way, which means that I started with some general questions about their age and gender, for example and then gradually continued with questions that were closely related to the research topic, namely to their attitudes toward ads and their behaviour on the web. The questions were mostly open-ended and were created in such a form to avoid short yes or no answers. With each question I aimed to reach their true motivation and to reveal the hidden meaning of their behaviour. Background of their

stories was in most cases uncovered by using additional questions such as why and how. I tried to make respondents share some recent stories and experiences with SM and advertising, give examples and name exact emotions they felt while they were being exposed to promotional messages. This in-depth approach has helped me get detailed answers and deeper understanding of the topic researched.

In this research **non-probability purposive sampling** method was used. The participants were not chosen because their opinions were representative of the dominant opinion but because their personal characteristics and individual habits reflected the full scope of the issue under study. The respondents that participated in this research were persons of between 25-40 years old who actively use at least one of the SNS. It was previously planned to conduct 30 interviews in total, but as the answers began to repeat themselves and no new data was being collected, I concluded the empirical part of the research with 25 interviews. Because participants were mostly located in Serbian origin, the interviews were executed in Serbian language. Each conversation was recorded and during the interview I tried to make notes about the participant's body language, mood changes and reactions to specific questions. After the interview I listened to it once again and wrote down the answers together with the notes that were collected previously.

# 4 ANALYSIS AND RESULTS

This chapter focuses on the presentation of results from qualitative research. The results from the in-depth interviews will be shown by category order. Firstly, I will briefly present demographic data of the respondents, which will be followed by the data about their social media use and explanation of certain psychographic parameters. After that, I will present results gathered on the topic of attitudes toward advertising on SM, user privacy concerns, purchasing behaviour and effectiveness of online advertising, which are the main focus of this research.

## 4.1 Demographics of the respondents

All 25 respondents that were involved in this research were persons between 25 and 40, where majority of them were not older than 30. There were only two participants older than 35. In terms of gender, there were 17 females and 8 male respondents. Majority of them were academically educated, with 15 respondents having post graduate education. Most respondents were located in Belgrade (Serbia). Other participants joined from Ljubljana (Slovenia), Rijeka (Croatia) and Sydney (Australia). They are mostly employed in B2C, low-tech companies and work in various areas such as: medicine, graphic design, logistics, marketing, consulting and sales. The complete overview of the demographic data of the respondents is provided in Appendix 3.

#### 4.2 On social media use

Participants are active users of all three SMP that were in focus of this research – Instagram, Facebook and YouTube. Most of them also use additional platforms of the same creators – WhatsApp instant messaging, FB Messenger, Viber, Twitter, etc. Even though all of them have been members of the SNS for more than 8 years, that fact has nothing to do with their activity and frequency of using. It is also observed that time spent on SM is not related to the frequency of posting. Some of the respondents claimed that they rarely post on SM but, however, they do spend more than 3 hours per day using the SM. When they were asked to explain the purpose of using SM, various responses appeared: communication, fun, education, following the trends, following celebrities, obtaining new information, "killing" the boredom at work, chat, stress relief, checking themselves in on different locations and so on. Interviewees' responses on purpose of using SM are graphically shown in Figure 13 while the complete overview of the data on SM usage of the respondents is provided in Appendix 4.



Figure 13: Purpose of using SM among respondents

Source: Own work.

## 4.3 On personal values and preferences

In-depth interview results suggest that online shopping is a less preferred option to physically visiting stores. Most of the respondents claimed that they find it much more convenient and quicker to go to the store and get the desired item than waiting for the order to be delivered. They are bothered with store return policy and concerned that they may not get their money

back in case they need to return it. Most of them opted for in-store shopping also because they find it much more convenient to try something on at the place and see if it fits them in terms of size and material. Most of them also admitted that they believe this preference is based on the habit and culture they are part of.

When they were asked to express their opinion about the ads in general, except for two respondents- one of whom was neutral and said didn't have an opinion, and the other one claimed not to mind them, all of the other respondents stated that they do not like them. When the question about advertisements was introduced most of the interviewees reacted emotionally, through expressing anger and annoyingness, became irritated and raised the tone of their voice. Person E stated:

"I can't stand them and I don't pay attention to them at all. I don't listen to the radio only because of ads. They are so annoying because they are everywhere and there is no way you can escape them."

Besides the fact that they are left with no choice but to watch them and that there are plenty of them, it is observed that the content of the ads does not always play an important role. Person R claimed:

"I ignore all commercials by default. It doesn't matter what the ad is about or which brand it is, I turn off my brain completely when I hear or see them."

On the other hand, there were respondents who claimed that the reason why they see ads as annoying is because they are distractive and unnecessary at that moment. Person K expressed her dissatisfaction by saying:

"Sometimes it happens to me that ads last longer than the actual video that I wanted to watch. I get frustrated because I forget what I was even watching. I hate commercials because I don't have control over them. Even when I can skip them, I get irritated by the fact that I have to wait until I can skip."

Further on, most of the participants ranked values such as spending time outside and spending time with family and friends as high on their priority list. Those parameters, however, were not correlated with the amount of time they spend on SM. Respondents also valued being informed high, while being seen and belonging to the group was not as important to them.

## 4.4 On attitudes toward advertising on SM

The results of in-depth interviews suggest that SM users feel overwhelmed with the amount of marketing messages that are present in their feed which is the main reason for their avoidance. Person J explained what bothers her:

"I understand that ads are necessary, but I feel like advertisers have no filters and limits with their marketing campaigns. The ads are popping up everywhere I watch or click. It is not the length of the ad but the frequency of appearing I am annoyed with."

Person G emphasized similar:

"Sometimes I see more sponsored content on my Instagram feed than the posts from the people I follow. That really irritates me."

Besides the amount and frequency of the ads on SM, poorly targeted messages and the ones with loud noises and irritating sounds or persons that appear in the ads are factors that contribute to forming unfavourable attitudes towards ads. Furthermore, disturbance factor and the fact that advertisers are trying to sell is what negatively affects users' ATOA, as argued by the participants:

Person L: "I really hate ads for the simple fact that they disturb me from what I am currently doing. If I am interested in watching that particular video and that is what I came for, then I don't want any promotional messages. There is no chance I will buy anything at that moment, I am not in a mood for shopping, I want to relax or learn something."

