

THE CUSTOMER'S DESIRE AND ONLINE EFFECTIVE ADVERTISEMENTS IN SOCIAL MEDIA (CASE STUDY: INSTAGRAM USERS)

Doroudi Homa¹ and Razavi Satvati Shadi^{2*}

¹Department of Business Management, Zanjan Branch, Islamic Azad University, Zanjan, Ira

²Department of Business Management Zanjan Branch, Islamic Azad University, Zanjan, Iran
Marketing PhD candidate at University of Islamic Azad Zanjan, Iran

ABSTRACT: *Today Online social media is an inevitable part of consumers' modern life.. Every day, more consumers use the internet for acquiring information related to their needs and purchases. Despite the fact that the social media increase commercial incomes and purchases, the conducted studies about them and effective factors on advertisement effectiveness in online spaces are limited and many users leave the social media due to advertisements. This study is sought to investigate one of the moderating factors on effectiveness of advertisement using DAGMAR model in online space. The survey method and questionnaire have been used. The population of the study includes Instagram users at the age range of 20-50 years old during the time period of spring 2018.384 questionnaires were distributed among available users. This number was calculated through the Cochran formula. Using structural equations model and PLS software, the data were analyzed. The results indicated the effect of customers' tendency for receiving commercial messages on their leading to purchase and effectiveness of online advertisement has a mediating role.*

KEYWORDS: Instagram Advertisements, Online Social Media, Purchase Intention, Commercial Message

INTRODUCTION

Internet was converted to social media in 1994 with banner advertising (Close Angeline, 2012). The users and visitors of social network websites increasingly expanded in 2006. Through the expansion of web-based software tools, letting users share, create or use created content, social media became common for such social networks (Brendan & Rowley, 2017). Today, social media is widely an integral part of consumers' modern life especially in the field of B2C (Lamberton & Stephen, 2016; Siamagka et al, 2015). They have provided new methods for attracting and leading customers towards buying the good as a powerful and dynamic tool. It is usually known as fifth P of marketing (Tuten and Solomon, 2013; Clark, Black & Judson, 2017). Today consumers have got interested in internet, online videos and online social media for spending their leisure time instead of TV and newspaper (Windels et al, 2018). Every day, more consumers use internet for acquiring related information to their needs and purchases. (Rose Hair & Clark, 2011). They increasingly search, evaluate and buy through social media and websites (Nadeem et al, 2015). Therefore, the marketers are sought to develop personal communications with customer to increase the rate of click and consequently increase online purchases (Liu & Mattila, 2017). Perceiving the aim of customers, advertising campaigns hope to increase their sale. Logically, if the audiences have positive attitude and tendency towards advertisement, buying intention increases (Massey et al, 2015; Fam and Waller, 2004; Khairullah and Khairullah, 1999; MacKenzie and Lutz, 1989).

Problem Statement

Although social media increases commercial incomes, there are a few studies about them (Colliander & Dahlen, 2011). In spite of mobile technology nowadays, the consumers are not limited to computer in terms of time and place. They can have online relationship whenever and wherever they want. Online market also includes a big group of buyers and sellers. It requires the identification of effective factors on online advertisement effectiveness (Kim et al, 2012). The companies shall learn that the method of traditional advertisement, trying to remain in the mind of customer by repetition, is not effective in online space. The new technologies have let the customers avoid the unwanted commercial messages (Deighton & Komfeld, 2009).like traditional advertising, ideal mood in online advertising is maximizing those receiving advertisement. Yet, even if consumers like the brand or follow it, in case of its repetition, they unfollow or unlike it immediately (Exact, Target, 2011). Based on a study, 8% of users have left a particular social network due to abound advertisement (Taylor et al, 2011; Hair, Hadija & Barnes, 2012; Cretti, 2015). It can be to the advantage of rival companies. Shankar and Hollinger (2007) categorize internet advertisement into wanted and unwanted groups. The Uninvited advertisement

Refer when a commercial message is sent to the user when he does not need it. The waned ones refer to when the consumer search information in case of need and This advertisement which has been aimed for his need, is proposed. It increases the effectiveness of advertising (Close Angeline, 2012). The mobile advertisement success is merely dependent on customer's tendency to receive message. If the messages are not obligatory, they will get better reaction of customers. Some of them even send it for their friends (Barwise & Strong, 2002). In fact, social media shall somehow encourage the online users to share the information of goods and services (Akar and Topcu, 2011; Ismail, 2012). If advertisement is not conducted correctly, not only it imposes high cost, but also will be to the advantage of competitors companies. Studies have shown that advertising in the social media environment is not well received, and only 22 %of consumers have a positive attitude towards these ads. Therefore, noticing the appropriate solutions for effectiveness of advertisements is crucial. The difference of traditional advertisement and different from online ones is that customer's willingness for receiving advertisement is also important in cyber space.

