FACTORS INFLUENCING PEER-COMMUNICATION THROUGH SOCIAL ADVERTISING: A CONSUMER SOCIALISATION FRAMEWORK

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This thesis is presented for the degree of Doctor of Business Administration of the University of Western Australia

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THESIS DECLARATION

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ABSTRACT

Personalisation in advertising significantly improves effectiveness in targeting, advertising performance and economic value for the advertising network. Many types of personalised advertising have already been extensively studied, including sponsored search advertising, contextual advertising, email advertising and behavioural advertising. However, studies have rarely focused on social advertising. Social advertising is an innovative development in social media that is considered more effective than other types of personalised advertising. This may be due to its underpinning in the consumer socialisation process termed as ‘peer-communication through social advertising’. Thus, understanding the factors around peer-communication through social advertising is essential to optimise personalisation and targeting in social advertising.

Prior research on factors influencing the consumer socialisation process have mostly focused on consumers’ demographic characteristics, such as age and gender. Only recently, studies on the antecedents to consumer socialisation have begun to look into factors other than demographics, such as tie-strength with peers and identification with the peer group. The current research contributes further by integrating a consumer socialisation framework with self-disclosure theory. Specifically, this research examines the social structural, cognitive developmental and self-disclosure antecedents to peer-communication through social advertising and the outcomes of peer-communication through social advertising in consumer attitude towards social advertising, consumer attitude towards the product, and consumer purchase intentions.

A quantitative study comprising a survey instrument was used to test the conceptual model. Data was collected from 393 social network users in Indonesia in 2015. The results were
analysed by using the Partial Least Square (PLS) method through WarpPLS and SPSS. Findings suggest that identification with the peer group, brand identification, perceived social benefits, and trust in the social networking site (SNS) were the key factors promoting peer-communication through social advertising. Peer-communication through social advertising was also found to be directly and indirectly associated with the consumer’s purchase intention; mediated by attitudes towards social advertising and attitudes towards the product.

In summary, this research provides a new framework of consumer socialisation in the context of social advertising. It contributes to the consumer socialisation literature, which has often viewed consumer socialisation from age and gender, by the use of psychographic factors, such as identification with the peer group, brand identification, perceived social benefits, and trust in the SNS. This is also the first time that a consumer socialisation framework is examined from an interdisciplinary perspective that combines consumer behaviour research with information management study in privacy. It proposes and demonstrates support for the use of self-disclosure theory in understanding consumer socialisation. It also contributes to the understanding of how consumer peer-communication through social advertising affects the purchasing intentions.

Finally, this thesis provides implications for managers wishing to improve consumer peer-communication through social advertising. Social media managers can help advertisers to achieve their expected audience by improving consumers’ trust to communicate through social advertising. This can be achieved by providing tools for consumers to control their privacy and other trust building activities. Advertising managers can emphasise social benefits in the advertisement to have a prevalent impact on consumer peer-communication through social advertising. Aiming advertisements at specific social media communities or
groups related to the brand is also essential to stimulate consumers’ identification with the peer group as well as brand identification that can affect consumer peer-communication through social advertising.
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CHAPTER 1

INTRODUCTION

This chapter introduces the topic of the research by identifying the research problem in the area and describing the background to the research. This is followed by the definition of consumer socialisation in social advertising and examples of the phenomenon. This chapter presents a summary of the research objectives, the research design and methodology, and the contributions of the research.

1.1 Research Problem

Along with the growing number of Internet users since the commercialisation of the Internet in the 1990s, the advertising industry has begun to shift their spending from traditional media to this digital network. In the U.S. alone, digital advertising spending has grown 20 per cent each year since 2002 and had achieved a quarter of the advertising market share in 2012, while Google advertising revenue alone has surpassed all of the newspaper and magazines advertising revenue since 2012 (Blodget & Danova 2013). Online advertising is perceived to be easier personalised to meet consumers’ preferences and online behaviours. This personalisation in online advertising has shown significant effectiveness in targeting, advertising performance and economic value for the advertising network, in comparison to merely delivering randomised advertising (Yan et al. 2009; Goldfarb & Tucker 2011; Chen & Stallaert 2014). For example, an advertisement that relates to previous consumers’ search and browsing behaviour may receive a 670 per cent higher click-through-rate than a generic advertisement (Yan et al. 2009), while matching advertising content to the website content that a consumer has visited may increase purchase intention among exposed consumers (Goldfarb & Tucker 2011). However, studies have rarely focused on social advertising (Ha
2017; Knoll 2016); an innovative development in social media as a new way to personalise
the advertisements.

Social advertising refers to ‘any advertising method that uses information about consumers’
social networks to target ads and/or provides personalised social signals’ (Bakshy et al.
2012, p. 147). Despite the effectiveness of social advertising, a comprehensive review of the
literature found little attention to the study of social advertising (Ha 2017; Knoll 2016), in
which consumer socialisation seems to play an essential role. It is well acknowledged that
‘peer’ is deemed as the key socialisation agent to understand the process of consumer
socialisation (Moschis & Churchill Jr 1978). Wang, Yu and Wei (2012) found the ‘peer-
communication’ socialisation process influenced consumers’ product attitudes and purchase
intentions in social media. If peer-communication through social advertising can also
manifest consumer attitudes that lead to consumer purchasing intentions, it is important to
study the factors that might influence consumers’ peer-communication through social
advertising.

Prior research on factors influencing the consumer socialisation process have mostly
concentrated on demographic characteristics (John 1999). Only recently, studies in the
antecedents to consumer socialisation began to look into other factors, such as tie-strength
with peers and identification with the peer group (i.e. Wang, Yu & Wei 2012). However,
research on factors other than demographics is still limited in consumer socialisation research
to help understand its role in social advertising (Ekström 2006). For example, social
advertising may use personal social profiles and peer-communications as the basis for
targeting (Li, Lee & Lien 2012; Li & Shiu 2012), in which privacy issues and distrust may
escalate among consumers concerned with the use of their personal information. However, it
is not clear whether and in what way privacy issues and distrust might influence consumers’ socialisation process in social media. Thus, to examine possible factors that might be associated with consumers’ peer-communication through social advertising, the current study proposes an approach to help understand peer-communication through social advertising using the framework of consumer socialisation.

1.2 Background to the Research

In social advertising, a social networking site uses data from the consumer’s social profile, preferences and peer-communications to deliver relevant advertisements to a target market (Li, Lee & Lien 2012; Li & Shiu 2012). This sets it apart from other forms of personalised advertising that use tracking mechanisms, such as a browser ‘cookie’. However, it is not clear in what way the usage of personal information in social advertising would affect consumer socialisation behaviour.

Advertising that uses social media personal information for targeting, such as social preferences and peer-communication data, has shown significant improvement in effectiveness and efficiency and has outperformed other personalised advertising approaches (Li, Lee & Lien 2012). Social advertising could increase advertising effectiveness for two main reasons: a) peers’ connections reveal unobserved consumer characteristics; and b) the inclusion of social cues (i.e., peers’ suggestion to a brand) in the advertising content affects responses via social influence processes (Bakshy et al. 2012). Accordingly, consumer peer-communication through social advertising becomes an increasingly important factor in social advertising. Advertisers are encouraged to make their advertisement as attractive as possible to trigger consumers’ peer-communication through social advertising. This effort will not only help advertisers to get maximum exposure of their advertisement but will also help
social media as an advertising publisher to profile their advertising audience. However, the consumer acts of liking, sharing, commenting, or any interactions on social advertising, need an active and voluntary action of the consumer to socialise the advertisement. Thus, understanding the factors that may influence consumers’ socialising behaviour is essential to optimise the performance of social advertising.

1.2.1 Definition of Consumer Socialisation in Social Advertising

Consumer socialisation is “the process by which individuals develop consumption-related cognitions and behaviors” (Moschis & Smith 1985, p. 275), which suggests that people learn about consumption-related matters by socialising with others. Consumer socialisation in social advertising occurs when advertising messages in social media are discussed by consumers and by their peers through the communication tools available on social media. These communication tools, that include the ‘like’ response and ‘commenting’ and ‘sharing’ functions on social media platforms, can encourage consumers to socialise the information of social advertising to their peers. In this research, this activity is described as consumer socialisation in social advertising. The communication process of this socialisation is defined as ‘peer-communication through social advertising’, the process by which consumers socialise the information of social advertising to their peers.

For example, when a consumer clicks the ‘like’ button on Samyang’s social advertising post in Facebook, their peers will see the interaction that will eventually socialise the advertisement (see Figure 1.1 Consumer Socialisation on Social Advertising Content). According to Nielsen as cited by Forbes (Hof 2011), people are twice as likely to recall an advertisement if a friend is involved in the advertisement’s content, and they tend to click the advertisement or share it with friends more often than they do on plain display
advertisements. Furthermore, their purchasing intentions might rise fourfold when they see their peers’ interactions with the advertisement (Hof 2011). When a consumer is involved at a further peer-communication level such as sharing or commenting on the advertisement’s post, the advertiser can also directly respond, making other consumers able to see this discussion, generating consumer socialisation.

![Figure 1.1 Consumer Socialisation on Social Advertising Content](image-url)
1.3 Research Objectives

The aim of this research is to investigate factors influencing peer-communication through social advertising by using the framework of consumer socialisation. This framework mainly contains two learning models: the social structural learning model and the cognitive learning model (Moschis & Churchill Jr 1978). Although the framework does not view social structural learning and cognitive learning as mutually exclusive processes, the majority of consumer socialisation research has largely concentrated on one side of the learning perspective in examining consumer socialisation phenomenon (Ekström 2006). This overlooks the actual processes through which consumer socialisation occurs. Hence, the current study suggests a complete framework of consumer socialisation that will incorporate both of the learning models in the investigation. In addition to that, self-disclosure antecedents to consumer socialisation will also be included in the framework which accounts for the characteristic of online personalisation where privacy issues are at times sensitive and challenging. In this research, the framework defines ‘peers’ as the socialisation agent; ‘peer-communication’ as the socialisation process; consumer social learning, cognitive learning through a developmental experience, and self-disclosure variables as the socialisation antecedents to peer-communication; and learning properties as the socialisation outcomes (see Figure 1.2). Considering much previous research on consumer socialisation, the primary objectives of this research are to seek:

- What are the antecedents of consumer peer-communication through social advertising?
- To what extent do these antecedents affect consumer peer-communication through social advertising?
- What are the outcomes of consumer peer-communication through social advertising?
• To what extent does consumer peer-communication through social advertising affect these outcomes?

![Theoretical Framework](image)

*Figure 1.2 Theoretical Framework*

### 1.4 Research Design and Methodology

To investigate factors around consumer peer-communication through social advertising, this research firstly reviewed relevant work in consumer socialisation literature and then adapted the conceptual framework to the current social advertising context. Relevant studies in social media context were used to design and develop hypothesised relationships, particularly from the Wang, Yu and Wei (2012) study of peer-communication and the Mothersbaugh et al. (2012) study of self-disclosure antecedents.

Quantitative research was done to test the model by adopting measurement items from previous studies. Specifically, the research aimed to investigate consumers’ antecedents to peer-communication through social advertising, the process of consumer socialisation, and its outcomes in purchasing intentions. An online survey was developed and distributed through social media and email invitation. The population of the sample was chosen to be Indonesian users of social media that include Facebook, Twitter, Instagram, LinkedIn, and Google+. With a population of over 250 million, Indonesia is the fourth largest country in
the world, where 30 per cent of its population, or 79 million of them, are active social media users (Balea 2016). The online questionnaire was designed to measure constructs and assesses the hypothesised relationships regarding the research questions. Computer software, such as WarpPLS and SPSS, was used for statistical analyses. The survey results were analysed by using the Partial Least Square (PLS) method to explain the proposed relationships in the model.

1.5 Contributions

As a new form of personalised advertising, social advertising is a rare topic in academic studies (Ha 2017; Knoll 2016), and this research is one of the earliest. The current research is a judicious study as social advertising has become a new marvel in advertising and on the rise in the industry. The investigation was expected to expand our understanding of the factors under which consumers peer-communicate through social advertising. From a theoretical perspective, this research contributes to the body of knowledge of consumer socialisation by:

- Providing a better understanding of consumer socialisation behaviour in the particular context of social advertising. As social advertising is a new phenomenon, a study of consumer socialisation in social advertising may expose a new perspective in consumer behaviour. The research extends the application of consumer socialisation theory as a way to investigate the phenomenon of consumer peer-communication through social advertising.
- Extending the previous consumer socialisation study by Wang, Yu and Wei (2012) by providing a rigorous investigation into more specific antecedents and outcomes variables that were previously unsought. This research
concentrates more on psychographic factors, where most consumer socialisation research has had more focus on demographic variables, such as gender and age (Ekström 2006; John 1999).

- Examining the framework of consumer socialisation in social advertising by analysing the relationships between the factors of consumer socialisation that were hypothetically related with the socialisation behaviour. The framework will provide insight into understanding consumer socialisation in social advertising.

- Providing an extended understanding of consumer socialisation behaviour through the use of self-disclosure theory in the framework. This contributes to the consumer socialisation body of knowledge, by showing the influence of consumer self-disclosure antecedents in consumer socialisation behaviour.

The contribution of the research is also important in multiple academic areas in that it not only contributes to the theory of consumer socialisation, but also to personalised advertising and consumer self-disclosure behaviour. In general, the progress of research in consumer socialisation will improve our knowledge in consumer behaviour.

Regarding practical perspectives, this research can provide a strategic approach for managers in deploying social advertising campaigns to meet intended advertising outcomes such as expected changes in consumers’ attitudes and purchase intentions. This can be achieved by identifying the suggested consumers’ antecedents to peer-communicate through social advertising that are significant in our findings. From our results in the integrated model of peer-communication through social advertising, these antecedents include identification with the peer group, brand identification, perceived social benefits, and trust in the social media. These significant aspects of consumer socialisation in social advertising can advise managers
of specific actions to improve and encourage consumer socialisation behaviour. For example, for advertisers, aiming the advertisement at specific social media communities or groups related to the brand can be essential in stimulating consumer’s identification with the peer group as well as brand identification. Emphasising social benefits in the advertisement could have a prevalent impact on peer-communication through social advertising. For social media managers, improving consumers’ trust in communicating through social advertising by providing accessible and easy-to-use privacy controls could help advertisers make their advertising content more trustworthy. Although the actual consumer antecedents to peer-communicate through social advertising may change dynamically over time in the future, the key antecedents that often relate to consumer peer-communication through social advertising can be anticipated. Ultimately, identifying consumer peer-communication antecedents in social advertising campaigns may have influence in generating consumer purchase intentions.

1.6 Conclusion

This chapter introduces the background of the current research and outlines the conceptual framework for examining the relationships between the antecedents and the outcomes of consumer peer-communication through social advertising. This chapter also lists the research objectives, summarises the research design and methodology and the contribution of the current research. The use of the consumer socialisation framework in this research and descriptions of the related antecedents and outcomes of peer-communication are discussed rigorously in the following review of literature in Chapter Two. Subsequently, Chapter Three proposes a conceptual model and suggests the hypotheses of relationships between the factors. Chapter Four outlines the methodological considerations for the research and also
describes the scope of research, sampling, and the strategy for data analyses. Preliminary data analyses are discussed in Chapter Five, and include data preparation, validity and reliability tests. Chapter Six outlines the conclusions of this research and tests the hypotheses and discusses the model estimation.
CHAPTER 2

LITERATURE REVIEW

This chapter aims to review the major conceptual and empirical literature on consumer socialisation to position peer-communication through social advertising within the literature. The discussion begins with a review of social advertising and consumer responses in advertising literature highlighting the main conceptual developments of the current research. This is followed by an in-depth look at consumer socialisation theory and a conclusion.

2.1 Introduction

In the previous chapter the phenomenon of social advertising, where consumers interact with their peers through advertisements, has been introduced. A review of literature is required to tackle existing consumer behaviour theory that can explain the phenomenon. Before reviewing consumer behaviour literature, a review of social advertising is provided. This is necessary to position social advertising among other advertising channels and differentiate its uniqueness as personalised advertising. Afterwards, a review of consumer responses in advertising is provided and compares similar concepts that have emerged in the literature, specifically: consumer engagement, consumers’ online brand-related activities, electronic word-of-mouth, and consumer socialisation. Critical thinking on these concepts is provided to determine which theory is the finest to explain peer-communication through social advertising. In brief, the current chapter reviews the literature of social advertising and several consumer behaviour theories that have emerged in advertising literature that may have the capability to explicate and contextualise the phenomenon of peer-communication through social advertising.
2.2 Social Advertising

Social advertising is defined as ‘any advertising method that uses information about consumers’ social networks to target ads and provides personalised social signals’ (Bakshy et al. 2012, p. 147). Social advertising can provide online communities a way to communicate with peers as well as with the brand and also offer advertisers the capability to capture consumer information and monitor consumers’ information sharing (Harrigan & Miles 2014). Unlike other personalised advertising that uses ‘cookies’ for tracking mechanisms (Lambrecht & Tucker 2013), social advertising determines the advertisement’s relevance by using social relationship information to deliver relevant advertisements to the target audience. For example, if a consumer interacts with social advertising, he/she will become an endorser of the advertisement to his/her circle of friends who are likely to be in the same segment of interest. Social advertising can contain ads that feature the names of friends who have communicated through social advertising (Bakshy et al. 2012; Tucker 2012; Li, Lee & Lien 2012), whether their intended communication was with their peers or with the brand. When consumers communicate with their peers through social advertising, they disclose their social media profile that can be used by social media to distribute the advertisement’s message to the consumers’ networks (Li, Lee & Lien 2012). For example, social media users may find social advertising that displays their peers’ communication through social advertising, such as ‘your friend likes this ad’, ‘your friend comments on this ad’, or ‘your friend shares this ad’.