Person P: "I don't like that they are offering things to me and trying so desperately to sell me something. I am not a type of person that you can convince to buy and that really annoys me."

Ads can also be very negatively perceived out of the belief that marketers are trying to trick us or to sell us products that are not as good quality as presented. Additionally, negative ATOA can be caused by customer habits and characteristics, as Person D points out:

"I know what my best option is. I am a very proactive customer, I research all the possibilities and compare the prices in different stores before I make a purchase. Ads are pointless and do not work for me. There is no trick I will buy something based on the ad that I saw on SM."

On the other hand, there were respondents who claimed that they find most of the ads on SM annoying except for the personalized ones. Those users say that they don't mind them and what is more, they find them very useful and desirable. The complete overview of the factors that affect ATOA on SM is shown in the Table 5.

When it comes to a brand's behavior on SM, participants were again mostly annoyed by the number of promotional messages that are being shown to them. Other than that, not posting the prices of the products and consequently having to wait for the brand's response is something that they found irritating in a company's performance on the SM. The time of wait for the response and no reply from the brand's side were also perceived negatively. Person O nicely summarized her attitude toward brand behaviour on SM:

"What bothers me the most is that there is not enough available information (e.g. conditions, prices, details of the contract) based on which I can make a purchasing decision. You have to write to them for all additional information, they are not transparent enough. They present only "flashy" information in order to attract you, but do not give you real information about the product."

Person H explains:

"I believe that it would be much wiser if there were fewer ads. If they appear every 5 minutes, soon they become monotonous and boring. It would be much more effective for me to see fewer of them, in that way I would maybe actually pay attention to them."

	Factors that affect ATOA
Positive ATOA	Personal interest in the field of advertising Positive attitude toward brand
Neutral ATOA	Personalized ads Level of neediness When the ad has a good story Calm music and pleasant colours
Negative ATOA	Frequency of appearing Inability to skip/control them Distraction and pressure to buy Belief that marketers are trying to trick us Loud voices and irritating faces Meaningless content

Table 5: Factors that affect consumer ATOA on SM

Source: Own work.

Respondents agree that the reason why they unfollow the brand on SM is predominantly because they are too active on their SM channels, meaning that they post so frequently that it becomes irritating. Some respondents stated that it is not only the frequency but also the content of the ads that matters. Boring content from which nothing can be learned is the reason why respondents decide to stop following the brand.

Interviewees admitted that they skip the ads as soon as possible and whenever they can. Not only that they tend to skip them but they stated that they almost never click on online ads. The reason for that among majority of them is because they are just simply not interested in what is being offered or out of the habit. Some also emphasize that they are not the type of person that would buy based on the ad or that there is a lack of trust toward the advertisers, as argued by Person F:

"I skip 99% of the ads by default. 1% are the ads that attracted me because I was looking for that particular item for so long or in case that they were very innovative and intriguing. But in general, I do not fall for ads of any kind. I always think that there is some tiny part of the contract that is not published and that the item will cost more than they claim it in the ad."

On the other hand, the respondents who claimed that it happens to them to click on the ad, stated that is exclusively if the promoted content matches their personal interests. They also argued that it is important that they need the offered product at the time and that they get attracted if the ad is intriguing and the whole atmosphere of the ad is calm or cheerful. The reasons why users stated they skip ads are summarized in the Figure 14.

Figure 14: The reasons why users skip the ads on SM



Source: Own work.

Majority of the respondents agreed that there are significant differences in terms of ad annoyingness between the SM networks. They highlighted that ads on YT are by far the most intrusive and distractive, firstly because they cannot be skipped and secondly, because they are in a video format. One of the participants emphasized that ads on YT are annoying even if they can be skipped and that she is bothered by the fact that she has to wait until she can skip the ad. On the contrary, most of the participants expressed neutral or positive attitude towards ads on other two SNS – Instagram and Facebook. It was observed that neutral ATOA on Instagram and Facebook was influenced by the possibility to avoid the ad and to continue with previous activities with no significant distraction. Ability to control the ads at a certain level was recognized as important for the Person B who explained:

"I am annoyed by the ads on YT much more than those on Instagram because they leave me without a choice. I have to watch them because I have no other option. On Instagram I can simply scroll down the ads which gives me the feeling that I have at least some control over them." Positive ATOA on Instagram and Facebook were mainly caused by proper targeting, where users did not mind ads at all because they were happy to explore something new from their field of interest. One of the participants claimed that ads on Instagram were very useful for her because they led her to her new job. Another one explained that ads on Instagram or Facebook can be very informative and that she has recently found out that her favorite band would be performing in her city, which is the information she probably would not see anywhere else.

No common ground was found when discussing the creative and fun ads versus boring and irrelevant ones. Some participants claimed that they make no difference between these two categories and that they skip all kinds of ads regardless of the approach and content. On the other hand, some respondents admitted that creative ads do "catch" their attention and that they usually watch them until the end. As one of the interviewees pointed out, he pays attention to those kinds of ads only in case when the ad has "a good story" and intrigues him to watch it. Additionally, ads that are made in collaboration with celebrities that are valued by the individual are perceived as more interesting and attractive.

As already mentioned, participants in general did not mind display ads and sponsored ads on Instagram and Facebook as much as they did ads in video formats. It is observed that display ads that pop up unexpectedly and capture the whole screen are less distractive and annoying than the ads that completely suspend the content or the activity (e.g. videos). Finally, it was recognized by most respondents that ads which take up a small part of the screen and do not distract users (while reading an article for example), were in most cases not noticed at all.