LITERATURE REVIEW

There are a few studies about effective factors on the effectiveness of advertisement in online social media. A summary of relatively interrelated conducted ones is as follows.

- In study, subjected to effective factors on the decisions of consumers and online purposeful advertisement, Liu and Mattila (2017) concluded that health, social status, income, age and gender lead to independency in the people's buying intention.
- In a study, subjected to empirical experiment for measuring the effectiveness of online advertisement in online markets, using hierarchical model, Kim et al (2012) showed that measuring the effectiveness of online advertisement contribute leading advertisement for making decisions.
- In a study, subjected to the identification and prioritizing effective factors on internet advertisement in Iran market, Bazazzadeh et al (2017) concluded that the rate of daily

use of internet, internet speed and using persuading phrases in the content of advertisement are respectively the most important effective factors on online advertisement effectiveness.

- In a study, titled as evaluation of TV commercials effectiveness, related to bank, with DAGMAR model, Nourian and Hamidizadeh (2013) showed that in the different steps of DAGMAR model, the strongest relationship is related to customer's persuasion of buying intention.

Research Objectives

This study is sought to investigate the factors affecting commercial message, and its effectiveness based on DAGMAR model in Instagram. Instagram is a media for sharing content with image (Munoz & Towner, 2017; Davies et al, 2018), short clips and commenting on them. Therefore, it is an appropriate option for online advertisement. Instagram social media is one of popular ones around the world. Based on statistics, it has over 800 million active members until September 2017. Billions of photos and videos are daily shared in it (the statistics of Instagram users, website).

The subsidiary goals of this study include the solutions for developing and implementing effective advertisement in Instagram social media.

Theoretical principles

Media and social media

The media are communicational channels, through which the consumers are exposed to advertisement such as radio, television, press and billboards, especially internet. It contains different social media such as Facebook, YouTube, twitter and Instagram through creating online and reflective space. Social media connect people to each other in different geographical points and given them many facilities in terms of participation (close Angeline, 2012). Social media are intrinsically social (Colliander & Dahlen 2011, Thorson & Rodgers, 2006).

Advertisement

Advertisement includes non-personal communications of a known admin, using social media, to persuade or influence a customer. Advertisement is one of the most important communicational tools for people, tending to sale a product or service to a person (Scutaru, 2010: 1). Designing and implementing advertisement require management. to manage advertisement, 5M model is used so that the companies first select their mission of advertisement. It might be informing customer or persuading him to buy or reminding the product. In the next phase, the money of advertisement is determined. In the next phases, the content of message and the type of media is determined. Given the function of product, the message can be musical, animation, humor, logic, lifestyle, facing and so on (Hamidizadeh and Nourian, 2013). The last phase is the measure the effectiveness of message in two fields of communications and sale. Communication field includes measuring the emotions and behavior before buying and sale field includes the rate of trading and returning the capital.

Effective advertisement

Effective advertisement is the one, drawing the customers' attention and leading him to pay money through creating emotion or using logic. Through effectiveness measurement, the

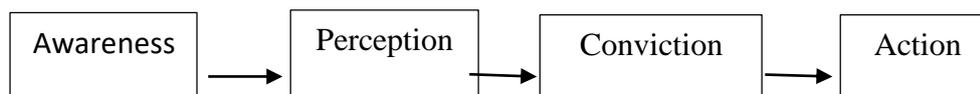
weaknesses of message can be figured out and modified. Importantly, the determined goals in effectiveness shall be measurable and evaluable. There are two major approaches in evaluating the effectiveness of advertisement. The first one is measuring the effect of advertisement on sale. Because other factors than advertisement such as the features, price, availability of product and the performance of rivals also affect sale, the lower rate of them and more supervision on them will lead to more successful effect of advertisement on sale (Kotler & Armstrong, 2001). The second approach is to measure the relevance of the advertisement's message with the consumer. Before putting advertisement in media or after that, it can be figured out that whether it has been able to communicate with the audience or not through testing the content of advertisement (ibid).

The communication of advertisement message with consumer causes mental effects such as attention, awareness, emotion, customer persuasion and buying intention. The reaction of customer to such mental effects may lead to money payment. Ideally, the evaluation of message effectiveness is better to be investigated both on mental effects and sale and market share. Anyway, such investigations have also some noticeable complicacies (Philip & John, 1998).