Prior literature suggests that endorsement from friends, family, colleagues, or anyone the customer actually knows at an interpersonal level are trusted more than a celebrity endorsement (Li, Lee & Lien 2012). Social advertising uses consumer interactions data to
diffuse advertising messages to consumers through social media outlets (Bakshy et al. 2012; Tucker 2012; Li and Shiu 2012); an approach that seems to be more effective and efficient than most others (Li, Lee and Lien 2012). Social advertising is effective because its messages can be spread rapidly among relevant consumers (Lueg and Finney 2007; Schivinski and Dabrowski 2016; Wang, Yu and Wei 2012) and because consumers trust their peers more than they do traditional advertising sources (Bakshy et al. 2012; Li, Lee and Lien 2012).

Research in the area of social advertising is still small as the targeting method was just developed recently following the rise of social media. Previous literature in social advertising has studied the effect of social influence in social advertising performance (Bakshy et al. 2012; Tucker 2012); the comparison with other targeting methods (Li, Lee & Lien 2012); and the effect of privacy control in social advertising performance (Tucker 2014). In fact, all the literature in social advertising posits that the manifestation of social influence in social advertising has improved the number of clicks on the advertisement. The targeting method that uses social influence is considered more powerful in attracting more viewers than other targeting techniques in online advertising (Li, Lee & Lien 2012). Although most of the studies in social advertising have been articulating the effect of social influence in advertising performance, one study deliberates the precursor of why a consumer engages with (i.e. clicks) the advertisement. The study proposes that consumers are more likely to click the advertisement if the social media has provided transparent access to privacy controls to protect consumers’ privacy issues concerning advertising personalisation (Tucker 2014).

Social advertising distribution can be made through consumers’ interactions with the advertisement socialising the message (Li & Shiu 2012). Consumers socialise these advertisements’ messages through the communication tools available in social media, such
as ‘liking’ by pressing a ‘thumbs-up’ button in Facebook and LinkedIn, the ‘love’ button in Instagram, or the ‘favourite’ button in Twitter. Similar ‘commenting’ and ‘sharing’ functions can also be found on any social media platform. In the current research, consumers’ interaction with the advertisement is termed ‘peer-communication through social advertising’. In fact, consumer interactions with social advertising are a peer-communication as the interaction tells their peers about the advertisement. This way, the advertisement is posted to the consumer’s circle of friends along with a personalised personal signal within the advertisement that tells the viewers about the consumer’s interactions with it. To the viewers, the advertisement will be more appealing because of their friend’s socialisation about it that acts as a peer recommendation or endorsement of the advertisement (Li, Lee & Lien 2012; Tucker 2012). Some examples of this personal signal in social advertising from various social media channels are shown in Figure 2.1.

Figure 2.1 Consumer socialisation in this Advertisement shows a Personal Signal in the Ad-Content
Finally, the success of social advertising is greatly influenced by the number of consumer peer-communications through social advertising. The more consumers communicate through social advertising, the larger the relevant audience that the advertisement will be exposed to in the end. A study is necessary to look into the factors of consumer behaviour in peer-communication through social advertising. By knowing these factors, a new direction of knowledge in the area of social advertising will be suggested. Advertisers can also improve the number of consumers who peer-communicate through social advertising by utilising these factors. Advertisers will finally attain the aim of advertising: reaching potential customers. However, prior studies of consumer responses (beliefs, attitudes and behaviour) in social advertising are limited. Thus a review of consumer responses to online advertising could help delineate the course of the current study.

2.3 Consumer Responses to Online Advertising

Across decades, consumer responses (i.e. beliefs, attitudes and behaviour) to traditional advertising have been extensively observed by many researchers. Basic theories in psychology, such as the theory of reasoned action, were often used to explain the relationship between consumers’ beliefs, attitudes toward advertising, and purchasing behaviour (Lutz, MacKenzie & Belch 1983; MacKenzie, Lutz & Belch 1986; Muehling 1987; Homer 1990). It has been posited that attitude towards advertising is a significant positive predictor of purchase intention and suggested that marketers should invest in providing consumers with the beliefs that will likely lead them to positive attitudes and, ultimately, favourable consumer behaviour. The research in this area then focused on consumers’ attitude towards advertising
and its various subsequent effects, not only on purchasing behaviour but also on advertising effectiveness (Mehta 2000; Cho 2003; Patsioura, Vlachopoulou & Manthou 2009; Martin-Santana & Beerli-Palacio 2012). The latter progress of this research then developed more focus on attitude structures within specific advertising channels, such as Ducoffe (1996) investigating the role of entertainment, informativeness, and irritation of advertisements as factors constructing the advertising value of online (Website) advertising.

In their study of attitudes toward online Web advertising using the seven attitude determinants of Bauer et al. (1968), Wolin, Korgaonkar and Lund (2002) identified that higher income and higher education respondents demonstrated negative behaviour towards Web advertising. More results from Wolin and Korgaonkar (2003) using the Pollay and Mittal (1993) evaluative dimensions in gender beliefs about Web advertising, showed that males and females had considerably different perceptions about Web advertising. Favourable attitudes toward Web advertising were exhibited in males more than females. Saadeghvaziri, Dehdashti and Askarabad (2013) conducted another similar study on Iranian consumers with Bauer et al.’s (1968) determinants with the addition of the Irritation element to measure and further empirical evidence in purchase intention. The findings indicated that attitude towards Web advertising is a positive predictor of Web purchase intention and Web advertising behaviour. The results also revealed that there was no difference between genders in behaviour towards Web advertising, although males exhibited more positive purchase intentions.

Consumer purchasing behaviour and advertising effectiveness are the most-considered dependent variables in numerous studies investigating consumer response to advertising. What is more, there are also several attitude determinants as dependent variables of consumer
response to advertising which lead to negative behaviour towards advertising, such as avoidance, that have risen as an interesting topic of attitude towards advertising. There is a well-developed body of knowledge in the avoidance attitude towards general advertising from past research (Zanot 1981; Alwitt & Prabhaker 1994). Potential determinants of advertising avoidance across traditional media (Elliott & Speck 1998) and online media (Cho & Cheon 2004; Kelly, Kerr & Drennan 2010) have been studied as well. Among the factors considered to affect ad avoidance, perceived goal impediment has a significant effect on ad avoidance in online advertising (Cho & Cheon 2004). Additionally, a study of avoidance in personalised direct-advertising has been observed by Baek and Morimoto (2012) and has found that privacy concerns and ad irritation have a positive effect on ad avoidance. Interestingly, perceived personalisation or relevance of the advertisement’s message has led to decreased ad avoidance (Kelly, Kerr & Drennan 2010; Baek & Morimoto 2012).

While the relevance of advertising information is considered to suppress consumers’ avoidance attitude towards advertising, advertisers and publishers have put much effort in distributing advertisements to relevant consumers to reach cost effectiveness of ad spending. Personalised advertising is becoming a popular option as it offers better ad performance and more economic value than randomised advertising distribution (Yan et al. 2009; Goldfarb & Tucker 2011; Chen & Stallaert 2014). Advertising personalisation is common in online advertising as it is easier for advertisers to collect consumers’ information, such as through browsing history, cookies, or consumer preference. As online advertising is easier to customise, personalisation in online advertising has been advanced to meet consumers’ preferences and behaviours, which may raise privacy issues on the consumer side (Smit, Van Noort & Voorveld 2014). Prior literature on consumer response towards personalised online advertising studied various issues on privacy matters, such as privacy concerns and the
importance of information transparency (Awad & Krishnan 2006; McDonald & Cranor 2010). Although ad relevance reduces consumers’ ad avoidance attitudes, the consumer gap of knowledge about the practice of using personal information to deliver relevant ad messages is still considered as intrusive. However, consumers are twice more likely to click an advertisement if transparent access to privacy controls to protect consumers’ privacy is provided (Tucker 2014).

In general, the study of consumer behaviour in advertising covers many aspects of consumer beliefs, attitudes and behaviour. Every study has mixed results driven by the factors and scales being used, the media channel, and the culture-related population. However, consumer behaviour and attitude towards advertising was mostly motivated by the common seven factors that are widely studied: information, hedonic, social role, economy, materialism, falsity, and value corruption (Wolin, Korgaonkar & Lund 2002). Consumer purchasing behaviour and advertising effectiveness were the most studied properties of consumer response to advertising. The studied media channels varied from traditional advertising to online advertising, and from static advertising to personalised advertising. However, a few considered social advertising. As different media channels can produce different results, studying consumer behaviour in social media channels, such as social advertising, is essential to fill the gap in knowledge. In this case, the study was conducted in a developing country, Indonesia.

2.3.1 Consumer Responses to Social Advertising

Social advertising provides interactivity to the consumers, where consumers can communicate to both the brand and other consumers. Consumer responses to social advertising can be more straightforward and real-time than other online advertising, such as
when consumers respond through the ‘like’ button, comment, and share functions. This real-time interaction with consumers captures the consumer’s real impression about the advertisement, or even more so about the brand. Moreover, the interaction is made public by the SNS so peers can read their friends’ activity, be exposed to the advertisement, and respond in accordance to their friends. Thus we define this activity as peer-communication through social advertising. The implication of this interaction is that consumer responses in social advertising are more engaging and comprise consumers’ feedback. The phenomenon is familiar to consumer responses to product or brand. Prior studies have termed this phenomenon as consumer engagement (Hollebeek, Glynn & Brodie 2014; Calder & Malthouse 2008), consumers’ brand-related activity (Muntinga, Moorman & Smit 2011), consumer’s word-of-mouth activity (Mazzarol, Sweeney & Soutar 2007; Hennig-Thurau et al. 2004; Chu & Kim 2011), and consumer socialisation (Wang, Yu & Wei 2012). The position of these terms in the study of peer-communication through social advertising is described below.

Firstly, the concept of consumer engagement is relatively new in marketing literature and has been studied in many themes and dimensions. Some studies have given an overview of the concept of engagement as researched over the last decade (cf. Brodie et al. 2011; Hollebeek 2011b). The key concept of engagement in the literature is that engagement is a psychological state of interaction (Brodie et al. 2011). It is an experiential process (Brodie et al. 2013) and a positive valence activity of the focal brand (Hollebeek, Glynn & Brodie 2014). Consumer engagement can also explain the level of cognitive, emotional and behavioral investment of a customer towards the focal brand (Hollebeek 2011b), affect consumers’ intentions and behaviours (Algesheimer, Dholakia & Herrmann 2005; Van Doorn et al. 2010), and be motivational (Van Doorn et al. 2010), and context dependent (Hollebeek 2011a; Brodie et al.
Consumer engagement activities could comprise multiple behaviours, including word-of-mouth activity, recommendations, helping other customers, blogging, writing reviews, or even engaging in lawful action (Van Doorn et al. 2010). This vast array of interpretations of engagement means the engagement behaviour approach to social advertising interaction was considered too broad and too vague (Malthouse & Calder 2011), as the conceptualisation of engagement combines all relevant behaviour with actual emotions and cognitions of the focal brand (Brodie et al. 2011). Consumers’ responses to social advertising, however, might not relate to their existing psychological state of emotions or cognitions of the brand as in consumer engagement. Consumers may interact with any social advertising they find appealing in their main activity, the browsing activity. Consumer emotions and cognitions of the focal brand were then developed after they saw the advertisement. Thus, consumer engagement behaviour with advertising is indirect and typically linked to their main engagement with the social media as the advertising vehicle (Calder & Malthouse 2008; Wu 2016).

Secondly, the consumers’ online brand-related activities (COBRA) concept unified consumer-to-consumer and consumer-to-brand behaviours about brand-related content on social media platforms and are described in typological terms, such as consuming, contributing and creating (Muntinga, Moorman & Smit 2011). However, the typological COBRA on consumer responses to social advertising is limited to consumers’ consuming and contributing activities. The creating type of COBRA is related to consumer activities in publishing brand-related blogs, uploading brand-related videos, audio, or images, and writing brand-related articles and reviews. These activities were often called consumer-produced brand communications or user-generated content (Smith, Fischer & Yongjian 2012; Muntinga, Moorman & Smit 2011). In comparison to social advertising, although the
distribution of the advertisement’s message is user-generated through social media interactions, social advertising is marketer-generated content that is initiated by the company.

Other than COBRA and consumer engagement, electronic word-of-mouth (eWOM), which is an online consumer-to-consumer statement about a brand (Hennig-Thurau et al. 2004), is more relevant in describing consumer responses to social advertising. In fact, eWOM in social media is defined as a form of consumer engagement (Chu & Kim 2011). The concept can be applied to an online consumer-to-consumer statement about an advertisement. There are four dimensions of eWOM that can be used by researchers as a focus: the antecedents of eWOM senders; the antecedents of the receivers; the consequences to the senders; and the consequences to the receivers (King, Racherla & Bush 2014). The eWOM literature covers a wide range of online communications, such as discussion forums, blogs, emails, product reviews, virtual consumer communities, and social networking sites or SNSs (King, Racherla & Bush 2014; Chu & Kim 2011). Each of those online communication channels is unique and has its particular eWOM characteristics. In the case of the current study, peer-communication through social advertising can be a type of eWOM communication where a consumer communicates with other consumers within the context of a particular advertisement. Thus, the approach to discover the antecedents and consequences of peer-communication through social advertising should be derived from its very own characteristic, the characteristic of social advertising.

Following the definition and characteristics of social advertising described in section 0, peer-communication through social advertising is a consumer socialisation behaviour where consumers learn information from each other about a product (Wang, Yu & Wei 2012). This consumer socialisation behaviour is a type of eWOM that covers three models of eWOM
communication: the organic inter-consumer influence model; the linear marketer influence model; and the network coproduction model (Kozinets et al. 2010). The models describe how the information flows in the communication: whether it is one-to-one between two consumers; one-to-many between opinion leader to many consumers; or a coproduction communication among consumers. All of these types of eWOM communication currently coexist and apply to consumer socialisation behaviour. Wang, Yu and Wei (2012) describe consumer socialisation in social media as a communal eWOM that covers all of the eWOM communication models by Kozinets et al. (2010). Thus, peer-communication through social advertising can be one-to-one, one-to-many, or a coproduction communication among consumers. Thus, peer-communication through social advertising is a type of eWOM communication that covers all types of the eWOM communication model. Specifically, peer-communication through social advertising is a consumer socialisation about the advertisement’s message, by which individual consumers learn information, knowledge and attitudes of others through any communication provided in social advertising.

Finally, in regard to the concept of consumer socialisation, it described consumers’ learning from each other about consumption-related skills, knowledge and attitudes through communication (Wang, Yu & Wei 2012). This description of consumer socialisation fits the characteristics of peer-communication through social advertising. Consumer socialisation is a framework of eWOM communication that focuses more on the learning aspects of communication among consumers. For example, when a consumer responds to social advertising through the ‘like’ button, the comment section, or the sharing function, the consumer socialises the advertisement’s message to their peers. Consumers tell their peers about an advertisement or a new promotion of a focal product or brand through the communication tools available in social media. Through this consumer socialisation, other
consumers learn the information and might respond to the socialisation. Through this consumer socialisation, consumers with less knowledge are assisted to function in a marketplace (Ward 1974). In fact, the consumer socialisation framework has been used to understand eWOM communication among consumers on social media (Chu & Sung 2015). All the same, eWOM communication is broader than consumer socialisation, which includes negative and positive statements made by consumers about a product (Hennig-Thurau et al. 2004). The special characteristic of consumer socialisation in learning are then suitable to approaching the study of peer-communication through social advertising. Through the consumer socialisation perspective, peer-communication through social advertising phenomenon can be logically understood.

2.4 Consumer Socialisation

Consumer socialisation is a concept to help understand the process by which consumers socialise in society. Its potential lies in comprehending how consumers relate to societal norms and how they adapt to changes in society (Ekström 2006). It is the process by which individuals develop consumer-related skills, knowledge and attitudes (Moschis & Churchill Jr 1978). The concept has been used in a number of research projects since the 1970s and is still being used today in a wide array of contexts, predominantly in the area of consumer behaviour. As cited by Lueg et al. (2006), this concept has been implemented in a wide range of consumer-related studies across decades. These studies include the influence of parental style on children's and adolescents’ perceptions of consumption and advertising, the influence of socialisation agents on brand sensitivity, the effect of television advertising on children's and adolescents’ perceptions of consumption, ethnic differences in consumer socialisation, and cross-cultural patterns in consumer socialisation.
The consumer socialisation approach provides opportunities for understanding differences among subcultures since these differences are tied to socialisation theories of subcultures, such as age groups, social classes, races and ethnic groups (Moschis & Smith 1985). Furthermore, the development of technology, such as the Internet, has brought a consumer socialisation perspective to address the Internet as a socialisation agent (John 1999). In this online context, the consumer socialisation perspective has been applied to help understand the influence of the Internet as a socialisation agent in consumers’ scepticism towards advertising (Moscardelli & Liston-Heyes 2005) and in consumers’ use of alternative shopping channels (Lueg et al. 2006). This perspective has also been used to study the influence of online peers as socialisation agents in consumer behaviour (Lueg & Finney 2007; Wang, Yu & Wei 2012) and the eWOM phenomenon among brand followers in social media (Chu & Sung 2015).

The consumer socialisation process describes how consumers learn about consumption-related matters (i.e. advertising, promotion or product knowledge) by socialising with others in society. Since the original thinking of consumer socialisation (Ward 1974), much has been learned about its antecedents, influences and outcomes. In general, consumer socialisation theory covers many backgrounds. To acquire mental attitude and behavioural outcomes, such as consumer behaviour, a process of consumer socialisation is basically driven by two types of antecedents, the social learning model and the cognitive development model (Moschis & Churchill Jr 1978). The cognitive development model emphasises qualitative changes in consumers’ cognitive organisation while, on the other hand; the social learning model emphasises the social influence which transmits norms, attitudes, values and behaviours to the learner. Original consumer socialisation theory considered social structure (such as social class, gender and family size) as proxies of the social learning process, and a person’s lifetime
(such as age and life cycle) as factors of the person’s cognitive developmental process (Moschis & Churchill Jr 1978). Nonetheless, much remains to be learned and the field of consumer socialisation is ripe with opportunities, such as technological changes and the growth of social media, which suggest the need to conduct important theoretical and applied research (John 1999). In particular, peer-communication through social media, which is considered as a new form of consumer socialisation, has profound impacts on consumer decision making and thus marketing strategies (Wang, Yu & Wei 2012; Vinerean et al. 2013).