When we discussed the ways to improve user experience on SM and to reduce negative ATOA, the participants had different suggestions. Most of them agreed that in order to perceive ads more positively, better targeting is essential. Complete irrelevance of the advertising messages and even the messages that are somewhat, but not completely based on user's true interest are factors that need to be taken into consideration, as Person S argues:

"I wish ads were tailored exclusively to my interests and that does not mean that they appear based on my Google search. Sometimes I search for something that is related to my work and get the ads on SM channels about those products. The fact that I looked for the product a couple of times does not necessarily mean that I am interested in buying it."

Person M emphasized the following:

"I think that ads are too generic. I wish they were better and properly targeted and by that I do not mean that they offer me only the products that I am interested in. I mean that they find out what type of consumer I am and accordingly, which type of advertising they can apply. With all the data that they collect about me they should be able to realize what will attract my attention."

Besides the need for higher personalization of ads on SM, users also discussed the length of ads and the moment of their appearance. Some of the respondents were very annoyed by the ads that appear in the middle of the video on YT. They claimed that they can understand and accept ads before the video starts but once they begin to watch the content they can hardly tolerate any ads. The length of ads is also problematic and most SM users would limit them to 5-10 seconds. While some users complained about the frequency of the ads on all SM and stated that they would not mind them that much if they were limited to 3-5 ads per day, others were more irritated by their length and highlighted that they would rather choose a couple of ads that are short and different in content than one long ad. Other factors that would positively affect their ATOA included proper colours that match the sounds of the ad and the type of product, more creativity and innovativeness.

## 4.5 On targeted marketing and user privacy on SM

Results of in-depth interviews suggest that users feel insecure about their privacy on the web and SM channels. Most of the participants expressed their worries about the amount of data that is being collected about them and said that they feel very threatened. Person E argues:

"The privacy on the web does not exist. They monitor all our data. Where we go, what we do, click on etc. Very often I feel that they can even hear what I am talking about and that they can read my mind. That is very creepy."

Other respondents stated that they are aware that their actions are being followed but that they are not in such panic about it, since they believe that nothing bad can happen because of it. Person A shared her attitude:

"I am aware that marketers have access to all my data and I feel awful because of that. But what frustrates me even more is the fact that there is no alternative, you cannot escape such situation. I would not be able to keep my job position if I did not have a smartphone."

Despite expressed privacy concerns, users seemed not to be so much bothered by personalized ads, that were made based on the data that was collected about them. Some of them stated that they are very useful and that they often click on them because those ads are relevant to them and match their interests. However, they did claim that the method of data collection is problematic. Person L emphasized:

"I love seeing ads that are in my field of interest but it bothers me that they know that. I don't mind the ads but I do mind the way they found out about what would attract me."

Respondents agreed that they have a more positive attitude towards personalized ads than it is the case with irrelevant ads because they love being offered content that they are interested in. One of them also admitted that data tracking makes her life much easier, since applications are able to remember her location and send her suggestions.

#### 4.6 On purchasing behaviour and effectiveness of online advertising

Interviewees shared that they hardly ever buy something that is offered to them through the ad. That is mostly due to a lack of interest or neediness of the product at that moment. Most of the respondents claimed that they are not the type of a customer that would be convinced by an ad to make their purchasing decision based on it. On the other hand, it was observed that some of the participants do get attracted by the ads, but it is not the ad that generates their decision to buy. They highlighted that the ad serves only as a source of information, so that they become aware that something exists or is discounted but that they still need to collect more information about the product and compare the prices in other stores in order to make a buying decision. What was also interesting is that for certain respondents, the ad serves as the first impulse to buy, but they resist it and then go to a physical store, check the product and then decide whether they will buy it or not. Person V argued that ads can trigger her decision to buy only if she had already had the intention to buy, claiming:

"I will only and exclusively buy something based on the ad that I saw in case that the item was already on my wish list for too long and now they are offering me a better price or conditions."

Rather than ads on SM, a friend's recommendation, reviews of products or places by other visitors and comments under the posts on SM play a much more important role in a 'decision-to-buy' process. Opinion of people they trust and value has a significant, positive impact on consumers' buying decision. Person B added that she finds friendly approach to advertising and explanations on how to use the product very important and claimed:

"I believe that for me influencer marketing works the best. I find it convenient that the person I appreciate presents me the product in a friendly, non-invasive manner and explains to me how to use the product and what it is good for. In this way I get easily convinced to buy because I want to use that face cream she uses, because I adore her and plus because I get all the information about the product I did not know before."

Majority of the respondents agreed that ads do increase their awareness about the brand, especially if they are new on the market but there was no common ground found when discussing ad impact on brand perception. For some participants, negative perception of the brand can be easily generated in cases when ads are very inappropriate, unethical, provocative, promote racism and other sensitive social issues. Others pointed out that ads are extremely important to them and that based on them they can easily realize if the brand is number one in that industry or it is just an average brand. To emphasize the importance of ads for brand perception, they admitted that they would probably have a positive attitude toward the brand in case the ads are fun, even if the brand is not that easy to change into a negative one based on ads. Some respondents argued that no matter what the ads are like, they would still love the brand if it is reliable and the products are of good quality. It was

also observed that poor ads have much more power to turn customer perceptions of a brand from positive to negative, than it is the case the other way round, as Person N explained:

"It is certain that pointless and annoying ads will change my perception of a brand in a negative way. But on the other side, in case I really liked the ad, my opinion about the brand will not be that much more positive or at least the switch from negative to positive will not happen that fast."

When discussing the tactics and methods that the participants would use If they had their own brand, a lot of them answered that they would first make sure that the product and the content they offer is of good quality. They believed that in order to be successful you should not strive to trick consumers and sell them anything, but that you should aim to provide them with what they need and will appreciate. Other than that, the right choice of a targeted group of customers is very important because that is how you will be able to attract only the audience that is interested in what you are offering, while not distracting other SM users that have different preferences. Investing time and resources in building a proper social community before the marketing of the product even starts is recognized as one of the important elements when establishing a brand using SM channels. In terms of mediums they would opt to use, all of the respondents agreed that SNS are by far more effective in comparison to the traditional marketing methods. Short and effective ads, primarily video as well as photo formats, that would be posted on Instagram and Facebook pages were preferred by numerous respondents. Some participants highlighted the importance of intrigue and stated that not everything has to be revealed, but that something also has to be left to consumers' imagination. Similarly, a couple of them believed that short, effective ads that go straight to the point are a much better solution than the long ads that disclose all the details. Interestingly, most of the respondents stated that they would broadcast their ads more frequently than they stated they wish the ads lasted currently.