DAGMAR evaluating advertisement effectiveness model

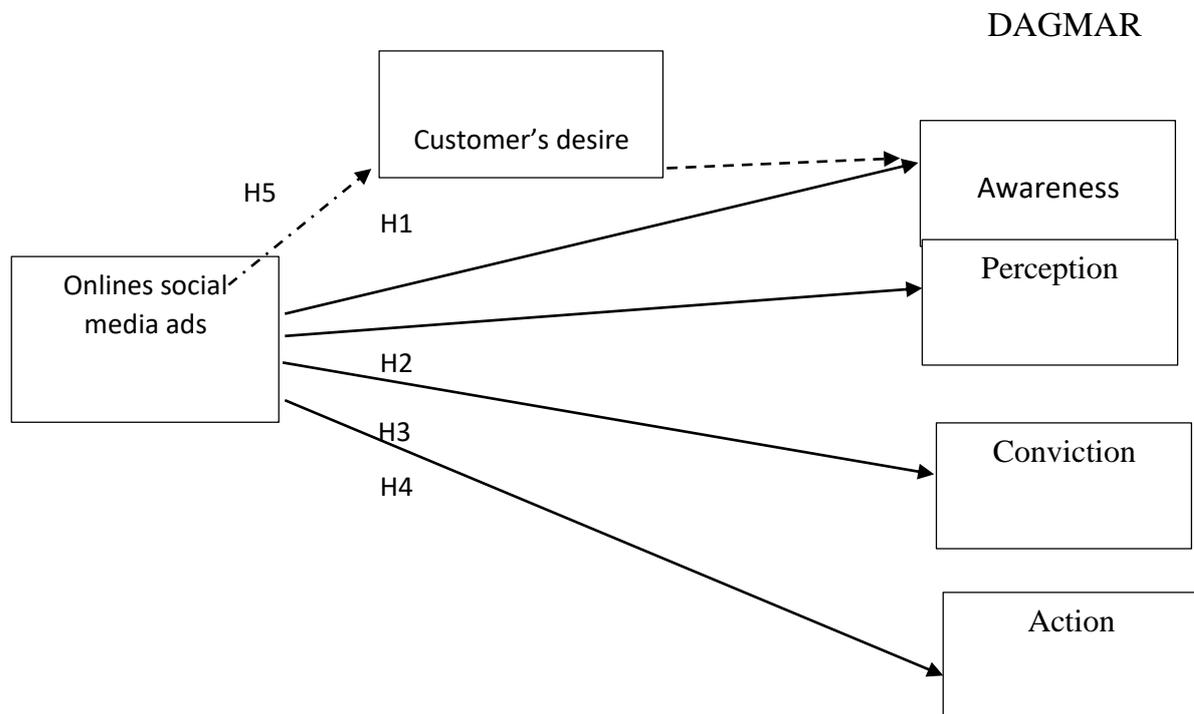
There are many models to evaluate the effectiveness of advertisements. Most of these models have been originated in personal sale field (Marshall, 2006). It is assumed in hierarchical models that customers' response to advertisement follows a particular hierarchy. A time result will be resulted, in which all phases of process are passed.

DAGMAR model is one of hierarchical models for determining the effectiveness of advertisements, discussed by Russel Cali in 1961 while stating a report, subjected to Defining Advertising Goals for Measuring. It was famed as DAGMAR model in 1995 by Belch and Belch, 1995. Russel Cali proposed four variables in this model:



The communicational aspect of advertising message in DAGMAR model is the main goal and basis of advertisement success or failure.

Conceptual model and hypotheses



- H1: Online social media has the positive effect on customer awareness.
- H2: Online social media has the positive effect on customers' perception.
- H3: Online social media has the positive effect on customers' Conviction
- H4: Online social media has the positive effect on customers' buying action.
- H5: the customer's tendency moderates the relationship between online social media advertisement and customers' awareness.

METHODOLOGY

The current study is descriptive in terms of method, survey in terms of implementation and applied in terms of goal. The data collection method in this study is survey. Data were gathered through distributing questionnaire among available users. PLS method was used in this study for statistically analysis of data and testing hypotheses. Given that, research statistical population includes people of 20 to 50 years old, who have been exposed to Instagram advertisement at least one time, the number of sample volume has been considered infinite. The number of samples is 384 according to Cochran's formula.

The reliability and validity of questionnaire

The researcher-made questionnaire of 24 questions was used in this study. It is designed in five-degree Likert scale. To measure the reliability of the questionnaire, Cronbach's alpha method and to evaluate the validity, discriminant validity has been used. The results have been shown in table 1.

