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## Research Article

### EFFECTIVENESS OF FACEBOOK ADVERTISING ON ONLINE SHOPPING

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#### ABSTRACT

Consumers today prefer shopping online rather than the traditional means. It is imperative for businesses to be present online because that is where the consumers are active and buying products. India currently has the highest number of Facebook Users across the globe standing at over 195 million users. With its popularity increasing each passing day, it has emerged as one of the most important platforms to market and sell products for all kinds of businesses. The present paper is an attempt to understand the impact of the Effectiveness of Facebook Advertising on online shopping by the consumers. The research tries to find out the popularity of Facebook among today's consumer along with the extent to which advertising on Facebook affects the behavior of online purchasers.

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#### INTRODUCTION

Advertising has been of the biggest challenges for marketers across the globe. This problem has been addressed by the advent of Social Networking sites like Facebook, Instagram, Twitter etc. Facebook, being the most popular Social Networking Site, is being used by brands which sell their products online. It is based on the simple belief that a brand must be present where its users are spending their maximum time surfing for products. Brands are everyday coming up with innovative ways to leverage the platform and convert prospects into customers.

In this digital age, the whole globe is connected to each other using the Internet thereby reducing the geographical boundaries between us. It helps the companies to give an idea about their products and instantly getting the feedback of customer's fulfillment to get stimulated turnover for future<sup>1</sup>. Today consumers prefer shopping online because of a wide variety of reasons. The convenience and best prices are among the main reasons behind this shift. Online shopping enables the consumers to instantly compare the prices ensuring they get full value for money. Platforms like Facebook help brands to become a part of the everyday lives of the consumers and still showcase their offerings.

#### LITERATURE REVIEW

Several studies were made regarding the popularity and effectiveness of Facebook as an advertising platform on online shopping globally and also in Indian context. To justify the need of present study, following literature has been reviewed:

- Chowdhury and Ahmad (2011) conducted a study on 'factors affecting consumer participation in online shopping in Malaysia'. Using Pearson's correlation method, they established the relationship between the various dependent and independent variables- ability, benevolence, integrity, and trust in order to study the consumer participation. The study had its own limitation owing to the use of only four variables and missed out on other critical variables.
- Bellman, Lohse and Johnson (1999) conducted their study to determine the relationship between demographics, personal characteristics, and attitudes towards online shopping. Their study highlighted the importance of time as a factor while shopping online. It highlighted that those who are willing to save time tend to prefer shopping online.
- Sultan and Henrichs (2000) in their study found out that consumers' willingness to shop online is positively related to their income, household size, and innovativeness.
- Ko *et al.*, (2004) studied that the Internet has made the consumers in power more than ever before. The

<sup>1</sup> Sharma, Mehta & Sharma, "Understanding Online Shopping Behavior of Indian Shoppers", *International Journal of Management & Business Studies*, Vol. 4, Issue 3, pp.9-18, 2014.

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internet has made it possible for the consumers to access the kind of content at their own convenience. This has reduced the time and effort spent on shopping.

- Donthu and Garcia (1999) suggested that risk aversion, innovativeness, brand consciousness, price consciousness, importance of convenience, variety-seeking propensity, impulsiveness, attitude toward shopping, and attitude toward direct marketing would influence online shopping behavior and found that among them, age, income, importance of convenience, innovativeness, risk aversion, impulsiveness, variety-seeking propensity, attitude toward direct marketing, and attitude toward advertising were factors influencing online shopping behavior.

**Objectives of the Study**

The major objectives of the present study are to

- To analyze the popularity of Facebook among the today’s online consumer
- To analyze the extent to which advertising on Facebook affects the behavior of online purchasers
- To examine the factors that contribute to the growth of online shopping in India

**Research Design**

Keeping in view the objectives of the present study, a survey was conducted with the help of a structured questionnaire to collect data about the effectiveness of Facebook advertising on online shopping in India. The questionnaire aimed at collecting information about the respondent’s age, time spent on Facebook, reasons for using Facebook, concerns while shopping online, most bought categories etc. Owing to the lack of time and budget constraints, the data was collected from National Capital Region in India. Convenience sampling method was used and questionnaires were filled by in-person by the respondent. A target of 150 respondents was set, but many of the respondents provided half completed questionnaires therefore only 115 questionnaires were entertained for final analysis and data interpretation. Simple charting and tabulation tools are used to understand the behavior of the respondents for effectiveness of facebook on online shopping in India.

The following table provides a glimpse of the demographic profile of the respondents:

**Table 1** Demographic Profile of Respondents

| Demographic Features |                      | Number of Respondents | Percentage in Total Sample |
|----------------------|----------------------|-----------------------|----------------------------|
| Gender               | Male                 | 72                    | 37                         |
|                      | Female               | 43                    | 63                         |
| Age                  | 18-25 years          | 58                    | 50                         |
|                      | 26-30 years          | 30                    | 26                         |
|                      | Above 30 years       | 27                    | 24                         |
|                      | Full-time employment | 34                    | 30                         |
| Occupation           | Part-time employment | 23                    | 20                         |
|                      | Student              | 21                    | 18                         |
|                      | Housewife            | 17                    | 15                         |
|                      | Unemployed           | 20                    | 17                         |

**Analysis and Interpretation**

The findings of the survey have been presented below in tabular form. The data have brought forward some interesting insights about the effectiveness of Facebook as a platform and how users behave when it comes to online shopping. The findings here can be proven useful to businesses willing to improve their presence on the largest social media platform and those who sell their products online.