When it comes to the general marketing approach that the participant would most probably use, a couple of interesting views appeared. Several respondents explained that they would focus on educative approach and make their ads useful for the potential buyers. They would tend to educate them about a certain topic and raise their consciousness, which would result in a greater social responsibility and trigger them to buy the product. Another interesting point was related to building the brand identity through ads where Person Y argued:

"I would focus my marketing efforts on building brand identity through ads. I would make my ads have a specific story or atmosphere that would evoke pleasant emotions among viewers. I remember when I was a kid that everyone was anticipating and looking forward to Coca Cola ads around Christmas time. It would be just weird if we did not see a long red truck and the polar bears on the screen."

# 5 DISCUSSION AND IMPLICATIONS

Finally, it is important to interpret the results and to place them in a broader marketing context. Therefore, this chapter aims to link new findings on consumers' attitudes toward advertising on SM channels to theoretical and practical implications.

## 5.1 Theoretical implications

The dominant factor that contributed to generating negative attitudes toward ads on SM channels among the respondents was the amount of irrelevant content. The issue was not that much about the frequency and number of broadcast ads, but it was more about the content that they were not interested in. Users are much more likely to perceive a brand and its offerings positively if the ads match their personal interests. This corresponds well to the findings by Zhang and Mao (2016) who showed that consumers are relevance driven and that they are more likely to respond to the content that they are looking for. Expectedly, consumers tend to be much more receptive and open to personalized marketing messages, even though they are well aware of the methods that marketers use to collect their personal data. Besides irrelevance, it was observed that boring content, loud voices and lack of creativity cause consumers to oversee the ads and to develop unfavourable attitudes toward them. Taylor, Lewin, & Strutton (2011) and Yang, Huang, Yang, & Yang (2017) have already discussed this and pointed out that entertaining content has positive effect on ATOA while irritation has the opposite. Furthermore, they highlighted that when the marketers use annoying or offensive techniques, users will perceive ads as unwanted irritation.

Educational and informative character of ads is recognized as desired by consumers, as they correspond to their personal values and preferences. Those factors are proven to be significant in developing positive ATOA as it was also suggested by Yang, Huang, Yang, & Yang (2017). Ad avoidance is directly influenced by negative ATOA and it was observed that apart from the already mentioned factors that include lack of relevance and informativeness of the content, users tend to oversee the ads due to lack of intrigue and brand differentiation. They believe that ads should be less generic and more innovative, otherwise they will not notice them. As already mentioned by Barnes (2012), another reason why people are bothered by the ads is because they are focused on other content. People usually have different motivations for using SM and are not in a receptive mode for advertising at that moment. Disturbing their activities on the web or SM results in ad ignorance. Next, in most cases, general negative ATOA contributes to forming negative ATOA on SM and influences ad avoidance. This pattern was also noticed by Wang, Sun, Lei, & Toncar (2009).

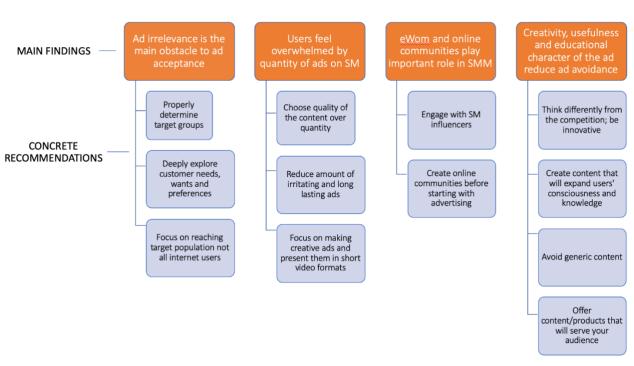
Credibility of the brand, which mostly refers to perceived trustworthiness and appreciation by the consumer, is recognized as a factor that will affect consumer perception of the ad. These findings correlate with the Yang's, Huang's, Yang's, & Yang's (2017) assumptions, who recognized that people negatively react to marketers' manipulative techniques as well as to the fact that ads are used to trigger purchasing intentions. Consumers are able to recognize falsity and the forceful attempt to sell and will immediately turn around if they "smell" this behaviour. Convincing element is perceived as very irritating among the customers as they believe that they are able to find out for themselves what their best buying option is. As argued by Larter & McColl (2016): "People love to buy, but they hate to be sold to."

It turns out that people do not make that many purchasing decisions based solely on the ads as it was believed. The reason for that is either lack of trust toward advertisers or the learned habit of buying by different mechanisms. According to the results of this research, purchasing decisions are much more driven and influenced by online communities. As emphasized also by Mahoney and Tang (2016), online communities play a significant role among nowadays' SM users and consumers in general. It is not difficult to spot that consumers rely on their SM peers' opinion and that they commonly base their buying decisions on their suggestions. Site reviews, other users' recommendations and positive or negative comments under the posts on SNS are the factors that have major importance to users when making the decision. Friends' recommendations that are provided in person and not virtually still happen to be important, but mostly as a source of new information and not necessarily as an impulse to buy. By far the most influential way to drive a purchasing decision as argued by numerous participants of this research is influencer marketing. This is mostly because users appreciate work and opinion of a certain public figure and are in that way much more susceptible to their influence than they are to marketers' messages that are created intentionally to generate sales. These findings correlate with the suggestions of foreign authors: Moriuchi (2019), Charlesworth (2017) and O'Reilly, Macmillan, Mumuni, & Lancendorfer (2016).