Consumer socialisation research is often enhanced through the use of multi-theoretical perspectives, as the development of and changes in consumer behaviour are influenced by several factors (Moschis & Smith 1985). The scope of consumer socialisation can be extended to comprehend different life events and domains of consumption, dialogues, negotiations and translations, as well as the socio-cultural context in which socialisation occurs (Ekström 2006). This approach would not necessarily involve formulating new models but rather incorporating existing theories that include a larger number and variety of variables derived from socialisation theory into a broader model (Moschis & Smith 1985). Understanding consumer socialisation will continue to be important as it informs the ideas about consumer learning, development, and change, and it provides unique insight into the beliefs and behaviour of a vital consumer segment (John 1999).

### 2.4.1 Theoretical Foundations of Consumer Socialisation

The theory of ‘consumer socialisation’ is derived from the general ‘socialisation’ concept that describes the development of individuals’ cognitions, attitudes, dispositions, and behaviours that enable the individual to participate in society (Brim & Wheeler 1966). It is a study of interest to many different disciplines such as marketing, sociology, psychology,
anthropology, home economics and consumer technology (Ekström 2006). It was aimed at understanding the process by which individuals learn to participate effectively in the social environment. In the marketing area, the theory was intended to study childhood or adolescence socialisation antecedents, influences, processes and outcomes, to function in a marketplace (John 1999). Just the same, children’s or adolescents’ socialisation is not always an exclusive case for the socialisation concept, as individual learning from socialisation can take place in any period in life (Ward 1974). For example, ‘while childhood is a key formative period in the development, reinforcement, and modification of consumption-related thoughts and behaviours, the learning process continues during the adult life cycle and into elderly years. It is clear that adults modify existing consumption behaviours and adapt to new/changing consumer roles’ (De Gregorio & Sung 2010, pp. 84-85). Adult socialisation will not only be related to the learning of different consumption-related variables but also to alterations in their existing patterns of behaviour (Moschis & Smith 1985). Thus, there is a need to study consumer socialisation in adults and to make the topic more interdisciplinary (Ekström 2006).

Driven by the perspective of ‘socialisation’ theory, ‘consumer socialisation’ is defined as ‘processes by which young people acquire skills, knowledge, and attitudes relevant to their functioning as consumers in the marketplace’ (Ward 1974, p. 2). Consumer socialisation was the first introduction of the socialisation concept to the area of consumer behaviour. Moreover, Moschis and Churchill Jr (1978) model a conceptual framework of the socialisation process to serve as a blueprint for discussing variables and hypotheses in the specific context of consumer socialisation (Figure 2.2). The consumer socialisation framework provides a comprehensive and detailed model to analyse how consumers’ characteristics influence attitudinal and consumer behavioural outcomes, along with the
effect of socialisation agents and processes (De Gregorio & Sung 2010). This framework covers antecedent variables, socialisation agents, socialisation process, and outcomes. As can be seen in Figure 2.2, the outcomes of socialisation can be influenced directly by the antecedents’ variables, as well as indirectly through a socialisation agent. However, the framework does not provide a theory-oriented means of explaining how the social structural variables and the developmental experience variables directly influence consumer socialisation outcomes (De Gregorio & Sung 2010). Thus, most of the consumer socialisation research has investigated socialisation processes through the role of a specific socialisation agent where there are social interactions between the agent and the learner.

![Figure 2.2 The Consumer Socialisation Framework (Moschis & Churchill Jr 1978)](image)

2.4.1.1 Dimensions of Consumer Socialisation

Researchers in consumer socialisation theory suggest a multi-dimensional approach to consumer behaviour that could be considered as the antecedents to and the outcomes of consumer socialisation processes as well as the influence of socialisation agents (Ward 1974;
These four core components of antecedents, socialisation processes, outcomes, and socialisation agents are central to almost all consumer socialisation studies. In measuring these basic components of consumer socialisation, a broad range of behavioural variables is used to describe the phenomenon in the context of agent-learner interaction, such as parent to children, peer to peer, or brand to consumer interactions.

Social learning theories and cognitive developmental theories have been used to describe consumer socialisation processes (Moschis 1987; John & Whitney 1986; Ekström 2006). In general, the antecedents to consumer socialisation involve two foremost variables: a social structural variable that drives social learning processes and a developmental experience variable that drives cognitive development processes. While social learning emphasises a social influence which transmits norms, attitudes and values to the learner, cognitive development emphasises qualitative changes in cognitive organisation, such as knowledge and ability to function as a consumer in the marketplace. This view has fundamentally been used in most consumer socialisation research on children, although cognitive changes also continue into adulthood (De Gregorio & Sung 2010).

2.4.1.2 Clarification and Measurement of Consumer Socialisation

In the early development of consumer socialisation theory, demographic characteristics were frequently used to measure attitudinal and conative behaviour in consumer socialisation processes (Moschis & Churchill Jr 1978; Churchill Jr & Moschis 1979; John 1999; De Gregorio & Sung 2010). For example, social structures, such as social class, gender and family size, have been used in many kinds of literature as proxies of the social learning process. Likewise, a person’s life cycle, such as age or maturity, was often treated as a factor
in the person’s cognitive developmental process. John’s (1999) review of 25 years of research on consumer socialisation of children emphasises ‘age’ as the key driver in children’s consumer socialisation processes. Only recently, have studies in the antecedents to consumer socialisation begun to look into psychographic characteristics, such as tie-strength with peers and identification with the peer group (i.e. Wang, Yu & Wei 2012). The understanding of these psychographic factors in consumer socialisation research is still limited, thus providing much scope to explore.

Another focus in consumer socialisation studies is on the outcomes or the learning properties. The outcomes of consumer socialisation can be cognitive outcomes, such as brand or product knowledge, and behavioural outcomes, such as purchasing and demonstrating purchased products to other consumers. As noted by Ekström (2006), a majority of studies on consumer socialisation have emphasised utilitarian and goal-oriented outcomes. These outcomes include adolescents’ acquisition of consumer competencies; children’s ability to distinguish television ads from programs and to understand the purpose of commercials; a child’s development of materialistic orientations, attitudes towards materialism and conspicuous consumption; and materialism and compulsive consumption. In general, the outcomes or the learning properties of consumer socialisation are in the form of social motivations, skills, knowledge or attitudes, which have consequences for consumption behaviour in the marketplace. To date, there are five major themes of consumer socialisation outcomes that have been studied: advertising and persuasion knowledge, decision-making skills and abilities, purchase influence and negotiation strategies, and consumption motives and values (John 1999). The highlight on consumer socialisation outcomes has been mostly on the content of learning rather than on how learning is acquired from a socialisation agent. Thus, it is necessary to identify the socialisation agent to put the consumer socialisation in context.
A socialisation agent is a person or organisation directly involved in the process of socialisation because of the frequency of contact with the learner who acquires cognitions and behaviours from the agent (Moschis & Churchill Jr 1978). Socialisation agents can influence the consumer socialisation processes and the antecedents and the outcomes that are involved in the process. Socialisation indicates a social interaction between the socialisation agent and the person socialised. The interaction between these two entities is complex, as an individual may at first be a socialised person and then become the socialisation agent in another time (Ekström 2006). Thus, the socialisation agent defines the context of consumer socialisation research. Most research in consumer socialisation focused on the impact of four major consumer socialisation agents: parents or family, mass media, school, and peers (Moschis & Churchill Jr 1978). However, as cited by Ekström (2006), some other studies also used television, department stores, and retailers as a socialisation agent on children’s consumer socialisation. New ways to explore social interaction and the effect it may have on socialisation processes were encouraged in future studies to improve the study of consumer socialisation as a long-life continuous process (Ekström 2006). For example, the impact of ‘peer-communication’ on a consumer socialisation process was only studied relatively recently since the development of consumer socialisation (De Gregorio & Sung 2010). Additionally, the use of peer-communication as a socialisation agent has started to become prevalent in consumer socialisation studies, particularly in social media (Wang, Yu & Wei 2012).
2.5 The Framework of Consumer Socialisation in Peer-Communication through Social Advertising

Consumer socialisation is “the process by which young people develop consumer-related skills, knowledge, and attitudes” (Moschis & Churchill Jr 1978, p. 599). Consumers’ communication with other consumers is predicted to affect consumers’ cognitive, affective and behavioural attitudes (Ward 1974). This theory has been verified in several consumer behaviour studies to explain the consumer learning process and how consumers take roles in society (John 1999; Moschis, Moore & Smith 1984; De Gregorio & Sung 2010). In social media studies, a consumer socialisation perspective was used to delineate communication among peers about consumption-related matters (Wang, Yu & Wei 2012). Moschis and Churchill Jr (1978) modelled consumer socialisation by first assuming that it is a process that can be described by four different components: 1) the socialising agents or those who influence the process of consumer socialisation; 2) the agent-learner relationships or learning methods (i.e. various combinations of modelling, reinforcement and social interaction activities) used by the agents to socialise the subject; 3) the socialisation antecedents; and 4) the learning outcomes. These four components provide the framework for scrutinising a consumer socialisation process, such as peer-communication through social advertising.

Unlike any other advertising distribution method, social advertising provides an online interface for people to communicate through the advertisement (i.e. like the ad, comment on the ad, mention the ad) (Bakshy et al. 2012; Tucker 2012; Li & Shiu 2012). Different to random distribution of advertising in the Internet, social advertising involves a more elaborate socialisation process as to how an advertisement is delivered to a target market, such as when the advertisement is recommended by a consumer who peer-communicates
through social advertising (Bakshy et al. 2012; Tucker 2012). As social advertising relies on SNS, social advertising offers similar online environments that can generate socialisation among consumers in the SNS. Social advertising, as it runs above SNSs, provides electronic communication interfaces that make the socialisation process easy and convenient (Muratore 2008). A consumer could easily acquire new knowledge and skills through their interactions with other members in virtual communities (Ahuja & Galvin 2003). In fact, there are increasing numbers of consumers who visit SNSs to communicate with others and seek advice in making various consumption-related decisions (Lueg et al. 2006; Wang, Yu & Wei 2012). Drawing on the consumer socialisation framework, Wang, Yu and Wei (2012) find that consumption-related communication between consumers in social media depends greatly on socialisation antecedents, such as tie-strength with peers and identification with the peer group. Further, Wang, Yu and Wei (2012) also reveal that peer-communication may influence consumers’ product attitudes and purchase decisions. This finding is supported by Lueg and Finney (2007) who find that peer-communication online can influence consumers to convert others into Internet shoppers.

In general, consumer learning about consumption-related matters, such as advertising information, can be through socialising with others in social media. Thus, the peer-communication through social advertising phenomenon is relevant to be studied from the perspective of the consumer socialisation framework. The Wang, Yu and Wei (2012) study about consumption-related peer-communication has provided an understanding of consumer socialisation in social media. In the social media environment, peer-communication is the main socialisation agent. Thus the socialisation process is mostly influenced by the role of peers. However, the Wang, Yu and Wei (2012) investigation into the role of peers as a socialisation agent was focused on social structural variables such as tie-strength with peers.
and identification with the peer group. Though Moschis and Churchill Jr (1978) highlighted that the consumer socialisation framework does not view social and developmental learning models as mutually exclusive, the majority of consumer socialisation research has largely been more inclined to study one of the learning perspectives in examining the socialisation process rather than combining both of the models (Ekström 2006). Wang, Yu and Wei’s (2012) model lacks developmental experience factors that might contribute to the socialisation process and provide an improved understanding of consumers’ peer-communication. Thus, the current study suggests an extended peer-communication process, which will include developmental experience, to obtain a wider understanding. Furthermore, to accommodate an online environment where privacy issues matter the most, self-disclosure antecedents to consumer socialisation will also be included in the framework. Based on consumer socialisation theory and previous research, a framework of peer-communication through social advertising is developed to explain consumers’ social and cognitive learning processes and the outcomes of these processes. The framework was conceptualised as in Chapter One (Figure 1.2). The key components of the model consist of socialisation agents, socialisation processes, antecedents and learning properties (Moschis & Churchill Jr 1978).

2.5.1 The Socialisation Agent

Socialisation implies social interaction where two or more parties communicate ideas and skills which make people function in social groups (Ekström 2006). This social interaction can take place in many ways, such as through an unfamiliar person in public areas or through an online discussion on the Internet. A socialisation agent is a source of influence in various social settings who transmit norms, attitudes, motivations, and behaviours to the learner (Moschis & Churchill Jr 1978). The interaction between a socialisation agent and a learner
is considered complex, as a consumer’s role between becoming a learner and becoming an agent can be interchangeable in different instances (Ekström 2006). Most research in consumer socialisation defines consumer socialisation agents as parents or family, mass media, school, and peers (Moschis & Churchill Jr 1978). However, the socialisation agent is relative, in that parents become less important as a socialisation agent as children enter adolescence, and peers become more important (Ward 1974). In most cases, peers have been the primary socialisation agents in adolescence and adulthood consumer socialisation, particularly in social media where consumers connect with their peers (Wang, Yu & Wei 2012).

In social advertising, peers hold an important role in initiating communications through the advertisement. Peer interaction with social advertising is visible to other consumers as the advertising audience, and this interaction makes the advertisement more appealing (Bakshy et al. 2012). Peers in social advertising could be friends in the SNS or any other consumers who communicate through social advertising. As cited by Wang, Yu and Wei (2012), previous research has revealed that peer-communication has a strong effect on consumers’ attitudes towards advertising (De Gregorio & Sung 2010), shopping behaviour (Lueg et al. 2006; Mangleburg, Doney & Bristol 2004), and consumer decision making (Shim 1996; Smith, Menon & Sivakumar 2005). The role of peers in improving the attractiveness of an advertisement has been more persuasive than the role of celebrities as advertising endorsers (Li, Lee & Lien 2012). Thus, following previous literature and consumer socialisation theory, we propose that peers can act as consumer socialisation agents in social advertising who can influence other consumers through communication.
2.5.2 The Consumer Socialisation Process

Consumer socialisation takes place during the course of consumer interaction with the socialisation agents (Lueg & Finney 2007; Wang, Yu & Wei 2012). In the process of consumer socialisation, consumers learn new knowledge, attitudes and skills by observing other consumers’ communications. A learner acquires cognitions and behaviours from the agents through the processes of modelling, reinforcement and social interaction (Moschis & Churchill Jr 1978). While modelling is a socialisation process where a learner imitates or mimics a desirable socialisation agent’s behaviour, reinforcement is a process where a learner is motivated in some behaviour related to the reward or punishment offered by the socialisation agent (Moschis & Churchill Jr 1978; Wang, Yu & Wei 2012). Furthermore, a social interaction process involves interactions between the learner and the socialisation agents that may blend modelling and reinforcement processes (Moschis & Churchill Jr 1978).

In social advertising, these socialisation processes are delivered through communication tools (i.e. like, share and comment buttons) available in social media to respond to the advertisement’s post. The consumer learns new knowledge of a product by peer-communication through social advertising. Social advertising is displayed in a consumer’s social media feeds with their peers’ communications included in the advertisement as a social cue to attract more consumers as viewers (Bakshy et al. 2012). In fact, advertising that contains peers’ names or statements is more effective in making consumers engaged with the advertisement and socialised with the advertisement’s information (Li, Lee & Lien 2012). Peers’ responses to social advertising in the form of likes, comments or thoughts in the status update, were found significant in improving consumer awareness of the advertisement. These
peer responses and interactions to social advertising are what we call in this study a consumer socialisation process; ‘peer-communication’.

2.5.2.1 Peer-Communication

In a consumer socialisation process, consumers learn from the socialisation agent and develop consumption-related attitudes and behaviours (Churchill Jr & Moschis 1979). Interpersonal communications between agent and learner have been found to affect a variety of consumer behaviours (Lueg & Finney 2007). This learning process can occur through communications between peers in social media. In a social media environment, peer-communications take place through social media interactions, such as liking, sharing or writing messages. Sometimes these interactions are so rich that consumers can learn many things just by reading their peers’ comments. It has been suggested that peer-communication is associated with consumer learning about consumption, such as brand preferences, involvement, or purchase intentions (Wang, Yu & Wei 2012). Thus, through social media peer-communication, consumers can learn the attitude and the purchase behaviour of the socialisation agent.

As a socialisation process, peer-communication involves modelling, reinforcement and social interaction (Wang, Yu & Wei 2012). These are the primary socialisation processes where consumers become socialised in showing particular behaviours and intentions (Moschis & Churchill Jr 1978). The modelling process relates to the consumer’s imitation of the agent's behaviour. Reinforcement involves reward and punishment promoted by the agent. Social interaction is the type of learning that may comprise a combination of the other two processes. In peer-communication through social advertising, the consumer becomes socialised to adopt the advertised product. Socialisation agents who interact with an
advertisement in social media help promote and distribute the advertisement’s message through the agent’s network. Their peers, as consumers, may adopt the advertised product by imitating the agent’s behaviour, pursuing the rewards, or avoiding the punishment (Wang, Yu & Wei 2012).

2.5.2.2 Peer-Communication through Social Advertising

Peer-communication is defined as overt interactions among adolescents socialising goods and services that could be derived from sociological variables and cognitive developmental variables (Moschis & Churchill Jr 1978). The current study regards peer-communication through social advertising as peer interactions among social media users socialising about goods and services via their advertisements or promotional campaigns. This interaction can be in any form of social media communication, such as recommending the advertisement’s message by ‘like’ or ‘love’ endorsements, advocating the advertisement through a commentary response, or promoting the advertisement by mentioning or sharing the message on social media status updates. For example, Make-A-Wish Foundation launched one of the most successful social advertising campaigns in 2016 when it partnered with Disney to invite consumers to share images of Mickey Mouse ears on Twitter and Instagram with the hashtag #ShareYourEars (Agius 2016). Each post of the advertisement hashtag unlocked a $5 donation from Disney Parks, pledged up to $1 million. Consumers who posted their mouse ears pictures and mentioned the hashtag #ShareYourEars were indirectly promoting both Make-A-Wish Foundation and Disney Parks. Not long after the launch, this campaign became a trending topic on Twitter and made Disney Parks double their original pledge, donating $2 million to the Make-A-Wish Foundation. Similar consumer socialisation activation is also applied via the ‘like’ button, the comment section and the sharing functions.
of the advertisement’s message. These consumer communications through social advertising promote the advertisement’s message and the product among their peers. This socialisation might influence peers’ attitudes towards the product, in this case, their attitude towards Make-A-Wish Foundation and Disney.