Table 1- The validity and reliability indicators

Variable	CR	AVE	Cronbachs Alpha
Awareness	0.870	0.636	0.810
Perception	0.895	0.670	0.835
Action	0.881	0.651	0.821
Onlines social media ads	0.886	0.662	0.830
Conviction	0.907	0.711	0.863
Customer's desire	0.923	0.712	0.851

Discriminant validity means that the markers of each structure ultimately provide a suitable division in terms of measurement towards the other structures of model. In other word, each marker only measures its own structure. Their combination shall be so that all structures are separated from each other well. Using the extracted variance mean, it was shown that all study structures have extracted variance mean of more than 0.5. Combined reliability (CR) indicators and Cronbach's alpha are used to check the reliability of the questionnaire. The appropriate amount of these indicators is 0.7. All these coefficients are more than 0.7, indicating the reliability of measurement tool. Partial Least Square (PLS) is used for analyzing data. To evaluate the models of measurement of structural equations, PLS covers three parts:

1. The related section to measurement models
2. Structural section
3. Model total section

The researchers, who use PLS and its related tools such as SmartPLS, shall respectively implement three phases. Therefore, first of all, the accuracy of existing relations in measurement model is ensured using the reliability and validity criteria. Then they examine the existing relationships in structural section.

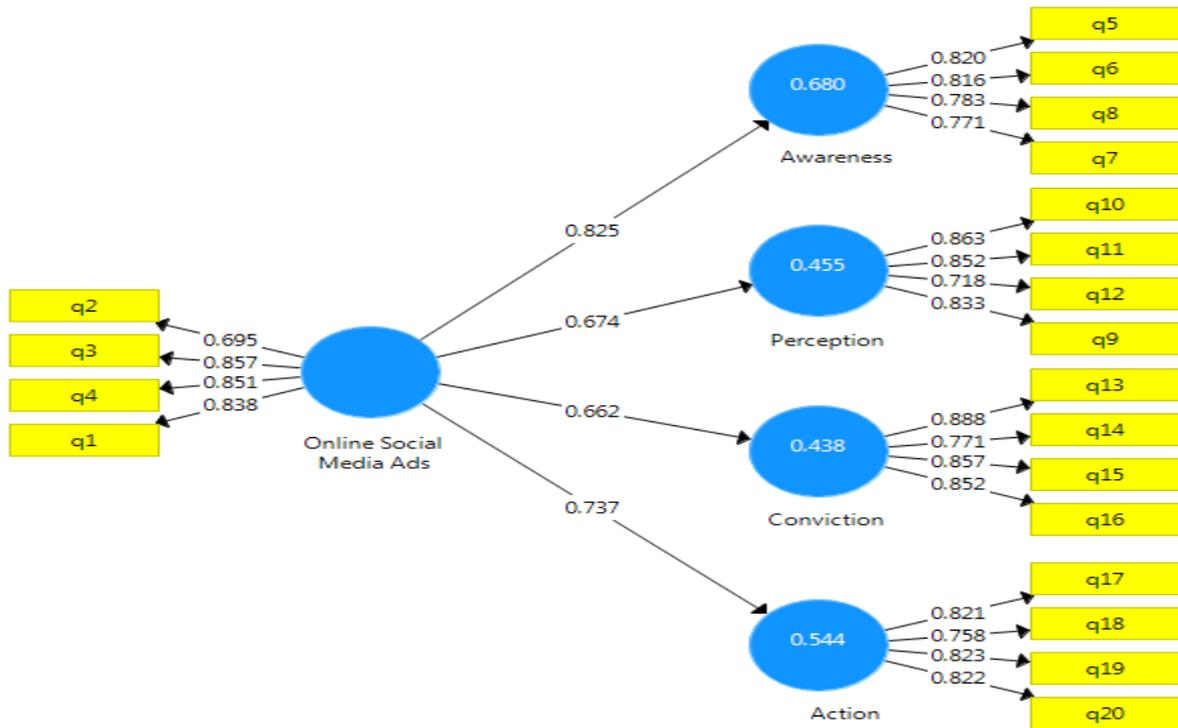


Figure 1- Structural equation model in the mood of estimating path coefficient

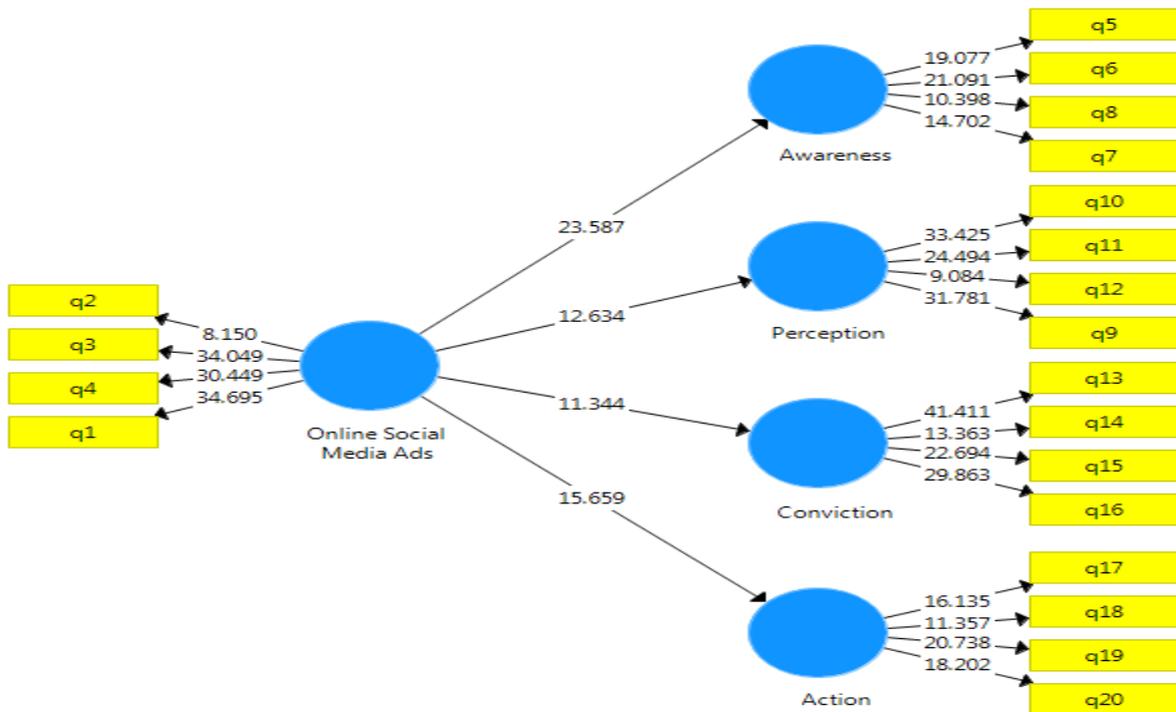


Figure 2- Structural equation model in the mood of coefficient significance (t-value)

Table 2- The path coefficients and t-value (predicting variable: online social media advertisement)

Variable	Path coefficients β	t statistic