**Table 2** Analysis and Interpretation of the data collected

| Results obtained through data analysis                            | User Behaviour Analysis  |
|---|--|
| <p><b>Weekly Time Spent Online Excluding Work:</b></p>            | <p><b>Weekly Time Spent Online Excluding Work:</b> 44% of the respondents spend between 3-10 hours a week on the internet for purposes other than work. 12% of the respondents spend approximately a day’s time i.e. above 21 hours on the internet. This shows the level of internet addiction in today’s users who access the internet for various purposes. This number is only increasing with each passing day.</p> |
| <p><b>Presence on Facebook</b></p>                                | <p><b>Presence on Facebook:</b> A whopping 100% of the respondents have a Facebook account, which is hardly surprising and backed extensively by secondary research as well. It shows the huge user base of Facebook especially, the youth.</p>  |
| <p><b>Frequency of Accessing Facebook Account</b></p>             | <p><b>Frequency of Accessing Facebook Account:</b> A surprising 56% of the total no. of respondents access their Facebook Account more than once a day! And 38% of them use their accounts once a day. A meagre 2% use it rarely. This clearly shows highlights the popularity of the platform.</p>  |
| <p><b>Online Shopping Saves Money</b></p>                         | <p><b>Online Shopping Saves Money:</b> 3 in every 4 respondents agree that online shopping saves money. Only 4% of the respondents strongly disagree here.</p>   |
| <p><b>Online Payment Methods are Secure &amp; Trustworthy</b></p> | <p><b>Online Payment Methods are Secure &amp; Trustworthy:</b> Over 65% of the respondents feel secure while using online payment methods. However, 26% of the respondents still don’t feel that these methods are trustworthy.</p>  |

**Table 2** Analysis and Interpretation of the data collected

| Results obtained through data analysis   | User Behaviour Analysis   |
|--|---|
| <p><b>Click on Appealing Ads</b></p> <p>Legend: Strongly Agree (7%), Agree (30%), Neutral (22%), Disagree (28%), Strongly Disagree (13%)</p>   | <p><b>Click on Appealing Ads:</b><br/>28% of the respondents don't click on the ads even when they find them appealing. Only a 7% of the total respondents strongly agree that they check these advertisements.</p>                   |
| <p><b>Facebook ads influence my purchase decisions</b></p> <p>Legend: Strongly Agree (10%), Agree (11%), Neutral (30%), Disagree (37%), Strongly Disagree (12%)</p>                              | <p><b>Facebook ads influence my purchase decisions:</b><br/>Only 21% respondents agree that Facebook ads influence their purchase decisions. This highlights the low popularity of Facebook ads while making a purchase decision.</p> |
| <p><b>On Facebook, I often influence my contact's opinions about products</b></p> <p>Legend: Strongly Agree (7%), Agree (22%), Neutral (33%), Disagree (30%), Strongly Disagree (8%)</p>         | <p><b>On Facebook, I often influence my contact's opinions about products:</b><br/>46% of the respondents agree that they influence the opinion of their contacts on Facebook related to various products.</p>                        |
| <p><b>I like to get my contacts' opinion on Facebook before I buy products online</b></p> <p>Legend: Strongly Agree (58%), Agree (23%), Neutral (10%), Disagree (9%), Strongly Disagree (3%)</p> | <p><b>I like to get my contacts' opinion on Facebook before I buy products online:</b><br/>Majority of the respondents don't get their contacts' opinion on Facebook before they buy products online.</p>                             |
| <p><b>Frequency of Online Shopping</b></p> <p>Legend: Weekly (23%), Often (3-4 times a month) (16%), Rarely (once a month) (58%), Never (3%)</p>   | <p><b>Frequency of Online Shopping:</b><br/>Only 3% of the respondents have never shopped online. This shows the increase in the consumer preference towards shopping online.</p>   |

**Table 2** Analysis and Interpretation of the data collected

| Results obtained through data analysis  | User Behaviour Analysis   |
|---|---|
| <p><b>Product(s) purchased through Facebook in the last 6 months</b></p> <p>Legend: 0-3 (88%), 4-7 (5%), 8-10 (2%), More than 10 (5%)</p> | <p><b>Product(s) purchased through Facebook in the last 6 months:</b><br/>Only 5% of the total respondents have purchased more than 10 products in the past 6 months. A substantial 88% of the respondents have purchased 0-3 product(s) in the last six months via Facebook.</p> |

**CONCLUSION AND IMPLICATIONS OF STUDY**

The present research aims to determine the effectiveness of Facebook advertising on online shopping. The study here is descriptive in nature. The results attained via the data analysis help us in understanding the changing preferences of Indian consumers who today prefer shopping online. It also highlighted the role of Facebook advertising and the extent to which consumers get influenced by the same while making their purchasing decisions. Today consumers prefer shopping online owing to the convenience provided by the various websites. The wide variety of choice and the ease of returns along with the best deals on leading brands make online shopping a very lucrative mode of shopping. Though security remains a concern, businesses now provide the option of paying Cash on Delivery without any additional costs. Meanwhile, Facebook is at the peak of its popularity and has become a part of our online shopping experience. Brands present on Facebook provide direct Call-to-Action (CTAs) to consumers to redirect them to their websites. Another key finding here is the extent to which Facebook users seek and provide opinions with regard to their online shopping. The Facebook ads are still not very popular amongst users who don't always prefer clicking on ads. Another key highlight here is the fact that majority of the respondents have rarely purchased a product via Facebook. There is still enough scope here for brands to leverage the platform to improve traffic and conversions.

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