By the above example, peer-communication through social advertising might stimulate changes in peers’ attitudes towards social advertising and towards the product. Consumers tend to communicate with peers about consumer goods, which can significantly influence their attitude towards the product and service and their consumption behaviour (Wang, Yu & Wei 2012). Consumer communications with peers about consumption-related matters can make peers aware of goods and services in the marketplace, thus influencing their buying behaviour. This phenomenon is becoming an important part of social advertising distribution to the target market. As peer-communication is logged in the social media, it creates a significant opportunity for social media and advertisers to target advertising based on consumers’ interests and lookalikes (Ganguly 2015).

In regards to peer-communication through social advertising, the role of communication among consumers has a strong impact on peers’ attitude towards the advertisement (De Gregorio & Sung 2010). Accordingly, peer-communication through social advertising can be a socialisation process to be observed in a socialisation study. A deeper understanding can be achieved by exploring its underlying antecedents and its impact on consumer attitude, behaviour and purchase intention. It is then important to understand the antecedents and the outcomes of this consumer socialisation process to improve consumer participation in peer-communication through social advertising. Thus, positioning peer-communication through
social advertising in a consumer socialisation framework is appropriate in finding its antecedents and outcomes.

2.5.3 Consumer Socialisation Antecedents to Peer-Communication through Social Advertising

Consumer learning is basically driven by two types of socialisation: the social learning model and the cognitive learning model (Moschis & Churchill Jr 1978). While cognitive learning emphasises qualitative changes in cognitive organisation, social learning emphasises the social influence which transmits norms, attitudes, motivations and behaviours to the learner. These processes are not mutually exclusive and are differentiated by the antecedents of the socialisation process. Earlier consumer socialisation studies often used social structures, such as social class, gender and family size, as antecedents to the social learning process, and a person’s life cycle, such as age, as an antecedent to the individual’s cognitive learning process. These values are all demographic and have frequently been used in consumer socialisation studies. However, many studies in the marketing area have suggested that psychographic beliefs, activities, interests and opinions are often more effective than demographics in understanding consumer behaviour (Dutta-Bergman 2006).

In a social learning process, consumer peer-communication through social advertising can be motivated by humans’ nature as social beings. The need to socialise and inform others about the important message carried by social advertising can drive consumers to peer-communicate through social advertising. Consumers socialise the advertisement’s message through share, comment or ‘like’ interactions in the social media. These interactions with social advertising act as endorsers that enhance advertising performance exposure to the relevant segment of the audience, namely the consumer’s peers. As shown by previous
studies, a social endorsement from friends, family, colleagues, or anyone the customer actually knows at an interpersonal level are more trusted than an endorsement from celebrities (Li, Lee & Lien 2012). To create an effective communication process, the peer endorsement effect relies on social structural variables that underlie its foundation. In regards to a socialisation process in social media study, researchers have conducted some analyses of social structural antecedents that emerged from a psychological perspective to effect peer-communication, such as tie-strength with peers and identification with a peer group (Wang, Yu & Wei 2012). These social structural factors may associate with consumers’ peer-communication through social advertising.

Besides the social structural variables of the consumer socialisation framework, individuals may also affect their experience of the product as cognitive antecedents to socialise. Moschis and Churchill Jr (1978) suggest that socialisation is a function of qualitative changes in cognitive organisation occurring between infancy and adulthood. Hence, many researchers have investigated the influence of ‘age’ as a control variable of cognitive changes in most social studies. For example, in the context of advertising research, younger respondents are more likely than older respondents to have a positive attitude towards advertising due to their experience with the product. These young respondents are less offended by advertising, feel less insulted by advertising, and are less often misled by advertising (Shavitt, Lowrey & Haefner 1998). Furthermore, Moschis and Churchill Jr (1978) also proposed that ‘life cycle’ or the cumulative experience of a person rather than ‘age’ could be used as a proxy variable of the individual’s cognitive developmental process. Thus, in the context of social advertising, developmental experience antecedents to consumer socialisation might be seen from the relationship experience between consumer and brand. This relationship experience can be demonstrated in the consumer’s brand identification and brand commitment. Drawing
from social identity theory and brand relationship theory, products or brands that make an individual develop a sense of belongingness and value towards the product may be experienced cognitively as brand identification (Ashforth, Harrison & Corley 2008). Furthermore, previous studies suggested that consumers’ development of brand relationships through brand identification results in more word-of-mouth activity directly and indirectly via brand commitment (Tuškej, Golob & Podnar 2013; Kuenzel & Halliday 2008; Carlson, Suter & Brown 2008). This cognitive experience of brand relationship development, through increasing brand identification and brand commitment, may also have an association with the consumer’s peer-communication through social advertising.

To cover the privacy issues around consumer socialisation in social media, self-disclosure antecedents are also considered in affecting consumer peer-communication through social advertising. As discussed earlier in the literature, social advertising has demonstrated more use of personal information than any other online advertising (Li, Lee & Lien 2012; Li & Shiu 2012). Consumers disclose personal data on their social media profile when they communicate with their peers through social advertising. This disclosure may raise significant privacy concerns for consumers, with the potential for these concerns to reduce such valuable peer-communications (Awad and Krishnan 2006; Norberg, Horne and Horne 2007). Given this concern, the present study examines not only the social structural and cognitive developmental antecedents, but also the self-disclosure antecedents to peer-communication through social advertising. These self-disclosure antecedents focus on privacy, trust and perceived benefits. Self-disclosure in social media exposes personal information to the public when a consumer communicates to their peers. Self-disclosure theory is appropriate when social advertising peer-communication involves consumers’ disclosure of social profile information in exchange for some benefits. For example, a
consumer’s privacy concerns might be high, but their perceived benefits of peer-communication through social advertising might be stronger. This dilemma is a key tenet in online consumer behaviour (Chellappa et al. 2005) and will provide a new approach to the consumer socialisation framework to include self-disclosure antecedents in social advertising socialisation.

Social structural antecedents, developmental experience antecedents, and self-disclosure antecedents to peer-communication through social advertising are now discussed.

2.5.3.1 Social Structural Antecedents

In the social learning process of consumer socialisation, social structural antecedents put emphasis on the external, environmental sources of socialisation or learning, such as peers. Social structural antecedents can directly or indirectly affect learning processes and are of particular importance as control variables in explaining learning processes in socialisation research (Moschis & Churchill Jr 1978). Most of the previous research in socialisation studies used variables that reflect segmentation, such as demographic characteristics including age, gender, income, ethnicity, and education level. However, social structural antecedents to consumer socialisation can also emerge from areas other than demographics, such as social relationships, like friends.

Beyond demographic influences on the socialisation process, recent studies of the online social media environment extended the investigation of consumer socialisation antecedents to these socio-psychological aspects. It was found that tie-strength with peers and identification with the peer group is closely related to consumer peer-communication about products and services in social media. Based on the consumer socialisation framework (Moschis & Churchill Jr 1978), tie-strength with peers and identification with the peer group
can be assimilated with social structural antecedents of the social learning process in consumer socialisation, as these antecedents indicate consumers’ social relationship qualities with peers. Thus, tie-strength with peers and identification with the peer group may also be social structural antecedents to peer-communication through social advertising.

2.5.3.1.1 Tie-Strength with Peers

Consumer peer-communication through social advertising helps the advertisement’s message be dispersed among the consumer’s networks. This distribution of information is pointed out by Phelps et al. (2004) as viral marketing by encouraging honest communication among consumer networks and representing social influence between peers. This form of social influence in information distribution might closely relate to the tie-strength among peers in a network. Consumers with a stronger tie would probably take the social influence more strongly in absorbing the information, while a weak tie of a network would have less social influence among peers. Thus, tie-strength with peers is defined as the degree in which a person is willing to maintain relationships with peers through social media (Wang, Yu & Wei 2012). Peers may encourage a person to consumerism in accordance with the strength of the relationship, such as close friends, casual friends, acquaintances or even strangers.

2.5.3.1.2 Identification with the Peer Group

According to social identity theory (Ashforth & Mael 1989), social identification is primarily a perception of oneness with a group of persons. Identification is one of the factors which has emerged from social influence theory that reflects an individuals’ identification with a particular object that represents self-image identity, such as a sense of belongingness and attachment to a community (Zhou 2011). Identification with the peer group indicates a self-
conception that features a self-inclusive social category that is stereotypically interchangeable with group members and stereotypically distinct from outsiders (Hogg 1992). Previous research has empirically shown that identification with the group has a positive effect on alumni’s contributions, group cooperation and willingness to contribute to a collective work (Dutton, Dukerich & Harquail 1994; Mael & Ashforth 1992; Shamir 1990). Identification with the group is also a key factor of a user participating in the virtual community (Dholakia, Bagozzi & Pearo 2004).

2.5.3.2 Developmental Experience Antecedents

Apart from the social learning process of consumer socialisation, Moschis and Churchill Jr (1978) also suggest a cognitive learning process of consumer socialisation. This cognitive learning process involves developmental experience antecedents, such as age. For example, a child has to reach a certain age to understand and evaluate advertising (Ekström 2006). In most cases, a person’s lifetime has been a significant factor in childhood consumer socialisation. In the childhood stages, a person’s cognitive development is easily identified as it is comparable to their age range. For example, the perceptual stage (3-7 years), the analytical stage (7-11 years) and the reflective stage (11-16 years) were thought to be the stages of children’s socialisation capacity (John 1999). While in adulthood, age has become more insignificant with mixed results in a number of consumer socialisation studies. For example, life situations, competencies, experiences and different contexts can alter adults’ opinions in a socialisation (Ekström 2006). Thus, beyond demographic factors, psychographic factors in explaining consumer behaviour were suggested to understand adult behavioural transitions (Dutta-Bergman 2006).
The cognitive learning process in consumer socialisation involves developmental experience antecedents, in that most consumer socialisation studies have used age as a factor as it is comparable to experience. Many researchers have investigated the influence of age as a control variable in social studies. For example, in the context of advertising research, younger respondents were found to be more likely than older respondents to have a positive attitude towards advertising (Shavitt, Lowrey & Haefner 1998; Dutta-Bergman 2006). Younger respondents are thought to be less offended by advertising, feel less insulted by advertising, and are less often misled by advertising (Shavitt, Lowrey & Haefner 1998). However, life cycle rather than age can also be used as a proxy variable of a person’s developmental process (Moschis & Churchill Jr 1978). For example, cognitive or perceived age appear to be more relevant for describing adult behavioural changes than biological age (Ekström 2006). This cognitive age can be characterised as the consumer experience with the brand or the product. As such, a consumer who experienced a product longer than a new consumer would be more knowledgeable about the usage and skills required in using the product and that may motivate socialisation. These views are supported by Bhattacharya, Rao and Glynn (1995) who proposed that the greater the contact made by a consumer with an organisation, the greater will be the strength of identification with that organisation. As consumers live the experience with a brand, their relationship with the brand is developed (Fournier 1998) and this relationship has often been related to influencing consumer word-of-mouth activities about the brand (Tuškej, Golob & Podnar 2013; Kuenzel & Halliday 2008).

The consumer-brand relationship is valid at the level of consumers’ lived experiences (Fournier 1998). Thus, based on the consumer socialisation framework (Moschis & Churchill Jr 1978), consumers’ cognitive experience with brands could be associated with the consumer’s peer-communication through social advertising. Drawing upon social identity
theory and consumer-brand relationship theory (Fournier 1998), the quality of consumer relationship with brands, such as brand identification and brand commitment, has motivated consumers to talk about the brand positively to their peers (Tuškej, Golob & Podnar 2013; Kuenzel & Halliday 2008). Strong consumer-brand relationships often come from consumers’ identification with the brand that helps them satisfy their self-definitional needs (Bhattacharya & Sen 2003). Moreover, consumers’ brand commitment can reflect a favourable attitude towards the brand that influences their WOM activities (Tuškej, Golob & Podnar 2013). Thus, the current research suggests brand identification and brand commitment as developmental experience antecedents of the cognitive learning process in consumer socialisation.

2.5.3.2.1 Brand Identification

Brand identification can be an important aspect of developmental experience antecedent as it relates to consumer identity. The concept of identity captures the essence of who people are and why they do what they do, such as why people join organisations and why they voluntarily leave (Ashforth, Harrison & Corley 2008, p. 334). Consumers are using social media to connect with their favourite brand in order to follow their product updates, promotions or advertisements. This consumer brand identification in social media is a way to express their sense of self and belongingness. Identification is the key process of socialisation by which people come to define themselves, communicate that definition to others, and use that definition to navigate their social lives and involvements (Ashforth, Harrison & Corley 2008).
2.5.3.2.2 Brand Commitment

Consumers’ brand commitment is very likely to come from the consumer’s developmental experience with the brand. Commitment is defined as the relative strength of an individual’s emotional attachment to, identification with and involvement in a particular organisation (Allen & Meyer 1990). A commitment to a brand then reflects an affective attachment to the extent that a brand is personally considered as the only acceptable choice within a class of product (Warrington & Shim 2000). Brand commitment is closely similar to brand loyalty, but they are different empirically. Brand loyalty refers to the behavioural perspective that is reflected mainly in repeated purchase or the need to reduce effort and simplify decision making (Warrington & Shim 2000). On the other hand, brand commitment is more related to the attitudinal perspective that is a better indicator of consumer satisfaction with brand choice (Tuškej, Golob & Podnar 2013).

2.5.3.3 Self-Disclosure Antecedents to Peer-Communication through Social Advertising

A major advantage online advertising has over traditional forms is its ability to personalise advertisements that target consumers based on their recorded interests or historical behaviour. Such personalised advertising improves consumers’ browsing experiences and increases advertising effectiveness (Yan et al. 2009; Goldfarb and Tucker 2011; Chen and Stallaert 2014). Many studies have examined personalised online advertising in areas such as sponsored search advertising, contextual advertising, email advertising and behavioural advertising (e.g. Law, Klobučar and Pipan 2006; Lambrecht and Tucker 2013; Chang, Rizal and Amin 2013; Tene and Polenetsky 2012). However, the approach of targeting in social advertising has received little research attention (Knoll 2016).
In the consumer socialisation framework, consumer socialisation behaviour is driven by two key antecedents: social structural antecedents and developmental experience antecedents (Moschis & Churchill Jr 1978). However, consumer peer-communication through social advertising involves self-disclosure that might have privacy-related antecedents as in other personalised advertising (Awad & Krishnan 2006). The use of personal information for online targeting in social advertising may introduce privacy concerns and distrust for consumers (Smit, Van Noort & Voorveld 2014; Mothersbaugh et al. 2012). Consumers may socialise an advertisement’s message by discussing the content of the social advertising post; communicating these opinions with peers (Gummerus et al. 2012; Wang, Yu & Wei 2012).

The catch is this socialisation has significant public exposure; as such communication is generally initiated publicly by advertisers. Thus, peer-communication through social advertising has inherent risks, as consumers can be tracked by the SNS that offers such data to advertisers (Baek & Morimoto 2012; Wang, Min & Han 2016; White et al. 2008). Many SNSs record these consumer interactions behind the scene for targeting purposes (Li & Shiu 2012; Smith et al. 2012).

Make-A-Wish Foundation created one of the most successful social advertising campaigns in 2016 when it partnered with Disney to invite consumers to share images of Mickey Mouse ears on Twitter and Instagram with the hashtag #ShareYourEars (Agius 2016). Each post of the advertisement’s hashtag unlocked a $5 donation from Disney Parks, who pledged up to $1 million. This campaign became a trending topic on Twitter and made Disney Parks double their original pledge, donating $2 million to Make-A-Wish Foundation. While consumers are socialising this advertisement’s message, behind the scene, Twitter and Instagram may profile the consumers who mention this hashtag for future advertising related to Make-A-Wish Foundation, Disney or other similar products. This consumer profiling is also the case
among social media channels that have these peer-communication facilities, such as Facebook, Instagram, Twitter, LinkedIn and many others.

The approach of targeting in social advertising has demonstrated the use of personal information more than any other online advertising (Li, Lee & Lien 2012; Li & Shiu 2012). In fact, SNSs are the home of personal information storage that consumers willingly disclose as their identification to their networks. This SNSs’ privilege in hosting personal information has benefited them in profiling their consumers for advertisement targeting. SNSs have been found changing their privacy policy frequently to accommodate their wish to market to their consumers although supplemented by a privacy protection statement (Smit, Van Noort & Voorveld 2014). For example, Facebook has received criticism for its regular revisions to privacy settings (Goel 2014; Goel & Wyatt 2013). Consumer socialisation behaviour in social media, such as peer-communication through social advertising, may have connections with these trust and privacy concerns.

As peer-communication through social advertising becomes more common in social media, it is important to understand its underlying antecedents beyond the social and developmental factors suggested by Moschis and Churchill Jr (1978). Consumer peer-communication through social advertising can be used by the SNS to profile consumers in order to improve their experience with its displayed advertisements. This consumer profiling for advertising purposes is commonly dubbed ‘advertising personalisation’. However, as the personalisation value is improved, users may also show privacy concerns as to how their personal information is used. Prior studies suggest that users with higher privacy concerns have a lower likelihood of using personalisation services (Chellappa & Sin 2005). Moreover, users with a previous experience of privacy invasion have a lower willingness to be profiled online.
for personalised advertising than for personalised service (Awad & Krishnan 2006). Due to the public nature of peer-communication through social advertising, these privacy issues are likely to be important antecedents to consumer socialisation. To accommodate these privacy issues, self-disclosure theory can be used to predict consumer socialisation in such contexts, as most consumers are aware their social profile data are visible to others and used by the SNS.