When it comes to the impact that online advertising has on brand awareness, it was concluded that ads can efficiently raise consumer awareness but in most cases for the brands that have not been established yet. For the already existing brands, online ads did not seem to influence consumers' perceptions that much or even to trigger their buying decisions. Being aware of the brand's existence and being able to easily recognize it, however, does not affect a consumer's intention to purchase. Online ads are not perceived as the crucial element that drives purchasing decisions but if they already exist they should be created in a proper manner. Inappropriate advertising that includes irritating, annoying and provocative content can make much more damage than a properly done advertising can ever compensate. Finally, it was observed that friends' suggestions and online reviews and especially influencer marketing can create much more benefit in terms of brand awareness and recognition than it is the case with poorly targeted marketing messages that pop up everywhere and only annoy consumers.

## 5.2 Practical implications

Additionally, this research includes practical implications that should serve marketing practice, which are together with the main findings of the study nicely shown in Figure 15. New findings about consumer attitudes toward online advertisements should help marketers to adjust their digital efforts accordingly. The main proposition of this study to marketing practitioners is that ads on SM should be properly targeted and focused on users' particular needs and wants. They should be mostly adapted to younger population because they are the ones that spend most time on SNS.



# Figure 15: Overview of the main research findings with corresponding managerial recommendations

#### Source: Own work.

Firstly, the results show that quantity of promotional content on SM is overwhelming. Users are being "bombed" on their every step and it seems that marketers do not pay close attention to when and to whom they send their marketing messages. Hence, rather than focusing on being present all the time and being visible to all customers, rather than focusing on quantity and frequency, they should direct their marketing efforts to creating quality content. In contrast to marketers' common beliefs, the reduction in volume of the ads will bring them only benefits because users will be less annoyed by unnecessary content and will be more receptive to advertising messages since they are not overly saturated by them.

Secondly, besides the number of ads that are being present on SM, the issue of their irrelevance is something that was recognized as the main obstacle to ad acceptance. Accordingly, targeted marketing techniques should be inevitable part of each digital

marketing strategy. Even though users are not delighted by the methods that are used in the process of their personal data collection since it leaves them concerned about their privacy, it turns out that they are very receptive to personalized ads. Hence, it is highly recommended for marketers to invest their time and resources in getting to know their customers. Content of the messages should match users' personal values, preferences and particular interests. Gathered user data should be used wisely in order to analyze and explore consumers' needs and wants. Offerings that correspond to users' preferences are much more likely to result in positive ATOA and trigger customers' intentions or decisions to buy.

Finally, in the process of getting to know their target audience it is suggested for marketers to take advantage of the power of eWOM and online communities. Before starting a marketing campaign, it would be wise to use FB and Instagram pages to gather online users who share the same interest in the topic. Marketers should aim to educate and provide information about the subject or product before they begin the advertising. In that way, marketers succeed in creating strong foundations that are built on trust and belonging; thus ensuring the acceptance of their product. As customers appear to trust significant individuals more than they do trust sellers, partnerships with SM influencers is one of the most efficient and secure ways to reach target audience. Next, marketers should by all means avoid irritating and long commercials that distract all users equally. Instead, creative ads that appear reasonable number of times per day and include consumer relevant content are a much wiser strategic move. Innovativeness, usefulness and educational component are the values that marketers should definitely not neglect when creating the SM content. Apart from the previously mentioned, those variables are the ones that will help them to differentiate themselves in the ocean full of generic content. Moreover, this will help them build quality relationship with their audience, in contrast to the ones that dominate the marketing world and are based on shallow understanding of the customer.

## 6 LIMITATIONS AND FUTURE RESEARCH

This study contains some limitations that should be taken into account when analyzing and interpreting its results. Firstly, as this research aimed to deepen understanding of consumer attitudes and beliefs toward advertising on SM, it was conducted by using qualitative research methods. Although it has enriched marketing theory and practice with its valuable findings about how and why consumers behave in a certain way, the questions about how often and how much still await to be answered. It would be suggested for the future research to focus on numerical, quantitative aspect of the topic so that wider generalization of the collected data could be possible. Additionally, with a larger sample size that would be used in a quantitative study, some of the limitations related to frequency of occurrence could be successfully overcome. What is more, subjectivity, as one of the integral parts of each descriptive study, is possibly present in this research as well. Bias may arise based on personal values and understandings of the interviewer.

Another potential limitation of this research is related to geographical characteristics of the sample. Most of the participants that were included in this study were located in Serbia or were of Serbian origin, leaving other regions and countries underrepresented in the study. Geographically imbalanced sample can affect the results of the research which means that different and additional information would have been possibly gathered if the respondents were differently located. Therefore, it is recommended for the future research to collect responses from various countries and cultures as it is known that those factors significantly influence individuals' attitudes and beliefs. Next, observed gender misbalance of the sample is recognized as additional factor that can impact interpretation of the results. However, since the research does not aim to establish differences in attitudes between genders this fact should not affect the study on a large scale; however, it does create space for future research that can explore this topic.

Finally, since the research is wide in scope and it investigated ATOA on SM in general, the future research should focus on different smaller parts of the whole, that were recognized in this study. To name a few, future researchers should focus on exploring consumer preferences related to target marketing and come up with new approaches to target marketing that would guess users' needs and wants more precisely. Research on what makes users perceive an ad as creative, innovative or intriguing is desired, as it will contribute to addressing the issue of ad annoyance and will increase ad acceptance. Moreover, perceptions of attractiveness of different ad formats and types of content can be examined, while comparing their effectiveness and acceptance among different SM channels.

# CONCLUSION

Internet, digital technologies and especially social media platforms have brought us a completely new reality that has affected almost every aspect of individuals' lives. What is more, they have brought crucial changes in marketing business practices as well. In response to market trends and demands, marketers have started using modern marketing tools that are mostly based on digital technologies, putting aside traditional techniques that have become outdated and by far less effective. However, even though innovative internet technologies are inevitable part of every marketing strategy today, they do bring many challenges. Advertising through SNS was a logical marketers' next step since social media platforms are the place where they can reach their customers most effectively. Still, it seems like the companies sometimes cross the line with the amount of the promotional content they present to the users. As a consequence of that behavior, consumers tend to avoid their and all other promotional messages that disturb them. This research aimed to investigate what triggers ad annoyingness and, on the other hand, what contributes to its acceptance. It focused on examining consumers' attitudes and beliefs toward advertising on SM that potentially influence consumer behaviour and affect effectiveness of SM marketing campaigns.