Awareness	0.825	23.587**
Perception	0.674	12.634**
Conviction	0.662	11.344**
Action	0.737	15.659**

Given the path coefficient of 0.825 as well as t-value of 23.587, it can be said that because t-value is more than 2.58 in confidence level of 99%, online social media advertisement positively and significantly affects customers' awareness. Therefore, the first hypothesis of study is significant and confirmed.

Given the path coefficient of 0.674 as well as t-value of 12.634, it can be said that because t-value is more than 2.58 in confidence level of 99%, online social media advertisement positively and significantly affects customers' perception. Therefore, the second hypothesis of study is significant and confirmed.

Given the path coefficient of 0.662 as well as t-value of 11.344, it can be said that because t-value is more than 2.58 in confidence level of 99%, online social media advertisement positively and significantly affects customers' persuasion. Therefore, the third hypothesis of study is significant and confirmed.

Given the path coefficient of 0.737 as well as t-value of 15.659, it can be said that because t-value is more than 2.58 in confidence level of 99%, online social media advertisement positively and significantly affects customers' buying intention. Therefore, the fourth hypothesis of study is significant and confirmed.

Goodness of Fit

GOF depends on general section of structural equation models. It means the researcher can also control general fit after investigating the measurement and structure section of study using this criterion. $GOF = \sqrt{R^2 * COMMUNALITY}$

For this fit index, 0.01, 0.25 and 0.36 are respectively introduced for the values of weak, average and strong.

Table 3- The results of R² and communality

Variable	COMMUNALITY	R ²
Awareness	0.636	0.680
Perception	0.670	0.455
Conviction	0.651	0.544
Action	0.711	0.438
Onlines social media ads	0662	-