Self-disclosure antecedents that include trust, privacy and perceived benefits (Mothersbaugh et al. 2012) are suggested beyond the social structural and developmental experience antecedents to consumer socialisation. These antecedents may be more relevant in peer-communication through social advertising due to implied self-disclosure behaviour. Although previous research has shown that increased privacy control leads to increased advertising effectiveness (Tucker 2014), self-disclosure theory considers the trade-off between privacy concerns and inherent personalisation benefits (Chellappa & Sin 2005; Mothersbaugh et al. 2012). This self-disclosure behaviour perspective led to an examination of prior research in a number of areas, as is outlined in subsequent sections.

2.5.3.3.1 Trust in the Social Networking Site

Self-disclosure theory emerged from psychology and communication studies that relate to the personal information people communicate to others (Cozby 1973; Wheeless & Grotz 1976). Taddei and Contena (2013) suggest that self-disclosure is categorised by its breadth (the amount of personal data revealed) and its depth (the sensitivity of the personal data disclosed). Various types of personal data collection are common during online interactions. In fact, SNSs essentially provide platforms designed exclusively to reveal personal information and communicate with others. The disclosure of personal data is usually required...
in online environments in order to reduce the uncertainty of interactions, legitimise access, record consumers’ accounts, maintain relationships or establish new friendships (Norberg, Horne & Horne 2007; Taddei & Contena 2013). Organisations also use such data to understand and serve clients better (Mothersbaugh et al. 2012; Simonson 2005). Self-disclosure theory suggests that trust is dominant in affecting consumer disclosure behaviour (Wheeless & Grotz 1977). Consumer trust in disclosing personal data has become a central concern in online communication studies, as organisations are collecting more personal data to improve product, service and marketing development. Thus, an understanding of the antecedents that influence such consumer disclosure is crucial; in this case, the consumer trust in the SNS.

In consumer self-disclosure behaviour, privacy issues frequently intensify and may affect consumer trust. Although trust is fundamental to online disclosure behaviour, it is also influenced by consumers’ privacy concerns and their perceptions about whether privacy can be controlled (Mothersbaugh et al. 2012; Taddei & Contena 2013). Personalised advertising may cause greater privacy reactance by the consumers because they perceive that their right of self-control towards their personal information is invaded by unknown advertisers or third-party advertising networks (Baek & Morimoto 2012). Moreover, the consumer trust in the SNS may be influenced by consumers’ experiences with previous privacy invasions (Awad & Krishnan 2006).

**2.5.3.3.1.1 Perceived Privacy Concerns**

Privacy is defined as the ability of the individual to control personal information (Westin 1968; Stone et al. 1983). The concept of privacy grows as computer-based information collection, storage and retrieval become more common (Stewart & Segars 2002). In the legal
context, privacy means the right to be left alone (Warren & Brandeis 1890). Moreover, people would experience psychological reactance if their freedom and self-determination were threatened (Brehm 1966; Brehm & Brehm 1981). When consumers communicate with their peers through social advertising, their social profile and information could be exposed to the advertiser and possibly to the public. This personal information exposure could be used for marketing purposes (i.e. targeting), beyond its intended purpose, hence the privacy concerns (Mothersbaugh et al. 2012).

2.5.3.3.1.2 Perceived Privacy Control

The risk of privacy invasion is a critical barrier to consumer self-disclosure. However, such risk perceptions are likely to fall when consumers feel empowered to control the availability and use of their personal data (Joinson 2001; Krasnova et al. 2010). In fact, this perception of freedom to control personal data reduces advertising avoidance (Baek & Morimoto 2012). Consumers’ perceived privacy control refers to the extent to which they believe that consumers can influence if and how an organisation uses their personal data (Mothersbaugh et al. 2012). Privacy control can be considered on top of other technical approaches reducing consumers’ perceived privacy risk, so the personalised system is more usable and trustworthy (Toch, Wang & Cranor 2012). This notion is particularly relevant to consumers’ use of SNSs, where consumers control their privacy settings in the SNS, although these privacy control settings are often hard to understand by the consumers.

2.5.3.3.1.3 Previous Experiences of Privacy Invasion

Personal experience can alter consumers’ privacy concerns and consequently their trust in the SNS. Previous research suggests people who have experienced privacy invasion are less
willing to provide personal information (Awad & Krishnan 2006). This experience of privacy invasion can come from both organisational and social threats (Krasnova et al. 2009). Organisational privacy threats include the collection and use of social profiles by SNSs, third parties and other organisations, while social threats come from the individual’s own networks that include bullying, stalking and other uncontrollable actions. These experiences of privacy invasion may affect changes in consumer privacy concerns.

2.5.3.3.2 Perceived Benefits in Disclosing Social Information

While the loss of privacy can be viewed as a cost to people disclosing information through peer-communication, self-disclosure theory also requires an evaluation of potential benefits. In the online environment, personal information is often requested in exchange for personalisation experiences or benefits. This perceived benefit or value of personalisation has been considered as a trade-off in disclosing personal information for a personalisation service (Chellappa & Sin 2005; Mothersbaugh et al. 2012). Previous personalisation studies suggest that consumer behaviour of disclosing information to use personalisation services is dependent upon the value that consumers put on disclosure (Chellappa & Sin 2005; Mothersbaugh et al. 2012). The perceived benefit of a personalisation service is defined as the degree to which a person believes that using the personalisation agent would enhance his/her performance in product selection (Ho & Bodoff 2014). Thus, related to the current study, the perceived benefit in disclosing information is the degree to which a person believes that peer-communicating through social advertising would enhance his/her experiences in digital socialisation. These objectives point out that consumers may gain social, economic and entertainment benefits from their self-disclosure behaviour (Dholakia, Bagozzi & Pearo 2004; Gummerus et al. 2012; Tsai & Men 2013).
2.5.3.3.2.1 Social Benefits

Social benefits emerged as a significant stimulus in cyberspace brand community engagement, socialisation and participation (Gummerus et al. 2012). Several studies have shown that participants’ behaviours to engage, socialise and participate in discussions about a product with peers, other customers, producers or distributors, relates to social benefits (Dholakia, Bagozzi & Pearo 2004; Gummerus et al. 2012; Gwinner, Gremler & Bitner 1998). Social benefits that are gained from participation in virtual communities derive from establishing and maintaining contact with other people, including social support, friendship and intimacy (Dholakia, Bagozzi & Pearo 2004).

Customers’ feedback and reviews about a product are now easily accessible in many online formats (i.e. videos, posts or ratings). These online feedbacks provide not only social benefits but also informational benefits to other customers. This is also true in the process of consumer socialisation in learning about a product. By participating or engaging in online discussions, consumers will be more well-informed and aware of marketers’ offerings. Then, an informational benefit is an attached feature of social benefits where the consumer could gain information by socialising with others. This classification is also supported by recent studies that regard informational benefits and social enhancement benefits as measurements of social benefits (Gummerus et al. 2012).

2.5.3.3.2.2 Economic Benefits

Economic benefits are things such as discounts, lucky draws and competitions (Gummerus et al. 2012; Tsai & Men 2013). Advertisers often encourage consumers to communicate with their peers through social advertising by offering monetary benefits, such as coupons or lucky
draws. This way, social advertising is buzzed across consumer networks creating a word-of-mouth mechanism. Non-monetary benefits might also be anticipated by the consumer, as peer-communication through social advertising can result in them receiving a more personalised advertising experience on the SNS (Ganguly 2015). This economic motivation is also found in previous studies on consumer engagement in a community (Gwinner, Gremler & Bitner 1998; Gummerus et al. 2012).

2.5.3.3.2.3 Entertainment Benefits

Consumers may find the entertainment benefits of an advertisement influences their likelihood to share the advertisement’s message online (Taylor, Strutton & Thompson 2012). Dholakia, Bagozzi and Pearo (2004) refer to the entertainment benefits of consumer participation in online communities as fun and relaxation, through playing or interacting with others. Gummerus et al. (2012) also noted that entertainment is an experiential value regarding the use of online services. Thus, entertainment benefits may also be the reason why consumers disclose personal information in a socialisation.

2.5.4 Consumer Socialisation Outcomes: Attitude and Purchase Intention

Outcomes of consumer socialisation are often associated with the learning properties of the socialisation, such as skills, attitudes and knowledge, that relate to various aspects of consumer behaviour (Moschis & Churchill Jr 1978). These behavioural outcomes can include consumers’ decision making, preferences and involvement (Wang, Yu & Wei 2012; Schivinski & Dabrowski 2016). Consumer learning properties of a consumer socialisation can be selected to study based on insufficient previous investigation, current needs for research, relevance to present issues, and types of consumer skills and knowledge that can
be assimilated into specific hypotheses on the basis of previous theory and research (Moschis & Churchill Jr 1978). The outcomes of consumer peer-communication through social advertising can be seen in the consumer’s responses towards the advertisement, such as the consumer’s attitudes and behaviour towards the brand or product. Across decades, research about consumer responses to advertising has been rigorously observed. Basic theories in psychology, such as the theory of reasoned action, were often used to explain the relationship between consumers’ beliefs in advertising and its outcomes, such as attitudes toward advertising and purchasing behaviour (Lutz, MacKenzie & Belch 1983; MacKenzie, Lutz & Belch 1986; Muehling 1987; Homer 1990). It was suggested that attitude towards advertising could be a predictor of purchase intention and marketers should invest in providing consumers with beliefs that will likely lead them to generate positive attitudes and favourable consumer behaviour. However, the study of consumer peer-communication through social advertising outcomes in attitudes and behaviour is still limited.

Peer-communications are fundamental human behaviours to fulfil psycho-physiological and sociological needs (Ward 1974). As cited by Wang, Yu and Wei (2012), consumers tend to communicate with peers about consumer goods, which significantly influence their attitude towards products and services and their consumption motivations. Peer-communication about consumption-related matters may make consumers aware of goods and services in the marketplace and the buying processes. In regard to the consumer socialisation phenomenon in peer-communication through social advertising, the role of peer-communication between consumers also has a strong influence on the consumer’s attitude towards advertising (De Gregorio & Sung 2010). Accordingly, the learning properties of consumers’ peer-communication through social advertising could be observed, specifically in its relation to product attitude, attitude towards social advertising and purchase intention (Wang, Yu & Wei
The position of these consumer socialisation outcomes in the literature is discussed in the following sections.

2.5.4.1 Attitudes towards Social Advertising and towards the Product

Prior studies have shown a significant impact of peer influence on both attitude towards advertising (Taylor, Lewin & Strutton 2011) and attitude towards the product (Wang, Yu & Wei 2012). Taylor, Lewin and Strutton (2011) suggest that when advertising content provides social value, such as peer influence, consumers are more likely to like the advertisement. This effect can also be negative, such as when a personalised advertisement is intrusive (i.e. Baek & Morimoto 2012; McDonald & Cranor 2010). Peer-communication through social advertising may improve consumers’ attitudes towards social advertising and towards the product.

2.5.4.2 Purchase Intention

Peer-communication through social advertising may lead to purchasing intention through the mediation of a consumer’s attitude towards social advertising and attitude towards the product (Lutz, MacKenzie & Belch 1983; MacKenzie, Lutz & Belch 1986). Although the effect of consumer attitude to purchase intention has been the focus of considerable research in online advertising literature (Saadeghvaziri, Dehdashti & Askarabad 2013; Wang & Sun 2010), this effect has not been studied in a social advertising socialisation environment. In social advertising, consumers may seek information or observe behaviour from knowledgeable peers to enhance their product knowledge for purchasing decisions.
2.6 The Research Questions

The literature review proposed that consumer socialisation theory is appropriate to frame the phenomenon of peer-communication through social advertising. There are also several areas in which improvements in consumer socialisation research is desirable, such as more studies in adulthood consumer socialisation, psychographic antecedents to consumer socialisation, and consumer socialisation in an online context. These recommendations are appropriately addressed in the current study, as active users in social media are mostly adult or over 18 years old and social advertising is an online domain for consumer socialisation study. Psychographic antecedents to consumer socialisation were also strongly suggested as these are often more efficient than demographic antecedents in understanding consumer behaviour (Dutta-Bergman 2006). Thus, the research problems examined in this study are focused on these areas and divided into four research questions:

1. How do social structural antecedents affect consumer peer-communication through social advertising?
2. How do developmental experience antecedents affect consumer peer-communication through social advertising?
3. As SNSs use personal information to distribute social advertising, how do consumer self-disclosure antecedents affect peer-communication through social advertising?
4. To what extent does consumer peer-communication through social advertising affect their attitudes and purchase intentions?

2.7 Conclusion

Social media provides a new online channel for consumers to socialise with their peers, including consumer socialisation through social advertising. Compared to other advertising, social advertising lets consumers respond directly to the brand, the company or to other
consumers regarding the advertisement’s message. Social advertising not only can provide consumers with space for online communication with peers and with the brand, but also can offer advertisers the ability to capture consumer information and monitor consumers’ information sharing (Harrigan & Miles 2014). Furthermore, social media can use these consumer interactions as a consumer preference for advertising profiling (Li, Lee & Lien 2012; Li & Shiu 2012; Bakshy et al. 2012). Thus, consumer socialisation through social advertising is new and unique, and research on this focus has been very limited.

As discussed in this chapter, the terms consumer engagement, consumer brand-related activities, eWOM and consumer socialisation are used synonymously in marketing literature to describe consumer responses to brand or product. However, in peer-communication through social advertising, we seek the consumer socialisation perspective that is considered relevant to the phenomenon of consumer responses in social advertising. The phenomenon where consumers respond to social advertising, by ‘liking’, ‘sharing’ and ‘commenting’ on the advertisement initiates a socialisation of the advertisement to the consumers’ peers as the audience. Peers are exposed to the consumer’s advertisement interactions so that they can learn the advertisement’s information. Although the socialisation is not purposive and systematic, it is still considered as consumer socialisation (Ward 1974). Through the consumer socialisation perspective, peer-communication through social advertising phenomenon can be logically understood.

The final section of this chapter focused on theoretical foundations that previous researchers have associated with consumer socialisation. In general, four components describe the consumer socialisation process: antecedent variables, socialisation agents, the socialisation process, and learning outcomes. Antecedent variables include social structural variables,
such as gender or socio-economic status, and developmental experience variables, such as age or life cycle position. Socialisation agents can be parent, family and peers. The socialisation process can be various combinations of modelling, reinforcement and social interaction activities. Learning outcomes can be a brand or product knowledge or the expected behavioural consequences of the socialisation, such as purchase intention. The literature discussed in this chapter was used to develop the theoretical model as a key focus of the present study. The model was presented in Chapter One and is discussed in detail in the following chapter (Chapter 3).
CHAPTER 3

CONCEPTUAL DEVELOPMENT

This chapter examines the conceptual model of consumer socialisation in peer-communication through social advertising, including its antecedents and its outcomes. The proposed model of consumer socialisation in peer-communication through social advertising is described in the first section to draw logical relationships. This is followed by a review of research developments on consumers’ socialisation antecedents and outcomes, specifically focusing on the key concepts that are relevant to peer-communication through social advertising. Subsequent research hypotheses are proposed on each of the suggested relationships.

3.1 Introduction

Previously, a review of advertising literature has been discussed. Consumer socialisation theory was selected to examine consumer behaviour in peer-communication through social advertising. The process of peer-communication through social advertising, the antecedents and the outcomes are now discussed. Constructs from previous literature that may be associated with peer-communication through social advertising are presented and followed by their hypotheses. The hypotheses development focuses in the most relevant constructs that are considered to have an association with peer-communication through social advertising, such as the variables from consumer socialisation theory and self-disclosure theory. The current study uses a consumer socialisation perspective to explain consumer behaviour around social advertising. As noted earlier in Chapter Two, the distribution of social advertising that is unique compared to other online advertising suggests a consumer socialisation process. Therefore, this peer-communication behaviour perspective is examined
through a consumer socialisation framework that led to an examination of previous literature in a number of areas, as is interrogated in the previous chapter. The research questions are now addressed and then followed by the hypothesised framework of consumer socialisation in peer-communication through social advertising.

3.2 The Proposed Model of Peer-Communication through Social Advertising

Process

As discussed earlier in the previous chapter, the consumer socialisation framework proposed by Moschis and Churchill Jr (1978) serves as the foundation of the research model (see Figure 2.2). The proposed model in the current study is based on this framework and improved by the addition of self-disclosure antecedents (trust in the SNS and Perceived benefit) as discussed in the literature and theoretical framework. This model can be seen in Figure 3.1 below.

![Figure 3.1 The Proposed Model of Peer-Communication through Social Advertising](image-url)
Basic frameworks of consumer socialisation processes are included in the model, such as the social learning process and the cognitive developmental process. The key components that differentiate these processes are characterised by the antecedents to consumer socialisation. Social structural antecedents may generate social learning processes while, on the other hand, developmental experience antecedents may lead to cognitive developmental learning processes (Moschis & Churchill Jr 1978). These antecedents have been mostly studied as demographic variables in consumer socialisation studies in children (John 1999). However, demographic variables are more insignificant in adult samples with mixed results in a number of consumer socialisation studies (Ekström 2006). Thus, psychographic studies are suggested to study consumer socialisation in social advertising, where the samples are mostly adult in arrays of age or other demographic factors.

Beyond demographic factors, the current study extends the investigation of consumer socialisation to the socio-psychological aspects of the online social media environment. These psychographic factors include tie-strength with peers and identification with the peer group as the social structural antecedents (Wang, Yu & Wei 2012), brand identification and brand commitment as developmental experience antecedents (Kuenzel & Halliday 2008; Tuškej, Golob & Podnar 2013), and trust and perceived benefit as self-disclosure antecedents to consumer socialisation (Mothersbaugh et al. 2012; Gummerus et al. 2012). The current study suggests an extended framework of consumer socialisation to come to a broader understanding of consumer socialisation theory.

To capture this broader perspective, the study will be divided into several themes based on the literature to achieve a thorough understanding. These themes, which will be studied
individually, are social structural antecedents, developmental experience antecedents, self-disclosure antecedents, and the consumer socialisation outcomes. These separate studies are expected to contribute to the body of knowledge of each theme. An integrated study that combines all of the themes in a single framework will also be tested to proof the individual studies. The literature related to these conceptual developments on each theme are summarised in Table 3.1.