The study has firstly concentrated on foreign academic literature review of the topic and examination of its findings. Most of the findings in this research have supported past studies of the same subject. Additionally, this thesis represents an update to the existing knowledge of consumer ATOA on SM. It discovers that main drivers that affect creation of negative ATOA include irrelevance of the content and its frequency. It concludes that consumers are much more likely to perceive a brand and its ads positively if the marketing content corresponds to their interests and is not too invasive. Furthermore, this thesis investigates the key drivers that motivate people to click on ads, tests their preferences in terms of type and format of the ads they react to and examines their general attitudes and belief factors that influence their buying behaviour. However, apart from the achieved findings, some additional casual relationships still await to be explored and understood more in depth.

To conclude, this thesis brings various theoretical and practical implications for the future research. It enriches the theory with a new perspective on consumers' ATOA and provides factors that influence user acceptance of the brand and its ads. On the other hand, it suggests marketing practitioners should reconsider their marketing strategies and adjust them according to user preferences. It calls for better application of target marketing methods and abandoning generic advertising. Finally, as it is observed that users are strongly influenced by other users, especially the ones they highly appreciate, it is advised to the marketers to put their efforts in building strong online communities and not underestimate the power of influencer marketing. In that way they can come even closer to their target audience and establish trustworthy and quality relationships with them.

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APPENDICES

#### **Appendix 1: Summary in Slovenian**

Razvoj spleta in socialnih medijev je hitro spremenil tržne pogoje po vsem svetu. Prav tako so se spremenile navade ljudi, zato so podjetja hitro preusmerila svoje tržne strategije z offline na online platforme (Lagrosen & Grunden, 2014; Al Abri & Valaee, 2019). Velja prepričanje, da bi morali tržniki v teh spremenjenih tržnih razmerah doseči svoje stranke tam, kjer preživijo večino svojega časa - na družbenih omrežjih (Leake, Vaccarello in Ginty, 2012; Scott, Bay-Cheng, Prince in Nochajski, 2017).

Med številnimi koristmi, ki jih ponuja spletno trženje, je ena izmed največjih ta, da podjetjem omogoča, da pridobijo podrobne informacije o potrošnikih in imajo zato boljši dostop do ciljne populacije potrošnikov (Gong & Wang, 2019). Tržniki v digitalnem svetu uporabljajo številna orodja za spletno trženje in različne oblike oglasov. Nekateri med njimi vključujejo: kontekstualne oglase na straneh z rezultati iskanja, pasice, bloge, oglase z obogateno predstavnostjo, posebno mrežno oglaševanje, vmesne oglase, spletno oglaševanje, e-poštno trženje, vključno z neželeno e-pošto itn. (Deshwal, 2016; Tchai, 2011).

Trženje na družbenih omrežjih kot produkt socialnih medijev je eno od orodij, s katerimi podjetja vplivajo na vedenje ljudi pri nakupovanju in vzpostavljajo tesne odnose s svojimi kupci (Lagrosen & Grunden, 2014), spodbujajo promet in dosegajo zvestobo strank in njihovo zadrževanje (Piller, Vossen in Ihl, 2012). Motivacija podjetja za uporabo te vrste trženja pri poslovanju je upravičena in več kot jasna, če se zavedamo dejstva, da je bilo v letu 2019 približno 2,82 milijarde uporabnikov družbenih omrežij (eMarketer, 2017b). Po podatkih Statiste je bilo leta 2019 za prikazno oglaševanje (display advertising) porabljenih 161 997 milijard USD, od tega 83 391 milijard USD za oglaševanje na družbenih omrežjih po vsem svetu (Statista, 2020).

Raziskave poleg ogromnih prihodkov in vse večje priljubljenosti spletnega oglaševanja kažejo, da so potrošniki zaradi svojih izkušenj z digitalnimi mediji vedno bolj razočarani. Oglasi so postali tako vsiljivi in pogosti, da motijo uporabnike pri njihovem branju, iskanju, gledanju in drugih dejavnostih na spletu (Perrin, 2019). Ne samo, da se potrošniki pritožujejo nad količino tržne vsebine in njeno vsiljivostjo, temveč tudi nad njihovim nadlegovanjem, nepomembnostjo, nezmožnostjo zapiranja, nad zavzemanjem preveč prostora na zaslonu itn. (Statista, 2016; Jeon, Son, Chung, & Drumwright, 2019). Večina uporabnikov družbena omrežja, kot so Facebook, Instagram in YouTube, uporablja predvsem za druženje in povezovanje z ljudmi, zato jih povezovanje s podjetji takrat ne zanima v tolikšni meri. Zaradi tega potrošniki menijo, da družbena omrežja niso prostor za nadležne in agresivne marketinške kampanje (Pikas & Sorrentino, 2014).

Da bi pritegnili primerne potrošnike, so tržniki začeli s pomočjo posebej ustvarjenih algoritmov slediti dejanjem ljudi na spletu. Z uporabo teh orodij lahko tržniki zdaj zberejo informacije o uporabnikovi uporabi interneta, njegovih interesih in željah ter mu na podlagi teh podatkov ponudijo prilagojeno oglaševanje (customized advertising) (Priyanka, 2018;

Ozcelik in Varnali, 2018; Chen, Feng, Liu in Tian, 2018; Jason Choi, Jerath in Sarvary, 2019). Po drugi strani pa je ta trženjski pristop pri kupcih povzročil večje pomisleke glede zasebnosti ob uporabi internetnih tehnologij (eMarketer, 2019). Njihova zaskrbljenost se je izjemno povečala v letu 2018, ko so se zgodili številni škandali glede zasebnosti podatkov. Eden največjih se je zgodil marca 2018, ko je Facebook dovolil britanskemu podatkovnemu podjetju "Cambridge Analytica" dostop do podatkov 50 milijonov uporabnikov platforme brez njihovega dovoljenja (WARC, 2019; Presthus & Vatne, 2019). Da bi se zaščitili pred veliko količino neželenih oglasov, so potrošniki začeli uporabljati posebna orodja, ki jim omogočajo blokiranje vsebine (ad-blockers) (Abramek, Sołtysik-Piorunkiewicz in Strzelecki, 2019). Odstotek ljudi, ki uporabljajo ta orodja, je leta 2019 dosegel najvišjo številko in je znašal 764 milijonov ljudi, kar je 18,5% svetovne internetne populacije (WARC, 2020).