Table 4- The results of GOF criterion

COMMUNALITY	R^2	GOF
0.666	0.529	0.593

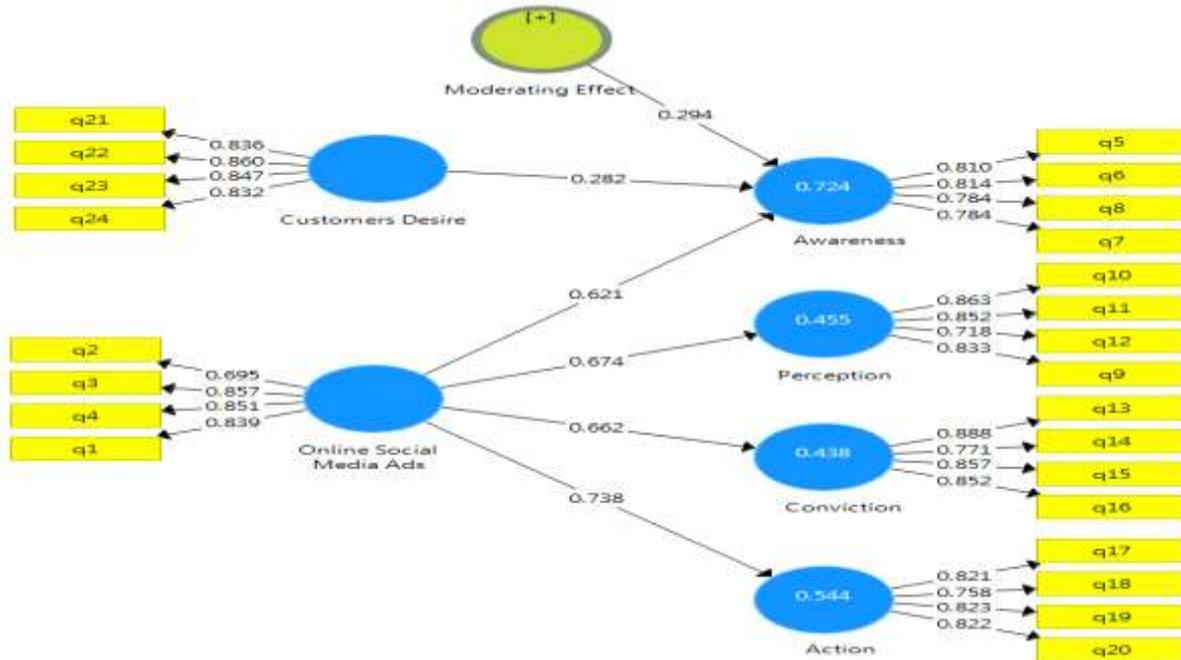


Figure 3- Structural equations model in the mood of estimating path coefficients of moderator

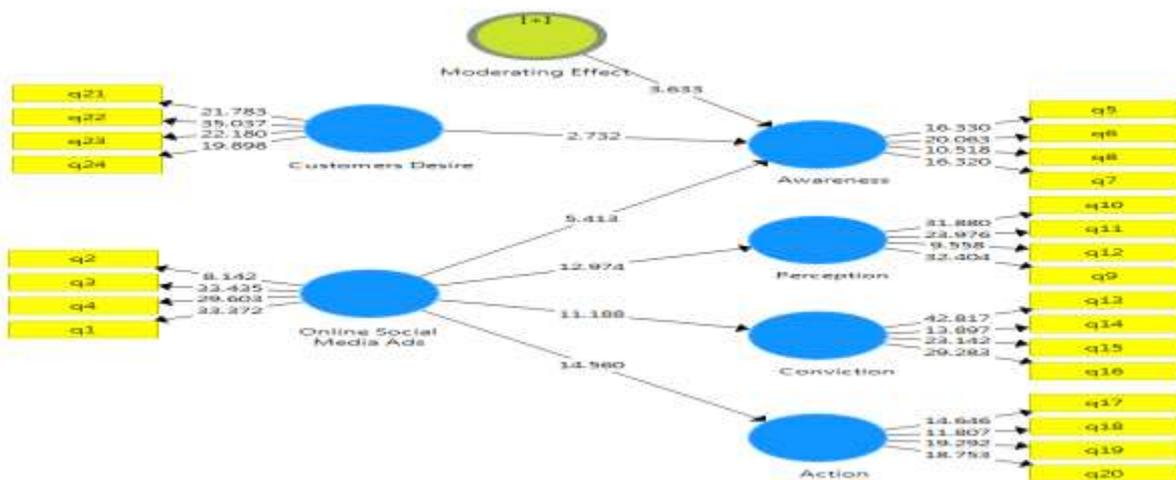


Figure 4- Structural equations model in the mood of coefficients significance (t-value) of Moderator

Table 5- Path coefficients and t-statistics (dependent variable: customers' awareness)

Variable	t- statistic	Path coefficients β
Customer's desire	3.633**	0.294

** $p < 0.01$ * $p < 0.05$

Given the path coefficient of 0.294 as well as t-value of 3.633 which is bigger than 2.57, it can be said that in confidence level of 99%, customer's tendency moderates the relationship between online social media advertisement and customers' awareness.

DISCUSSION AND CONCLUSION

To succeed in advertisement, the interaction of its involved components shall be well identified. The results of this study show that advertisement in online social media based on DAGMAR model, affects user's awareness, perception and persuasion and finally buying intention positively. Yet, to increase effectiveness, tendency shall be created in customer for receiving message because the in case of not needing or over repetition, user in Instagram can easily unfollow and this will reduce the effectiveness of advertisement. Ignoring the creation of tendency in customer will lead to the advantage of rivals. In DAGMAR-based advertisements, the main components of success are the type of relationship with the audience. According to this study most of users in Instagram showed more positive reaction towards advertisements in popular celebrities or their favorite pages. Even with the excessive repetition of an unwanted ad, they did not unfollow the page. Some of them even sent these unwanted ads for their friends in need of it. These findings show that for effective advertisement in online social media such as Instagram, the companies are better to focus on sustainable and long term relationship with users or use the effective people in this media (influencers) who have many followers. One of mental needs of customer is also trust in online buying which leads him to further purchases. The companies are recommended to try making a good memory and attract customers' satisfaction for further purchases through friendly relationships based on trust with users, respectful accountability and investigating their dissatisfactions after buying a product. It requires training personnel of marketing for online space.