Table 3.1 Literature related to the conceptual development

<table>
<thead>
<tr>
<th>No</th>
<th>Authors</th>
<th>Topic</th>
<th>Focus of Study</th>
<th>Theoretical Framework</th>
<th>Methodology</th>
<th>Sample</th>
<th>Scope</th>
<th>Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Algesheimer, Dholakia &amp; Hermann 2005</td>
<td>Brand Community</td>
<td>To develop and estimate a conceptual model of how different aspects of customers’ relationships with the brand community influence their intentions and behaviors</td>
<td>Social Identity Theory</td>
<td>Survey</td>
<td>529 respondents</td>
<td>EU</td>
<td>Identification with the brand community leads to positive consequences, such as greater community engagement, and negative consequences such as normative community pressure and reactance.</td>
</tr>
<tr>
<td>2</td>
<td>Baek &amp; Marimtto 2012</td>
<td>Consumer Avoidance</td>
<td>To identify the potential determinants of advertising avoidance in the context of personalized advertising media.</td>
<td>Psychological Reactance Theory</td>
<td>Survey</td>
<td>442 respondents</td>
<td>US</td>
<td>The findings indicate that while ad skepticism partially mediates the relationship between ad avoidance and its three determinants (perceived personalization, privacy concerns, and ad irritation), both privacy concerns and ad irritation have a direct positive effect on ad avoidance. However, increased perceived personalization leads directly to decreased ad avoidance.</td>
</tr>
<tr>
<td>3</td>
<td>Bagossi &amp; Dholakia 2009</td>
<td>Virtual Communities</td>
<td>To investigate individual and social determinants of the member’s intentions to participate</td>
<td>Goal-directed Behaviour Theory</td>
<td>Survey</td>
<td>157 participants</td>
<td>Online</td>
<td>We-intentions to participate are functions of both individual determinants (positive anticipated emotions and desires), and community influences (social identity).</td>
</tr>
<tr>
<td>4</td>
<td>Belén del Río, Vázquez &amp; Iglesias 2001</td>
<td>Brand Associations</td>
<td>To study the dimensions of brand image, focusing on the functions or value of the brand as perceived by consumers</td>
<td>Brand Theory</td>
<td>Interview and survey</td>
<td>1054 Interviewees and 1000 respondents</td>
<td>Spain</td>
<td>Four categories of functions are identified (quality, personal identification, social identification and status). It suggests that these functions have a positive influence on the consumer’s willingness to recommend the brand, pay a price premium for it and accept brand extensions.</td>
</tr>
<tr>
<td>5</td>
<td>Carlson, Suter and Brown (2008)</td>
<td>Brand Community</td>
<td>To study the psychological underpinnings of a customer’s perception of community with other users of the brand</td>
<td>Social Identity Theory</td>
<td>Surveys</td>
<td>344 and 158 respondents</td>
<td>USA</td>
<td>The core components of brand community may represent markers of social brand communities, while psychological brand communities may be characterized by psychological sense of community that could precede, or even work in lieu of, social interaction.</td>
</tr>
<tr>
<td>6</td>
<td>Chellappa &amp; Sin 2005</td>
<td>Advertising Personalisation</td>
<td>To develop a parsimonious model to predict consumers’ usage of online personalization as a result of the tradeoff between their value for personalization and concern for privacy</td>
<td>Personalisation Theory</td>
<td>Survey</td>
<td>243 respondents</td>
<td>USA</td>
<td>The results suggest that a consumer's intent to use personalization services is positively influenced by her trust in the vendor.</td>
</tr>
<tr>
<td>7</td>
<td>Chu &amp; Kim 2011</td>
<td>Consumer Engagement</td>
<td>To examine how social relationship factors relate to eWOM transmitted via online social websites</td>
<td>e-Word-of-Mouth Theory</td>
<td>Survey</td>
<td>363 respondents</td>
<td>USA</td>
<td>The results confirm that tie strength, trust, normative and informational influence are positively associated with users’ eWOM behaviour, whereas a negative relationship was found with regard to homophily.</td>
</tr>
<tr>
<td>8</td>
<td>Eslöv 2006</td>
<td>Consumer Socialisation</td>
<td>To revitalise consumer socialisation as a topic by presenting a critical review of the concept</td>
<td>Consumer Socialisation</td>
<td>Literature review</td>
<td>A review of consumer socialisation research since 1974</td>
<td>Various Papers</td>
<td>It is suggested that consumer socialisation research should be expanded to use socio-cultural theories and ethnographic methods. Interdisciplinary research is also recommended allowing a multifaceted elucidation in the study of consumer socialisation.</td>
</tr>
<tr>
<td>9</td>
<td>Gummerus et al. 2012</td>
<td>Customer Engagement</td>
<td>To study the effect of customer engagement behaviours on perceived relationship benefits and relationship outcomes</td>
<td>Customer Engagement Theory</td>
<td>Survey</td>
<td>276 respondents</td>
<td>Online</td>
<td>The results show that the influence of customer engagement behaviour on satisfaction is partially mediated by social benefits and entertainment benefits, while the effect of transactional engagement behaviour on satisfaction is fully mediated through the same benefits. The effect of CEB and loyalty is mediated through entertainment benefits.</td>
</tr>
<tr>
<td>10</td>
<td>John 1999</td>
<td>Consumer Socialisation</td>
<td>To review findings in consumer socialisation research and assess developmental stages in consumer socialisation in children</td>
<td>Consumer Socialisation</td>
<td>Literature review</td>
<td>Review of 25 years of research in consumer socialisation</td>
<td>Various Papers</td>
<td>Age and social environment is an important factor in the socialisation of children into the customer role.</td>
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<tr>
<td></td>
<td>Authors</td>
<td>Year</td>
<td>Title</td>
<td>Theory/Approach</td>
<td>Method</td>
<td>Participants/Results</td>
<td>Notes</td>
<td></td>
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<td>11</td>
<td>Kim, Han &amp; Park 2001</td>
<td>Brand Loyalty</td>
<td>To investigate the effect of brand personality on brand asset management by using the concept of consumers' identification with a brand</td>
<td>Social Identity Theory</td>
<td>Survey</td>
<td>130 participants</td>
<td>Korea The empirical results indicate that there are positive relationships between attractiveness, distinctiveness, and self-expressive value of brand personality. These relationships had a statistically significant effect on consumers' identification with a brand. Furthermore, brand identification had a direct effect on word-of-mouth reports and an indirect effect on brand loyalty.</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Kosrnova et al. 2005</td>
<td>Privacy Concerns</td>
<td>To understand the privacy-related concerns of users and the impact of these concerns on identity performance.</td>
<td>Self-disclosure Theory</td>
<td>Focus Group and Survey</td>
<td>210 participants</td>
<td>Germany The paper found that users tend to reduce the amount of information disclosed as a response to their concerns regarding Organizational Threats. Additionally, users become more conscious about the information they reveal as a result of Social Threats.</td>
<td></td>
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<tr>
<td>13</td>
<td>Kuusole &amp; Holliday 2008</td>
<td>Brand Identification</td>
<td>To analyse the influence of prestige, satisfaction, and communication on brand identification, word-of-mouth, and brand repurchase</td>
<td>Social Identity Theory</td>
<td>Survey</td>
<td>241 respondents</td>
<td>UK It was found that brand identification fully mediates the influences of prestige, satisfaction, and communication on word-of-mouth and brand repurchase.</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Li &amp; Shiu 2012</td>
<td>Advertising Personalisation</td>
<td>To propose a diffusion mechanism to deliver advertising information over microblogging media, by considering the factors of user preference, network influence, and propagation capability.</td>
<td>Information Diffusion Theory</td>
<td>Experiments</td>
<td>217 participants</td>
<td>Online The experimental results show that the proposed model could provide advertisers with suitable targets for diffusing advertisements continuously and thus efficiently enhance advertising effectiveness.</td>
<td></td>
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<tr>
<td>15</td>
<td>Li, Lee &amp; Lien 2012</td>
<td>Social Endorsement</td>
<td>To propose a social endorser-based advertising system formulated on network influence and user preference analyses.</td>
<td>Social Influence and Celebrity Endorsement Theory</td>
<td>Experiments</td>
<td>312 participants</td>
<td>Online The experiments show that the proposed mechanism significantly improves advertising effectiveness and efficiency and outperforms other advertising approaches.</td>
<td></td>
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<tr>
<td>16</td>
<td>Lueg &amp; Finney (2007)</td>
<td>Interpersonal Communication</td>
<td>To develop and validate a scale to measure socialization agent interpersonal communication regarding particular shopping channels.</td>
<td>Consumer Socialisation</td>
<td>Survey</td>
<td>1258 respondents</td>
<td>USA The study capture the unique categories of learning processes of modeling and reinforcement in a cross-sectional design to determine if either is more salient relative to shopping channels choice for a consumer.</td>
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<tr>
<td>17</td>
<td>Lutz, MacKenzie &amp; Belch 1983</td>
<td>Advertising Effectiveness</td>
<td>To examine the impact of product class importance and product class knowledge on the relationship between attitude towards the advertising and brand attitude.</td>
<td>Expectancy-value Theory of Attitude</td>
<td>Survey</td>
<td>260 participants</td>
<td>USA It was found that peripheral processing appeared to dominate the low knowledge/low importance subsample, but central processing served only as a supplement to peripheral processing in the high knowledge/high importance subsample.</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>MacKenzie, Lutz &amp; Belch 1988</td>
<td>Advertising Effectiveness</td>
<td>To analyse four models of the relationships between brand-related cognitive, affective, and conative responses and ad-related cognitive and affective responses.</td>
<td>Expectancy-value Theory of Attitude</td>
<td>Experiments</td>
<td>260 and 225 participants</td>
<td>USA The results suggest that a dual mediation hypothesis, which postulates that attitude towards advertising influences brand attitude both directly and indirectly, is superior to the other three models under the particular set of conditions in the pretest setting.</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Moschis and Churchill Jr 1978</td>
<td>Consumer Socialisation</td>
<td>To develop a consumption-related skills as a function of socialisation</td>
<td>Consumer Socialisation</td>
<td>Survey</td>
<td>806 adolescents from 13 schools</td>
<td>USA The cognitive developmental model may predict better the development of a youth's knowledge and ability to function as a consumer in the marketplace, whereas the social learning model seems to explain better the development of his attitudes and values.</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Mothersbaugh et al. 2012</td>
<td>Self-disclosure</td>
<td>To examine consumer willingness to disclose in an online service context</td>
<td>Prospect Theory</td>
<td>Online experiment</td>
<td>716 participants</td>
<td>USA Greater sensitivity of information requested produces weaker effects of customization benefits but stronger effects of information control and online privacy concern. The authors also find that customization benefits can overcome the negative effects of sensitive information requests when concern is lower or control is higher, and that perceived risk and firm trust are mechanisms through which disclosure antecedents operate.</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Pavlou 2003</td>
<td>Consumer Acceptance</td>
<td>To predict consumer acceptance of e-commerce by proposing a set of key drivers for engaging consumers in on-line transactions.</td>
<td>Technology Acceptance Model</td>
<td>Surveys</td>
<td>103 and 155 respondents</td>
<td>USA The studies strongly support the e-commerce acceptance model by validating the proposed hypotheses.</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Taddei &amp; Contena 2013</td>
<td>Online Self-disclosure</td>
<td>To compare different models of explanation for self-disclosure behaviors in online social networks.</td>
<td>Self-disclosure Theory</td>
<td>Survey</td>
<td>647 participants</td>
<td>Italy The results allow underlining the effect of the interaction between privacy concerns and trust on online self-disclosure, along with the absence of a direct influence of privacy concerns on disclosure itself.</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Toch, Wang &amp; Crane 2012</td>
<td>Online Personalisation</td>
<td>To analyse the privacy risks associated with several current and prominent personalisation trends, namely social-based personalization, behavioral profiling, and location-based personalization.</td>
<td>Personalisation Theory</td>
<td>Literature Review</td>
<td>Privacy and personalisation articles in the last 3 years Various Papers</td>
<td>The paper summarised by introducing a framework for classifying privacy risks and technical solutions according to the different stages of the personalisation process.</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Tui &amp; Men 2013</td>
<td>Consumer Engagement</td>
<td>To explore the types of consumer engagement with brand pages on Facebook as well as the motivations and antecedents that drive such engagement.</td>
<td>Engagement Behaviour Theory</td>
<td>Survey</td>
<td>280 respondents</td>
<td>USA With the exception of perceived credibility, relationship-oriented factors played a significant role in inducing consumer engagement on social networking sites.</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Tucker 2014</td>
<td>Privacy Control</td>
<td>To investigate how Internet users' perceptions of control over their personal information affect how likely they are to click on online advertising on a social networking website.</td>
<td>Psychological Reactance Theory</td>
<td>Experiments</td>
<td>79 Ad Campaigns and 1.2 million of users</td>
<td>USA The increase in effectiveness was larger for ads that used more unique private information to personalize their message and for target groups that were more likely to use opt-out privacy settings.</td>
<td></td>
</tr>
</tbody>
</table>
3.3 The Dependent Variable: Peer-Communication through Social Advertising

From an investigation through the lens of consumer socialisation theory, peer-communication emerged as a key force or socialising agent in social media consumer socialisation (Wang, Yu & Wei 2012). In the context of the social advertising message, peer-communication is a crucial factor in the behavioural activation of the consumer socialisation process in social media. This activation reflects the behavioural part of consumer socialisation, which is defined as how consumers develop consumer-related skills, knowledge and attitudes by socialising with others in society. In this study, peer-communication through social advertising will be viewed as the consumer behavioural activation of socialisation, such as reading, liking, commenting, sharing or mentioning the social advertising message. The following sections will discuss the hypotheses of peer-communication through social advertising antecedents and outcomes.
3.4 The Antecedents to Peer-Communication through Social Advertising

In general, following the consumer socialisation framework, the suggested antecedents of consumer peer-communication through social advertising are divided into two themes that cover the social learning process and cognitive learning processes of socialisation. Social structural antecedents, such as tie-strength with peers and identification of the peer group (Wang, Yu & Wei 2012), were suggested to have an association with consumer peer-communication through social advertising. Moreover, developmental experience antecedents that are represented by the quality of consumer-brand relationships, such as brand identification and brand commitment (Tuškej, Golob & Podnar 2013; Kuenzel & Halliday 2008), were proposed as some of the prominent factors of consumer peer-communication through social advertising. Following the nature of social advertising that uses personal information, self-disclosure antecedents are also hypothesised in the proposed model. More details of these antecedents’ hypotheses on the relationship with consumer peer-communication through social advertising are discussed as follows.

3.4.1 Social Structural Antecedents

The social learning process of a consumer socialisation emphasises social structural antecedents, such as social class, gender and family size (Moschis & Churchill Jr 1978). However, in the case of peer-communication through social advertising, the literature suggests tie-strength with peers and consumer identification with the peer group as the social structural antecedents (Wang, Yu & Wei 2012). This social learning process is expected to transmit social norms, attitudes, motivations and behaviours to the learner (Moschis & Churchill Jr 1978).
3.4.1.1 Tie-Strength with Peers

As cited by Wang, Yu and Wei (2012), useful information is easily absorbed by receivers with stronger ties and accordingly will have more impact than those with weak ties. In addition to that, tie-strength influence also offers a significant explanation for initiating word-of-mouth communications (Chu & Kim 2011). The effect of social influence from peers who have interpersonal ties is also the most reliable, and improves advertising effectiveness and efficiency (Li, Lee & Lien 2012). Tie-strength with peers may drive consumer needs in communication through social advertising. Therefore:

_Hypothesis-1a: Tie-strength with peers is associated with peer-communication through social advertising_

3.4.1.2 Identification with the Peer Group

When consumers identify a group they belong to, they develop ‘we-intention’ with other members and maintain a positive relationship with the group (Bagozzi & Dholakia 2002), and are willing to engage in community activities (Algesheimer, Dholakia & Herrmann 2005). This could mean that a consumer’s identification with a social group, whether it is a community, an organisation or a brand social page, leads the person to behave positively towards the group. Furthermore, Wang, Yu and Wei (2012) suggest that tie-strength with peers contributes to their identification with the peer group. Therefore, the following hypotheses are proposed:

_Hypothesis-1b: Tie-strength with peers is associated with identification with the peer group_

_Hypothesis-1c: Identification with the peer group is associated with peer-communication through social advertising_
3.4.2 Developmental Experience Antecedents

The cognitive developmental socialisation process emphasises developmental experience antecedents, such as age or life cycle of a person. In this study, the literature review suggests brand commitment and brand identification as the developmental experience antecedents to peer-communication through social advertising (Kuenzel & Halliday 2008; Tuškej, Golob & Podnar 2013).