Večina podjetij se danes sicer ukvarja s spletnim oglaševanjem, vendar se poraja vprašanje o njegovi učinkovitosti. Pomembno je razmisliti, ali obstaja manj invaziven način za izvajanje oglaševalskih dejavnosti in kaj je mogoče storiti za izboljšanje trenutne, slabe izkušnje uporabnikov na spletu (Taylor C., 2019). Izboljšave v tem segmentu bodo koristile tako kupcem kot tržnikom, zato je namen tega raziskovanja prepoznati vedenje potrošnikov in njihov odnos do oglaševanja na družbenih omrežjih ter raziskati stopnjo učinkovitosti spletnega oglaševanja (Hadija, B. Barnes in Hair, 2012). Za izpolnitev namena raziskave so postavljeni naslednji raziskovalni cilji: (1) raziskati in razumeti značilnosti vedenja potrošnikov na spletu in postopek, ki jih vodi do takega vedenja; najti vzvode, zaradi katerih izvedejo določeno dejanje; (2) preučiti, ali imajo napori, ki jih podjetja vložijo v spletne oglaševalske kampanje, bistvene koristi; (3) primerjati učinkovitost različnih trženjskih orodij, preučiti najbolj učinkovita in raziskati alternativne načine za povečanje privlačnosti oglasov na socialnih omrežjih.

Glavna raziskovalna vprašanja, ki so obravnavana v tej nalogi, so: (1) Zakaj potrošniki preskočijo oglase na družbenih platformah? (2) Kaj jih pri spletnih oglasih najbolj moti? (3) Do kolikšne mere sta količina in pogostost tržne vsebine še sprejemljivi in zaželeni? (4) Kako zaskrbljeni so zaradi svoje zasebnosti na spletu? (5) Kako pogosto se ljudje odločajo za nakupe na podlagi spletnih oglasov? (6) Ali spletni oglasi povečujejo prepoznavnost blagovne znamke? (7) Kako lahko tržniki prilagodijo tržne strategije, ki jih uporabljajo na socialnih omrežjih, tako da postanejo manj invazivni in moteči? (8) Kaj lahko tržniki storijo, da bodo oglasi bolj privlačni za njihove stranke?

V tej magistrski nalogi so najprej razloženi digitalni koncepti, ki so potrebni za izgradnjo temelja za empirični del raziskave. Naprej na podlagi razpoložljive akademske literature opisujem trenutno prisotne tržne pogoje, značilnosti in vrste tržnih orodij, ki jih uporabljamo, koncept trženja na družbenih omrežjih in njegove neizogibne dele - spletne skupnosti in eWOM (electronic word of mouth). Izpostavljam vodilne družbene platforme (Facebook, Instagram in YouTube) ter preučujem tržno vlogo in vpliv, ki ga imajo pri oblikovanju spletne resničnosti. Drugo poglavje predstavlja koncept spletnega oglaševanja in njegove

glavne izzive, pregleduje že znane vedenjske vzorce v zvezi z oglaševanjem in učinkovitostjo uporabljanih orodij spletnega oglaševanja, prinaša vprašanja merjenja učinkovitosti spletnega oglaševanja in opozarja na nove in prihodnje trende na področju oglaševanja na družbenih omrežjih. Raziskovalni okvir in metodologija naloge sta predstavljena v tretjem poglavju, rezultati raziskave pa v četrtem. Na koncu sledijo kratka razprava in vpliv raziskave na teorijo in prakso (peto poglavje) pa tudi raziskovalne omejitve in predlogi za prihodnje raziskave (šesto poglavje). Ta raziskava pomaga znanstvenikom in tržnikom, da bolje razumejo, kako uporabniki družbenih omrežij dojemajo oglase na digitalnih platformah in motivacijo, ki stoji za njihovimi odločitvami o nakupu. Magistrsko delo je koristno pri razumevanju potreb in želja kupcev, kar lahko privede do revizije obstoječih tržnih strategij in odnosa tržnika do potrošnikov.

## **Appendix 2: In-depth interview questions**

### **Demographics:**

- 1. Age
- 2. Gender
- 3. Education (elementary education, high school education, higher education, university (bachelor), university (masters, doctorate))
- 4. Place of living (country, city)
- 5. Employment status (employed, unemployed, student, retired, other) If employed what kind of company is it (b2b, b2c, low tech, high tech); do they use SM also at their work, and in general to which extent does their company use SM to promote products/services.

#### Social media use:

- 1. Which SM channel(s) do you use?
- 2. For how long have you been a member of certain social media? (in years)
- 3. How often do you post on SM?
- 4. How many hours per day do you spend using SM?
- 5. For which purposes do you use SM?

### **Psychographics:**

- 1. Do you prefer online shopping or in-store shopping?
- 2. Can you tell me what do you think are the benefits of online shopping/in-store shopping?
- 3. What is your opinion about ads in general (on web, TV, SM)?
- 4. From 1 to 10, how important the following features are to you?
  - time spent outside
  - time spent with friends/family
  - quality time spent
  - being in trend (in terms of fashion, electronics, lifestyle)
  - being informed
  - being seen
  - being part of the group (belonging)
  - physical appearance
  - uniqueness

# **On ATOA**:

- 1. Can you please share your experience with SM ads?
- 2. Which actions that brands perform on social media annoy you the most?
- 3. How often should a brand/company you follow post promotional messages? Why?
- 4. What makes you unfollow brand on SM?