Due to interactional space and the communications of users with each other in online social media, there are the effective factors such as word of mouth ads and emotional provoke of consumers. Given the moderators of gender, age, social class, job or lifestyle of users, the effect of these factors can be investigated on the effectiveness of advertisements in further studies. As the result, the consumer can be encouraged for buying.

Same as all studies, this one also has not been able to control all probably effective factors. The statistically population was also limited to Instagram users in a time interval. Therefore, the results shall be generalized more cautiously.

REFERENCES

- AdReaction(2010).”Brand+consumer+socialmedia:What marketers should know about who’s getting social and why “.Retrieved May 7 ,2011from http://www.dynamiclogic.com/na/research/industry_presentations/DynamicLogic,AdReaction09_OMMASocial_26Jan2010.pdf
- Akar, E. and Topçu, B. (2011).«An examination of the factors influencing consumers’ attitudes toward social media marketing». *Journal of Internet Commerce*, Vol. 10 No. 1, pp. 35-67.
- Barwise , P.& Strong, C.(2002).”Permission-based mobile advertising”,*Journal of Interactive Marketing*.16(1),14-24
- Bazazzadeh, Seyed Hojat; Ali Mohaghar and Roya Eghbal (2017). Identifying and prioritizing the effective factors on internet advertisement in Iran market using multi-indicator fuzzy methods (case study: clothes industry). *The journal of modern papers in making decision*. Period 2. Number 1, spring 2019
- Belch, G., & Belch, M. (1995).” Introduction to advertising and promotion: an integrated marketing communications perspective”, Boston: McGraw-Hill.
- Belch, George & Belch Michael. (2001).” Advertising Promotion”, TATA, McGraw-Hill, 5th Edition.
- Brendan, James & Rowley, Jenifer.(2017) " Evaluation and decision-making in social media marketing ",*Management Decision*, Vol. 55 Iss 1 pp.Permanent link to this document: <http://dx.doi.org/10.1108/MD-10-2015-0450>
- Clark, Melissa, Black, Hulda& Judson , Kimberly (2017).” Brand community integration and satisfaction with social media sites: a comparative study “, *Journal of Research in Interactive Marketing*, Vol. 11 Iss 1 pp. Permanent link to this document:<http://dx.doi.org/10.1108/JRIM-07-2015-0047>
- Cloes, Anjelin J. (2012) online consumer’s behavior. Translated by S. Avali and M. Shahinpur, first edition (2017). Tehran, Soureh Mehr Publicaiton
- Colliander, J. & Dahlen, M .(2011).”Following the fashionable friend :The power of social media”,*Journal of Advertisin Research* , 51(1),313-320.
- Colliander,J.&Dahlen,M.(2011).”Following the fashionable friend:The power of social media”,*Journal of Advertising Research*,51(1),313-320.
- Cretti , Camilla(2015).” Consumers’ attitude towards social media Advertising An empirical study,Bachelor”, Thesis University of Fribourg Faculty of Economics and Social Sciences Chair of Marketing Studies: BA in Management.
- Daviesb, Iain , Severina, Iankovaa,Chris, Archer,Brownb, Ben Marderc& Amy ,Yaud(2018). “A comparison of social media marketing between B2B, B2C and mixed business models”, *Industrial Marketing Management*, Available online 20 January 2018<https://doi.org/10.1016/j.indmarman.2018.01.001>
- Deighton,J.&Kornfeld L.(2009).”Interactivity”s unanticipated consequences for marketers and marketing”,*Journal of Interactive Marketing*,23(1),4-10
- Exact,Target,(2011).”The social breakup.Retrieved” June 15.2011 from <http://www.exacttarget.com/resources/sfff8.pdf>
- Fam, K.S., Waller, D.S. & Erdogan, B.Z. (2004).” The influence of religion on attitudes towards the advertising of controversial products”, *European Journal of Marketing*, Vol. 38 Nos 5/6, pp. 537-55.
- Hair N., Hadija, Z., & Barnes S.B. (2012). “Why We Ignore Social Networking Advertising”, *Qualitative Market Research: An International Journal*, Vol. 15, No. 1, pp. 19-32.