3.4.2.1 Brand Identification

In the context of peer-communication through social advertising, empirical studies have shown that brand identification has a significantly positive influence on consumers’ willingness to recommend the brand to others (Belén del Río, Vazquez & Iglesias 2001) and word-of-mouth communication (Tuškej, Golob & Podnar 2013; Kuenzel & Halliday 2008; Kim, Han & Park 2001). Moreover, from the study by Carlson, Suter and Brown (2008), brand identification also showed indirect effects on word-of-mouth promotion by a mediation of brand commitment (see also Tuškej, Golob & Podnar 2013). Thus:

**Hypothesis-2a: Brand identification is associated with peer-communication through social advertising**

3.4.2.2 Brand Commitment

In regard to brand commitment’s expected impact on peer-communication through social advertising, previous studies suggest that a commitment towards a particular brand provides the motivation to produce word-of-mouth promotion to others (Carlson, Suter & Brown 2008). This is also supported by Tuškej, Golob and Podnar (2013) who have used two-
dimensional concepts of consumer commitment; namely, emotional attachment to a brand (affective brand-commitment) and motivation to comply with normative beliefs to purchase an object (social compliance commitment). In their study, both commitment dimensions are influenced by brand identification. However, only one dimension of commitment (social compliance commitment) was found to mediate brand identification in positive word-of-mouth communication fully. Therefore, the current study refers the social compliance commitment from Tuškej, Golob and Podnar (2013) as the brand commitment variable that may have an association with peer-communication through social advertising:

**Hypothesis-2b: Brand identification is associated with brand commitment**

**Hypothesis-2c: Brand commitment is associated with peer-communication through social advertising**

### 3.4.3 Self-Disclosure Antecedents

Peer-communication through social advertising has greater public exposure than interpersonal communication; as such communication is generally initiated publicly by advertisers. Thus, peer-communication through social advertising has inherent risks, as consumers can be tracked by an SNS that offers such data to advertisers (Baek & Morimoto 2012; Li & Shiu 2012; Wang, Min & Han 2016; White et al. 2008). As most consumers are aware their social profile data are visible to others and used by the SNS, consumer self-disclosure antecedents should be taken into account in such contexts. Due to the public nature of peer-communication through social advertising, privacy and trust are likely to be important antecedents. Previous research has shown that increased privacy control leads to increased advertising effectiveness (Tucker 2014), but the antecedents of self-disclosure behaviour rather consider the trade-off between privacy concerns and inherent benefits offered by
online personalisation (Chellappa & Sin 2005; Mothersbaugh et al. 2012). Thus, we suggest the antecedents of self-disclosure behaviour, such as trust, privacy and perceived benefits (Mothersbaugh et al. 2012; Gummerus et al. 2012; Chellappa & Sin 2005) are relevant to peer-communication through social advertising. The hypothesised relationships of these antecedents with peer-communication through social advertising are provided below.

3.4.3.1 Trust in the Social Networking Site

Self-disclosure theory suggests that trust plays a central role in consumer disclosure behaviour (Wheeless & Grotz 1977). Indeed, Chellappa and Sin (2005) found online organisations could improve their ability to obtain consumers’ personal data through trust-building activities as consumer trust influences their willingness to use personalisation services in the organisation. Self-disclosure theory suggests such trust influences consumers’ willingness to disclose personal information (Mothersbaugh et al. 2012; Pavlou 2003), in this case, personal information disclosure in social advertising. Thus, we postulate that:

_Hypothesis-3a: Trust in the social networking site is associated with consumer peer-communication through social advertising_

3.4.3.1.1 Perceived Privacy Concerns

The use of personal information by SNSs for advertising purposes may intrude on consumers’ privacy and affect their subsequent disclosure behaviour. Personalised advertising may cause greater privacy reactance by the consumers, because they perceive that their right of self-control towards their personal information is invaded by unknown advertisers or third-party advertising networks (Baek & Morimoto 2012). However, Mothersbaugh et al. (2012) found this was not always the case, that privacy concerns may not have an overall effect on
disclosure behaviour, but were increased in regard to the most sensitive information. Consumer trust in how an SNS manages consumers’ social profiles, particularly against privacy infringements, may directly influence the amount of data a consumer discloses. Thus, when people are concerned about their privacy, they are less likely to trust social media, suggesting:

Hypothesis-3a1: Perceived privacy concerns are associated with consumer trust in the social networking site

3.4.3.1.2 Perceived Privacy Controls

SNSs should provide trust-building activities, such as an accessible privacy control mechanism, to improve consumer willingness to use personalisation services (Chellappa & Sin 2005). While previous research has suggested the central role played by trust and privacy controls in consumer self-disclosure behaviour (Taddei & Contena 2013; Toch, Wang & Cranor 2012), no study has investigated perceived privacy controls in a social advertising context. However, based on prior research, it seems likely that:

Hypothesis-3a2: Perceived privacy control is associated with consumer trust in the social networking site

3.4.3.1.3 Previous Experiences of Privacy Invasion

Personalisation in advertising may cause greater privacy threats, because consumers perceive their right of self-control towards their personal information is invaded by unknown advertisers (Baek & Morimoto 2012). The threats can come from any direction, either organisational or social (Krasnova et al. 2009). When such negative previous privacy
invasions occur, they are likely to moderate consumers’ perceived privacy concerns, suggesting that:

**Hypothesis-3a3:** Previous privacy invasions increase the sensitivity in privacy concerns, thus increasing the effect of perceived privacy concerns on trust in the social networking site

### 3.4.3.2 Perceived Benefits in Disclosing Social Information

Apart from the consumer’s loss of privacy in disclosure behaviour, self-disclosure theory also suggests there are potential benefits in disclosing social information. Consumers undertaking peer-communication through social advertising might be seeking social, economic or entertainment benefits (Gummerus et al. 2012; Tsai & Men 2013). For example, consumers’ ‘sharing’ behaviour of an advertisement could have the purpose of keeping in touch with others, of getting a coupon, or of being entertained. Thus, we suggest that:

**Hypothesis-3b:** Perceived benefits in disclosing social information is associated with peer-communication through social advertising

#### 3.4.3.2.1 Social Benefits

Consumer peer-communication through social advertising may be initiated from the need to get social support, to exchange information, or to maintain intimacy with others. Thus, we propose that:

**Hypothesis-3b1:** Perceived social benefit is associated with peer-communication through social advertising
3.4.3.2.2 Economic Benefits

Economic benefits may also be associated with consumer peer-communication through social advertising, such as a way for a consumer to get a prize or to participate in a lucky draw from the advertiser. Thus, we suggest that:

_Hypothesis-3b2: Perceived economic benefit is associated with peer-communication through social advertising_

3.4.3.2.3 Entertainment Benefits

Consumer peer-communication through social advertising might be intended to satisfy the consumer’s needs for fun, relaxation or being entertained. Thus, we suggest that:

_Hypothesis-3b3: Perceived entertainment benefit is associated with peer-communication through social advertising_

3.5 Peer-Communication through Social Advertising Outcomes

The consumer socialisation framework provides a socialisation process that includes the antecedents to socialisation and the outcomes of the socialisation. Consumer behaviour and attitudes tend to result from learning acquired through socialisation among consumers (Wang, Yu & Wei 2012). Consumers’ attitude towards social advertising and towards the product and their purchase intentions are then suggested to be studied as the outcomes of consumer peer-communication through social advertising.
3.5.1 Attitude towards Social Advertising and towards the Product

Based on consumer socialisation theory, Wang, Yu and Wei (2012) argue that through positive peer-communication, consumers’ mental attitude towards the product can be improved. Consumer attitude towards social advertising may also have an effect on consumer attitude towards the product (Lutz, MacKenzie & Belch 1983; MacKenzie, Lutz & Belch 1986). Drawing upon these previous studies, it is necessary to see the effect of peer-communication through social advertising on consumers’ attitudes towards social advertising and attitudes towards the product. Thus, we suggest that:

*Hypothesis-4a: Peer-communication through social advertising is associated with the consumer’s attitude towards social advertising*  
*Hypothesis-4b: Peer-communication through social advertising is associated with the consumer’s attitude towards the product*  
*Hypothesis-4c: Consumer’s attitude towards social advertising is associated with the consumer’s attitude towards the product*

3.5.2 Purchase Intention

Lueg and Finney (2007) suggest that interpersonal communication can influence consumers to convert others into Internet shoppers. Thus in this study, the attitude towards social advertising and attitude towards the product is hypothesised to either fully or partially mediate peer-communication through social advertising with purchase intention. Thus, we suggest that:
Hypothesis-5a: The consumer’s attitude towards social advertising is associated with purchase intention

Hypothesis-5b: The consumer’s attitude towards the product is associated with purchase intention

Hypothesis-5c: The consumer’s peer-communication through social advertising is associated with purchase intention

3.6 Conclusion

On the basis of consumer socialisation theory and self-disclosure study, we thus establish a research model of consumer socialisation in social media, peer-communication through social advertising (Figure 3.1). This model explains consumer social learning, cognitive development, and the self-disclosure process of peer-communication through social advertising. The outcomes of socialisation derived from attitude-behaviour studies on purchase intentions. All in all, the core foundations of the socialisation framework consist of antecedents, the socialisation process and outcomes (Wang, Yu & Wei 2012; Moschis & Churchill Jr 1978) which in this study also encompass trust and perceived benefit concepts from self-disclosure research (Mothersbaugh et al. 2012). This conceptual model will address research questions emerging from the current study:

1. How do social structural antecedents affect consumer peer-communication through social advertising?
2. How do developmental experience antecedents affect consumer peer-communication through social advertising?
3. As SNSs use personal information to distribute social advertising, how do consumer self-disclosure antecedents affect peer-communication through social advertising?
4. To what extent does consumer peer-communication through social advertising affect their attitudes and purchase intentions?

Hypotheses have been developed in the previous sections to address these questions, which are included in Figure 3.2. This model will provide academics with a deeper understanding of consumer behaviour and help marketers to understand consumer antecedents to peer-communication through social advertising and its outcomes in purchasing decisions, and allow them to optimise the impact of their advertising campaigns.

![Figure 3.2 The Hypothesised Relationships of Peer-Communication through Social Advertising](image-url)
CHAPTER 4

METHODOLOGY

This chapter outlines the methodological considerations of the study. Positivist research, using a survey, explains the relationships associated with peer-communication through social advertising. The scope of the research, sampling, and data analysis strategy are also explained in this chapter. This research methodology is now described.

4.1 Introduction

In the previous chapters, this research has been introduced, theoretically positioned and conceptually framed in a research model. As a reminder, the current research is underpinned by consumer socialisation theory (Moschis & Churchill Jr 1978), consumer self-disclosure theory (Mothersbaugh et al. 2012), and consumer-brand relationship theory (Fournier 1998).

The objectives of this research are three-fold: first, to explore the antecedents of peer-communication through the lens of self-disclosure theory; second, to explore whether consumer-brand relationships affect peer-communication; and finally, to explore the outcomes of peer-communication in the context of social advertising. These research objectives will be achieved through a study case of Indonesian consumers.

This chapter will present a discussion and explanation of the chosen methodology to achieve the research objectives, including the research paradigm, research method, survey design, survey administration, sampling strategy, validity and reliability issues, and data analysis strategy.
4.2 Research Paradigm

The way knowledge is researched and interpreted is influenced by the paradigm of philosophical intent or motivation for undertaking the research (Mackenzie & Knipe 2006). The choice of paradigm is fundamental for a researcher in the development of knowledge that can lead to motivations and expectations for undertaking the research. There would be no core foundation for the selections of literature, methodology or research design without a paradigm choice (Mackenzie & Knipe 2006).

There are two key paradigms in determining the philosophical position for empirical research: positivist and interpretivist views. The positivist view sees knowledge as a reality derived from sensory experience, interpreted by a strict set of laws that come from empirical inquiry (Gray 2004). In positivism, reason and logic interpretations of natural and social phenomenon form the exclusive source of all authoritative knowledge (Macionis & Gerber 2010). Thus, positivism is often identical to quantitative methodology regarding its ontological and epistemological prescriptions to conduct research (Sarantakos 2012).

Interpretivism views knowledge as essentially relativistic and can only be understood from individual perspectives which are directly involved in the activities being studied (Burrell & Morgan 1979; Sarantakos 2012). The subjective view in describing a reality to define knowledge can be understood by an interpretative method, frequently known as qualitative methodology. The choice between positivism and interpretivist paradigms is often based on its reality, such as positivism might be preferable if it is a natural reality and interpretivism can be chosen if it is a social reality (Gray 2004; Gilbert 2008). However, as noted earlier, the paradigm selection should be based on the philosophical motivations and expectations
for the research. Thus, the epistemological paradigm that is appropriate for the current research should be decided from the research questions:

1. What are the antecedents of consumers’ peer-communication through social advertising and what are the outcomes?
2. What makes consumers disclose their profile in social advertising?

The first question is looking into the antecedents and the outcomes of consumer peer-communication through social advertising from the lens of existing theory, such as consumer socialisation theory. The second research question is looking into the self-disclosure antecedents that may affect consumer peer-communication. Although from these research questions a social reality is identified, an interpretivist approach is somewhat inappropriate as the questions seek to look into theory verification and correlations within a phenomenon (Mackenzie & Knipe 2006).

In comparison to interpretivism, the epistemological paradigm of positivism is more appropriate in addressing the research questions for several reasons. Peer-communication through social advertising is an extension of social media peer-communication research introduced by Wang, Yu and Wei (2012) that was grounded in consumer socialisation theory (Moschis & Churchill Jr 1978). As the grounded interpretation of peer-communication has been developed earlier, the current research pursues its verification in the context of social advertising. Further, the use of consumer self-disclosure behaviour theory and consumer-brand relationship theory in its relations with peer-communication through social advertising is also underpinned by literature review. One of the objectives of the current study is to find causal relationships between those theories and peer-communication through social advertising. Thus, a positivist perspective is appropriate to seek that theory verification in a
social advertising context and causal relationship between self-disclosure behaviour and consumer-brand relationship experience and peer-communication (Mackenzie & Knipe 2006).

4.3 Research Method

There are two classifications in marketing research design: exploratory research design and conclusive research design (Malhotra 2008). Generally, exploratory research would be desirable if the objective of research was to provide insights and understanding, which is an interpretivist view. On the other hand, conclusive research is preferable if the purpose were to test the specific hypotheses and examine relationships, which is a positivist view. These two major streams of marketing research design can also be positioned on how the data is analysed, where exploratory research design uses qualitative data analysis and conclusive research design uses quantitative data analysis. Therefore, a positivist view of the current research will set down conclusive research using a quantitative approach in data analysis.

Although exploratory research is generally the initial step in the overall research framework, it is not necessary if the problem has been defined (Malhotra 2008). The current research, however, is an extension of previous work done by Wang, Yu and Wei (2012) with new contributions in the context of social advertising and the investigation of the antecedents through the lens of self-disclosure theory and brand relationship theory. The research problem and specific hypotheses of the current research have been identified and the investigated variables were developed from previous research. The exploration needed in the present research is a literature review of these variables that might come up in its association with peer-communication through social advertising. Nevertheless, the relationships between these variables and peer-communication through social advertising have not been
investigated. Thus, a conclusive research design was taken into account as the current research methodology.

Descriptive and causal research are two key methods in conclusive research design (Malhotra 2008). Both of these methods tend to be quantitative in nature and offer useful information for the decision maker in reaching conclusions. The difference between the two is on how the internal and external validity is provided by both methods. Causal method, particularly in experimentation, could provide higher internal validity although it has difficulties in external validity because of its artificiality (Malhotra 2008). On the other hand, ‘the advantages of descriptive approach are systematic and empiric so that the researcher does not have direct control of the independent variables as their manifestations have already occurred or intrinsically not manipulable’ (Kerlinger 1986, p. 348). Regarding this research that looks into the consumers’ peer-communication through social advertising phenomenon, external validity was necessary, hence a descriptive method was needed (Lukas et al. 2004). There are also three types of data collection in conclusive research: by survey, by observation and by experimentation. As the data required in this research could not be directly observed or manipulated for an experiment, a survey approach is used. Thus, a descriptive method is adopted in the current research with survey data collection to acquire quantifiable data.

Since the phenomenon of peer-communication through social advertising occurs online in an SNS, an online survey approach is suitable to capture all of the variables predicted in this research that need self-reports from the consumers themselves. An online survey is capable of targeting SNS users directly by an online approach through email or a direct messaging service. In contrast, a traditional survey would require initial validation before distributing the survey, such as through interview, to make sure that the respondent is a social media user.
In the online survey, the questionnaire will be designed to be accessed from both desktop computers and mobile phones. This will enable respondents to respond at their convenience and free from pressure. Furthermore, the online survey can be paused for a period of time and continued later, which gives respondents as much time as they like to complete it. Thus, an online survey was appropriate in this research.

Data from this survey will be in the form of numbers that can be quantified and summarised. Statistical data analyses will then be carried out to measure each variable and to uncover the relationships in between. This way, data interpretation can be made to answer each research problem. It is expected that the antecedents and outcomes studied in this research will provide a better understanding of peer-communication through social advertising by this method. The following sections will describe the research method in more detail, including survey design (4.4), purchase intention (4.5), survey administration (4.6), sampling strategy (4.7), data analysis strategy (4.8) and ethical considerations (4.9).

4.4 Survey Design

As noted earlier, this research examines the antecedents of peer-communication through social advertising and the outcomes in consumers’ intention to purchase. A research model was proposed in the previous chapter to visualise the hypothesised relationships between variables (Figure 3.2). It was noted that the model combined the work of various studies and argued that tie-strength with peers, identification with the peer group, trust in the SNS, perceived communication benefits, brand identification and brand commitment influence peer-communication through social advertising. The model also expects that peer-communication through social advertising will affect consumers’ attitude towards social
advertising and attitude towards the product, all of which will finally influence consumers’ purchase intention.