- 5. What makes you skip the ad? What makes u click on the ad?
- 6. Which ads bother you the most?
- 7. Can you tell me what are the differences in ads among SM platforms? For example, do you find ads on one SM platform more annoying than on the other? Why is that so? What bothers you about ads on FB and Instagram and what on YT? And in contrary, what are the positive sides of each?
- 8. What is your attitude toward funny, entertaining, creative ads in comparison to boring ones?
- 9. How do you find ads that are not intrusive?
- 10. How would you solve the issue of too many promotional messages on SM?
- 11. Would you rather pay for SM without ads or keep them free and still have to deal with ads?

### On privacy concerns

- 1. How do you feel about your privacy on the web?
- 2. What is your opinion about personalized ads?
- 3. Do personalized ads bother you less or more than the ads that you are completely not interested in? Why?

## On purchasing behavior and effectiveness

- 1. How often do you purchase something based on the ad that was shown to you via social media?
- 2. What made you make that purchase?
- 3. How much more likely you are to purchase product from the web if u see your friends recommended it or commented on it? Why?
- 4. How do ads change your perceptions of the brand (if at all)?
- 5. If you were a marketer how would you approach your marketing activities on SM?

# Appendix 3: Overview of participants' demographic data

	General information			
	Age	Gende r	Education	Employment status
Person A	30	F	Masters Degree in Economics	Employed (Sales management)
Person B	27	F	Masters Degree in software engineering	Employed (Software programming)
Person C	25	F	High school education	Employed (Retail assistant)
Person D	29	М	Masters Degree in Economics Employed (Consultin	
Person E	27	F	Bachelor Degree in Computer Sciences	Employed (Software development)

Person F	27	F	Masters Degree in Traffic Engineering	Employed (Head of transport)
Person G	33	М	Masters Degree in Economics	Employed (Consulting)
Person H	28	F	Bachelor Degree in Economics	Unemployed
Person I	27	М	Bachelor Degree in Graphic design	Employed (furniture 3D modeling)
Person J	27	F	Bachelor Degree in Serbian language	Unemployed
Person K	26	F	High school education	Employed (Coffee shop)
Person L	30	F	Masters Degree in Music	Employed (Music classes tutor)
Person M	32	F	Masters Degree in Telecommunications	Employed (Researcher in a company)
Person N	29	М	Masters Degree in Pre-school education	Employed (Preschool institution)
Person O	30	F	Masters Degree in Economics	Employed (Marketing)
Person P	27	F	Masters Degree in Linguistics	Unemployed
Person Q	26	М	Bachelor degree in Music	Unemployed
Person R	26	F	Higher Medical School	Employed (Nurse in a hospital)
Person S	28	М	Masters Degree in Economics	Employed (Sales management)
Person T	28	F	Masters Degree in Economics	Employed (Logistics)
Person U	27	F	Bachelor Degree in Economics Unemployed	
Person V	36	F	Bachelor Degree in Medicine	Employed (Dermatologist in private clinic)
Person W	29	М	Masters Degree in Visual Arts	Employed (Owner of private Art school)
Person X	37	F	Masters Degree in Economics	Employed (Logistics)
Person Y	29	М	Masters Degree in Architecture	Employed (Professor Assistant at the Faculty of Architecture)

# Appendix 4: Overview of participants' social media usage

	General information		Social media usage			
	Age	Gender	SNS in use	Frequency	Purpose	
Person A	30	F	FB, YT	< 2 Hours/Day	Communication, Entertainment	
Person B	27	F	YT, Instagram	2-3 Hours/Day	Education, Staying in touch with friends	
Person C	25	F	FB, YT, Instagram	2-3 Hours/Day	"Killing the boredom at work", Communication	
Person D	29	М	YT, FB, Instagram	< 2 Hours/Day	Entertainment, Education	
Person E	27	F	YT, FB	2-3 Hours/Day	Socializing, getting the information	
Person F	27	F	FB, YT, Instagram	< 2 Hours/Day	Learning, Stress relief	
Person G	33	М	YT, FB, Instagram	2-3 Hours/Day	Following the trends, Entertainment, Education	
Person H	28	F	YT, FB, Instagram	5 Hours/Day	Fun, Out of boredom	
Person I	27	М	FB, YT, Instagram	< 3 Hours/Day	Education, Keeping up with trends	
Person J	27	F	YT, FB, Instagram	< 3 Hours/Day	Fun, Education, obtaining information	
Person K	26	F	YT, FB, Instagram	2-3 Hours/Day	Out of boredom, to stay informed	
Person L	30	F	YT, FB, Instagram	< 3 Hours/Day	To stay in touch with friends, Texting, Fun	
Person M	32	F	YT, FB, Instagram	~ 1 Hour/Day	Education, Getting ideas	
Person N	29	М	FB, YT, Instagram	< 3 Hours/Day	Entertainment, Socializing	
Person O	30	F	FB, YT, Instagram	> 3 Hours/Day	Following trends, Texting friends, Killing the boredom	
Person P	27	F	YT, FB, Instagram	< 3 Hours/Day	Entertainment, Education	
Person Q	26	М	YT, FB, Instagram	< 3 Hours/Day	Communication, Fun	
Person R	26	F	FB, YT, Instagram	> 3 Hours/Day	Education, Out of Boredom	
Person S	28	М	YT, FB, Instagram	2-3 Hours/Day	To communicate, Get new ideas	
Person T	28	F	YT, FB	< 2 Hours/Day	Developing creativity, Socializing	
Person U	27	F	FB, YT, Instagram	> 3 Hours/Day	Get informed about events, getting inspiration	

Person V	36	F	YT, FB	< 2 Hours/Day	To stay in touch with friends, Education
Person W	29	М	YT, FB	2-3 Hours/Day	Music, keep in touch with friends
Person X	37	F	YT	< 2 Hours/Day	Entertainment, Education, Music
Person Y	29	М	YT, FB	~ 1 Hour/Day	Education, Getting new ideas