- Hamidzadeh, Mohammadreza; Zabihollah Nourian. Explaining and evaluating the effective process of TV ads on attracting customers. 2-quarterly of innovation and value creation, first year, number 3. Spring and summer 2013
- Ismail ,Ahmed Rageh (2017). “The influence of perceived social media marketing activities on brand loyalty The mediation effect of brand and value consciousness”,Asia Pacific Journal of Marketing and Logistics, Vol. 29 Iss 1 pp. 129 – 144.
<http://dx.doi.org/10.1108/APJML-10-2015-0154>
- Khairullah, D. & Khairullah, Z. (1999).Relationship between acculturation, Aad and PI of Asian Indian immigrant. International Journal of Commerce & Management, Vol. 9 Nos 3/4, pp. 46-65.
- Kim ,Cookhwa , Park, Sungsik, Kwon, Kwiseok & Chang, Woojin ,(2012).” An empirical test to measure the effectiveness of online advertising in online marketplaces using a hierarchical Bayes model”, Expert Systems with Applications 39 (2012) 117–128.
- Kotler , Philip &Armstrong Gary(2001).The Principle Of marketing
- Lamberton, C., & Stephen, A. T. (2016). “A thematic exploration of digital, social media, and mobile marketing: Research evolution from 2000 to 2015 and an agenda for future inquiry”, Journal of Marketing, 80(6), 146–172. <http://dx.doi.org/10.1509/jm.15.0415>.
- Liua, Stephanie Q , Anna S. Mattila(2017). “Airbnb: Online targeted advertising, sense of power, and consumer decisions:”, International Journal of Hospitality Management ,60 (2017) 33–41.
- MacKenzie, S.B. and Lutz, R.J. (1989).”An empirical examination of the structural antecedents of attitude toward the ad in an advertising pretesting context”,Journal of Marketing, Vol. 53, April, pp. 48-65.
- Marshall,Stephen .W .(2006). “Advertising message strategies and exectional devices intelevision commercials from award-wining effective campaigns from 1999 to 2004”,Dissertation for Doctoral Degree,University of Florida.
- Massey ,Graham R., David, S. Waller and Paul Z. Wang(2015). “The importance of culture for framing advertising messages, and for purchase intent”,Asia Pacific Journal of Marketing and Logistics, Vol. 25 No. 1, 2013, pp. 8-33.
- Muñoz, C. L., & Towner, T. L. (2017). “The image is the message: Instagram marketing and the 2016 presidential primary season”,Journal of Political Marketing, 7857. June, 15377857.2017.1334254 <https://doi.org/10.1080/15377857.2017.1334254>.
- Nadeema , Waqar , Daniela ,Andreinib, Jari ,Saloa& Tommi ,Laukkanenca (2015).” Engaging consumers online through websites and social media”, International Journal of Information Management, 35 (2015) 432–442.
- Philip, Jones &John (1998).”How advertising work : the role of research ”SAGE.
- Rose,S.,Hair,N.,& Clark,M.(2011).”Online customer experience:A review of the business-to-consumer online purchase context”, International Journal of Management Rview,13,24-39.
- Scutaru , Adrian (2010). “Evaluating Advertising Effectiveness: The Case Study of Moldovan Bank Advertising Campaign”, Thesis of M.A., Supervisor: Andrzej Baniak, Central European University, Department of Economics.
- Shankar,V.&Hollinger,M.(2007).”Online and mobile advertising:Current scenario,emerging trends,and future directions.Marketing”, Science Institute Special Report,70-206
- Siamagka, N.-T., Christodoulides, G., Michaelidou, N., & Valvi, A. (2015).” Determinants of social media adoption by B2B organizations”, Industrial Marketing Management, 51, 89–99. <http://dx.doi.org/10.1016/j.indmarman.2015.05.005>

- Taylor, D. G., Lewin, J. E., Strutton, D. (2011).” Friends, Fans, and Followers: Do Ads Work on Social Networks”, Journal of advertising research, Vol. 51, No. 1, pp. 258-275. The statistics of Instagram users, referral date (2018-02-04) <http://www.eghtesadnews.com>
- Thorson,K.S.& Rodgers,S.(2006).”Relationships between blogs as eWOM and interactivity , perceived interactivity , and para social interaction “, Journal of interactive Advertising ,6(2),34-44.
- Tuten, T. L. and Solomon, M. R. (2013). Social Media Marketing. Pearson, Upper Saddle River, NJ.
- Windels , Kasey , Jun, Heo, Yongick, Jeong, Lance, Porter, A-Reum ,Jung& Rui ,Wang(2018). “My friend likes this brand: Do ads with social context attract more attention on social networking sites”, Computers in Human Behavior, 84 (2018) 420e429.