An extensive review of the measures in a wide range of literature in marketing, communication and management information system was undertaken to operationalise the constructs. The model of this research is mainly derived from the consumer socialisation framework that discusses two key antecedents of consumer socialisation: social structural variables and developmental experience variables (Moschis & Churchill Jr 1978). In the social media context, social structural variables have been studied further regarding the level of consumers’ tie-strength with peers and their identification with the peer group (Wang, Yu & Wei 2012). However, there are limited studies in understanding the effects of developmental experience variables where current research proposes brand identification and brand commitment as developmental experience variables in consumer socialisation. Moreover, the influence of self-disclosure behaviour antecedents (i.e. trust and perceived benefits) which are present in the phenomenon of peer-communication through social advertising were included in the model. The scales from previous studies were used to measure the variables with some modification to fit the social advertising environment. To reduce measurement error, multiple items are used in representing a construct. Multiple indicators to measure a construct are preferred as they allow the most unambiguous assignment of meaning to the estimated constructs (Hunter & Gerbing 1982; Anderson & Gerbing 1982). The list of these scales can be seen in Table 4.1. An overview of each construct and the way they are measured in this research is provided in the following sections.
Table 4.1 Scales development.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Previous Literature Scales</th>
<th>Current Research Scales</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tie Strength with Peers</strong></td>
<td>How likely would you share personal confidences with your peers?</td>
<td>How likely would you share personal confidence with your peers on &lt;social-media&gt;?</td>
</tr>
<tr>
<td></td>
<td>How likely would you spend some free time socializing with your peers?</td>
<td>How likely would you spend some free time socializing with your peers on &lt;social-media&gt;?</td>
</tr>
<tr>
<td></td>
<td>How likely would you perform a large favor for your peers?</td>
<td>How likely would you perform a large favor for your peers on &lt;social-media&gt;?</td>
</tr>
<tr>
<td></td>
<td>How likely would your peers perform a large favor for you?</td>
<td>How likely would your peers on &lt;social-media&gt; perform a large favor for you?</td>
</tr>
<tr>
<td><strong>Identification with Peer Group</strong></td>
<td>I am very attached to the peer group on social media</td>
<td>I am very attached to the peer group on &lt;social-media&gt;</td>
</tr>
<tr>
<td></td>
<td>My peers on social media and I share the same objectives</td>
<td>My peer group on &lt;social-media&gt; and I share the same objectives</td>
</tr>
<tr>
<td></td>
<td>The friendships I have with my peers mean a lot to me</td>
<td>The friendships I have with my peer group on &lt;social-media&gt; mean a lot to me</td>
</tr>
<tr>
<td></td>
<td>If my peers planned something, I’d think of it as something “we” would do rather than “they” would do</td>
<td>If my peers planned something, I’d think of it as something “we” would do rather than “they” would do</td>
</tr>
<tr>
<td></td>
<td>I see myself as a part of the peer group on social media</td>
<td>I see myself as a part of the peer group on &lt;social-media&gt;</td>
</tr>
<tr>
<td><strong>Brand Identification</strong></td>
<td>When someone praises my car brand it feels like a personal compliment</td>
<td>When someone praises &lt;the-brand&gt; it feels like a personal compliment</td>
</tr>
<tr>
<td></td>
<td>I am very interested in what others think about my car brand</td>
<td>I am very interested in what others think about &lt;the-brand&gt;</td>
</tr>
<tr>
<td></td>
<td>I feel good when I see a positive report in the media about my car brand</td>
<td>I feel good when I see a positive feedback about &lt;the-brand&gt; from my peers</td>
</tr>
<tr>
<td></td>
<td>I feel that my personality and the personality of this brand are very similar</td>
<td>I feel that my personality and the personality of &lt;the-brand&gt; are very similar</td>
</tr>
<tr>
<td></td>
<td>I have a lot in common with other people using this brand</td>
<td>I have a lot in common with other people who are using &lt;the-brand&gt;</td>
</tr>
<tr>
<td></td>
<td>I feel that my values and the values of this brand are very similar</td>
<td>I feel that my values and the values of &lt;the-brand&gt; are very similar</td>
</tr>
<tr>
<td></td>
<td>I would like it if people talked about me buying this brand</td>
<td>I would like it if people on &lt;social-media&gt; talked about me buying &lt;the-brand&gt; products or services</td>
</tr>
<tr>
<td><strong>Brand Commitment</strong></td>
<td>The good thing about buying this brand is that I can talk to my friends/family about it</td>
<td>The good thing about buying &lt;the-brand&gt; is that I can talk to my peers on &lt;social-media&gt; about it</td>
</tr>
<tr>
<td></td>
<td>My family and/or friends influence my decision to buy this brand</td>
<td>My peers on &lt;social-media&gt; influence my decision to buy &lt;the-brand&gt; products or services</td>
</tr>
<tr>
<td><strong>Perceived Benefits in Disclosing Social Information</strong></td>
<td>Statements began with: I am a Facebook brand community club member of Game...</td>
<td>Statements began with: I socialise (through like, reshare, comment, etc.) to &lt;the-brand&gt; social advertising in &lt;social-media&gt;...</td>
</tr>
<tr>
<td><strong>Economy benefits</strong></td>
<td>To participate in lotteries</td>
<td>because I want to participate in lucky draw</td>
</tr>
<tr>
<td></td>
<td>To get better service</td>
<td>because I want to get better service</td>
</tr>
<tr>
<td></td>
<td>To get fast responses</td>
<td>because I want to get fast responses</td>
</tr>
<tr>
<td></td>
<td>To get entertained</td>
<td>because I want to get entertained</td>
</tr>
<tr>
<td><strong>Entertainment benefits</strong></td>
<td>To relax</td>
<td>because I want to relax</td>
</tr>
<tr>
<td></td>
<td>To pass time when I am bored</td>
<td>because I want to pass time when I am bored</td>
</tr>
<tr>
<td></td>
<td>Because I want to get to know other community members</td>
<td>because I want to get to know other users</td>
</tr>
<tr>
<td><strong>Social benefits</strong></td>
<td>To help other community members</td>
<td>because I want to help other users</td>
</tr>
<tr>
<td></td>
<td>To feel needed by Game or other community members</td>
<td>because I want to feel needed by the other users</td>
</tr>
<tr>
<td></td>
<td>To get help from other community members</td>
<td>because I want to get help from other users</td>
</tr>
<tr>
<td></td>
<td>To provide information to other community members</td>
<td>because I want to provide information to my peers</td>
</tr>
<tr>
<td></td>
<td>To share my ideas with other community members</td>
<td>because I want to share my ideas with my peers</td>
</tr>
<tr>
<td></td>
<td>Because I want to stay in touch with other community members</td>
<td>because I want to stay in touch with my peers</td>
</tr>
</tbody>
</table>

### Privacy Concern

<table>
<thead>
<tr>
<th></th>
<th>The possibility that online firms may use information I give them to make unsolicited contact bothers me</th>
<th>The possibility that online firms may use information I give to &lt;social-media&gt; to make unsolicited contact bothers me</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The thought that Internet retailers may collect and re-use my personal information for marketing to me is troubling</td>
<td>The thought that Internet retailers may collect and re-use my personal information in &lt;social-media&gt; for marketing to me is troubling</td>
</tr>
<tr>
<td></td>
<td>I am concerned that the personal information that companies acquire from me over the Internet may result in my receiving more promotional offers</td>
<td>I am concerned that my personal information that companies acquire from &lt;social-media&gt; may result in me receiving more promotional offers</td>
</tr>
<tr>
<td>Perceived Privacy Control</td>
<td>I choose the ways in which my personal information may be used by YOURTV for marketing</td>
<td>I choose the ways in which my personal information in &lt;social-media&gt; may be used for marketing</td>
</tr>
<tr>
<td></td>
<td>The information about me that I supply to YOURTV can only be used for advertising in ways I have approved</td>
<td>The information about me that I supply to &lt;social-media&gt; can only be used for advertising in ways I have approved</td>
</tr>
<tr>
<td></td>
<td>I have complete power over how the information I provide to YOURTV will be later used for promotional purposes</td>
<td>I have complete power over how the information I provide to &lt;social-media&gt; will be later used for promotional purposes</td>
</tr>
<tr>
<td>Trust in the SNS</td>
<td>YOURTV could be trusted completely</td>
<td>&lt;social-media&gt; could be trusted completely</td>
</tr>
<tr>
<td></td>
<td>YOURTV could be counted on to do what is right</td>
<td>&lt;social-media&gt; could be counted on to do what is right</td>
</tr>
<tr>
<td></td>
<td>YOURTV could be relied on</td>
<td>&lt;social-media&gt; could be relied on</td>
</tr>
<tr>
<td>Peer Communication through Social Advertising</td>
<td>I talked with my peers about the product on social media</td>
<td>I would like to discuss about &lt;the-brand&gt; products or services with my peers on &lt;social-media&gt; through the commenting function on the social advertising</td>
</tr>
<tr>
<td></td>
<td>I talked with my peers about buying the product on the Internet</td>
<td>I would tell my peers on &lt;social-media&gt; about buying &lt;the-brand&gt; products or services through the sharing or forwarding function on the social advertising</td>
</tr>
<tr>
<td></td>
<td>I asked my peers for advice about the product</td>
<td>I would like to hear advice from my peers on &lt;social-media&gt; about &lt;the-brand&gt; products or services through liking or subscribing the social advertising</td>
</tr>
<tr>
<td></td>
<td>I obtained the product information from my peers</td>
<td>I would like to receive product information from my peers on &lt;social-media&gt; through reading the comments section of the social advertising</td>
</tr>
<tr>
<td></td>
<td>My peers encouraged me to buy the product</td>
<td>My peers on &lt;social-media&gt; would encourage me to buy the advertised &lt;brand&gt; products or services</td>
</tr>
</tbody>
</table>

### Purchase Intention

<table>
<thead>
<tr>
<th></th>
<th>Unlikely-likely</th>
<th>Unlikely-likely</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Uncertain-certain</td>
<td>Uncertain-certain</td>
</tr>
<tr>
<td></td>
<td>Definitely not-definitely</td>
<td>Definitely not-definitely</td>
</tr>
</tbody>
</table>

### Attitude towards the Social Advertising

<table>
<thead>
<tr>
<th></th>
<th>Dislike-like</th>
<th>Dislike-like</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bad-good</td>
<td>Bad idea-good idea</td>
</tr>
<tr>
<td></td>
<td>Undesirable-desirable</td>
<td>Undesirable-desirable</td>
</tr>
</tbody>
</table>

### Attitude towards the Product

<table>
<thead>
<tr>
<th></th>
<th>Dislike-like</th>
<th>Dislike-like</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bad-good</td>
<td>Bad-good</td>
</tr>
<tr>
<td></td>
<td>Undesirable-desirable</td>
<td>Undesirable-desirable</td>
</tr>
</tbody>
</table>

### 4.4.1 Peer-communication through Social Advertising

Consumers learn about products from their peers to develop their cognitive and affective states towards those products (Schivinski & Dabrowski 2016). In social media, this process...
occurs through peer-communication (Wang, Yu & Wei 2012; Schivinski & Dabrowski 2016; Hajli et al. 2014). Social media peer-communication is a phenomenon that enables consumers to communicate with each other about, among other things, consumption-related matters. It may be referred to as ‘consumption-related peer-communication’. However, in the current research, the term ‘peer-communication through social advertising’ is used to describe the type of peer-communication through social advertising in which consumers partake, such as liking, mentioning, commenting or sharing. Five items measurement and 7-point Likert scales of this variable were inspired by the consumption-related peer-communication construct of social media communication studies by Wang, Yu and Wei (2012).

4.4.2 Tie-Strength with Peers

Peers may influence a person about consumerism with regard to how strong the relationship is, such as close friends, casual friends, acquaintances or even strangers. The closeness or tie-strength influence offers a significant explanation of initiating word-of-mouth communications (Chu & Kim 2011; Mazzarol, Sweeney & Soutar 2007). Tie-strength with peers was measured in the present research through the four items measurement suggested by Wang, Yu and Wei (2012).

4.4.3 Identification with the Peer Group

Identification with the peer group indicates a self-conception that features a self-inclusive social category that is stereotypically interchangeable with group members and stereotypically distinct from outsiders (Hogg 1992). Identification with the group is a key factor of a user participating in the virtual community (Dholakia, Bagozzi & Pearo 2004).
The five items measurement of identification with the peer group suggested by Wang, Yu and Wei (2012) was used in the present research.

4.4.4 Trust in the Social Networking Site

As peer-communication through social advertising requires disclosure of a social profile, social media should be reliable in handling personal data, thus the element of trust becomes vital to the consumer. Chellappa and Sin (2005) suggest that online organisations can improve their abilities to obtain consumer personal data through trust-building activities, because consumers’ willingness to use personalisation services is positively influenced by their trust in the organisation. This research uses three items to measure consumer trust in the SNS that were adopted from Mothersbaugh et al. (2012).

4.4.5 Perceived Benefits in Disclosing Social Information

Previous research around personalisation suggests that disclosing personal data to receive personalisation services is dependent upon the value of the benefits to be attained (Chellappa & Sin 2005; Mothersbaugh et al. 2012; Ho & Bodoff 2014). Consumers undertaking peer-communication through social advertising might be seeking social, economic or entertainment benefits (Gummerus et al. 2012; Hann et al. 2002; Dholakia, Bagozzi & Pearo 2004). In the current research, these benefits will be termed as communication benefit. Three items that measure perceived benefit in general developed by Mothersbaugh et al. (2012) and fourteen items that measure social, economic and entertainment benefits developed by Gummerus et al. (2012) were used to measure the perceived communication benefit in this research.
4.4.6 Brand Identification

Brand identification is an important aspect of the socialisation process because it captures the essence of who people are and why they do what they do. Previous studies show that brand identification has a significantly positive influence on consumers’ willingness to recommend the brand (Belén del Río, Vazquez & Iglesias 2001) and word-of-mouth communication (Tuškej, Golob & Podnar 2013; Kuenzel & Halliday 2008; Kim, Han & Park 2001). To measure brand identification, the current research used six items developed by Kuenzel and Halliday (2008) and Tuškej, Golob and Podnar (2013).

4.4.7 Brand Commitment

Commitment is defined as the relative strength of an individual’s emotional attachment to, identification with and involvement in a particular organisation (Allen & Meyer 1990). A commitment to a brand then reflects affective attachment to the extent that a brand is personally considered as the only acceptable choice within a product class (Warrington & Shim 2000). Three items that measure brand commitment developed by Tuškej, Golob and Podnar (2013) were used in current research.

4.4.8 Attitude towards Social Advertising

Previous studies have shown the significant impact of peer influence on attitude towards advertising; that consumers are likely to take an interest in advertising when its content provides peer influence (Taylor, Lewin & Strutton 2011), such as in social advertising. The current research used three items to measure attitude towards social advertising inspired by Wang, Yu and Wei (2012).
4.4.9  Attitude towards the Product

Prior studies have shown a significant impact of peer influence on attitude towards the product. Based on consumer socialisation theory Wang, Yu and Wei (2012) argued that through positive peer-communication, consumers’ mental attitude towards the product can be improved. Current research used three items to measure attitude towards the product suggested by Wang, Yu and Wei (2012).

4.5  Purchase Intention

Online peer-communication can influence consumers to convert others into Internet shoppers (Lueg & Finney 2007). The more people communicate through social advertising, the more effective advertising becomes in exposing the target market and the more likely consumers influence others to purchase. Three items that measure purchase intention suggested by Wang, Yu and Wei (2012) were used in the current research.

4.6  Survey Administration

The first page of the survey was an introduction describing the purpose of the survey that highlighted an attempt to understand consumer socialisation through social advertising. Various attributes of consumer motivation and intention associated with the phenomenon were also introduced in each section. The survey was also designed to let respondents stay anonymous, ensuring their privacy, and this was also assured in the introduction section. The researcher’s contact addresses, such as email and phone number, were listed in case respondents needed to seek clarification.
After the introduction, three visual examples were given to show kinds of peer-communication through social advertising across several SNSs. Respondents were required to have experience in peer-communication through social advertising similar to that shown in the examples. A validation process of this was filtered by a three-step questioning process to screen and identify whether the respondent had communicated through social advertising. These questions included a yes/no question as to whether the respondent had communicated through social advertising over the last six months, a frequency question on how often they communicated through social advertising, and a question about the type of communication that they usually had through social advertising (i.e., reading, ‘liking’, mentioning, sharing, commenting, etc.). If they had no experience at all in peer-communication through social advertising, the survey was skipped and landed to a thank you page ending the survey.

The survey continued to the main part if the respondents had experience in peer-communication through social advertising. The main part of the data collection used data from the SNS and social advertising that the respondent indicated to have had experience with. The respondents were asked which SNS they used to peer-communicate through social advertising, including Facebook, Twitter, LinkedIn, Instagram, Pinterest, Google+, or any others that the respondents could specify. They were also asked about what brand they had communicated through its social advertising. The main part of the survey included various questions developed to measure the constructs of interest. Lastly, demographic questions were asked to observe their age, gender, household income and educational level. Respondents who were interested in participating in the lucky draw were asked to provide an email address, but this data would not be identifiable with their prior survey response. Respondents were free to terminate the survey at any time. The online survey was self-
administered, which enabled instantaneous electronic data collection for further analysis using Microsoft Excel, SPSS and WarpPLS.

Prior to public distribution of the survey, several things have to be done initially. The measures of each construct should be reliable and valid, so each research subject would have a similar interpretation of all the information and instructions given in the survey. A pilot test is also needed to uncover any problems with the survey process, wording, or even with the layout. The choice of distribution should also be decided on to get an appropriate sample in the population as well as identifying any cost incurred for distribution. These pre-distribution stages will be explained in more detail in the following sections.

4.6.1 Validity and Reliability of the Measures

A successful survey should be reliable, reproducible, and valid so it can provide critical information regarding the core of the topic of interest (Litwin 1995). The adoption of measurement scales in the current research is in fact advantageous in terms of validity and reliability as the scales were pre-tested in previous research. However, an assessment to meet validity and reliability of the survey should be done to avoid undesirable data that may represent a construct incorrectly.

For validity, the quality of the constructs’ operationalisation is in question. According to Cronbach and Meehl (1955), there are three types of validity in quantitative research: criterion validity, content validity and construct validity. Firstly, criterion validity assesses whether a measure is correlated with other measures of the same construct. After refining possible measures of a construct from a literature review, criterion validity assessment can be done in a pilot test. If the measures are high in correlation, then the measure has strong criterion validity. Secondly, content validity assesses whether the measures are a sample of
meanings included within a concept. This can be assessed deductively through literature review and expert opinion. This study satisfies this requirement by assessing deductively from literature review for every hypothesised construct. Lastly, construct validity assesses how well a construct will produce results that agree with the theoretical underpinnings. This can be done by literature review and result analysis through comparing composite reliability and average variance extracted to test the convergent validity between constructs (Gefen & Straub 2005). Construct validity will be discussed in Chapter Five. There is also face validity that assesses a brief review of items by untrained judges, such as from brother, roommate or friends (Litwin 1995). The face validity assessment can simply be showing the survey to a few untrained individuals to see whether the measures are accurate in representing a concept.

For reliability, a consistency of results demonstrates a decent reliability of the survey. In any set of data collected, there often occur some elements of error. Litwin (1995) classifies these errors into two components: random error and measurement error. Random error can be caused by many factors that are just random and unpredictable and that occur in all research. A larger sample or more representative sample is believed to lower the chance of random error occurrence. A larger sample is also needed to support the conclusions being made, while smaller samples are often inaccurate, even with a sophisticated technique (Marcoulides & Saunders 2006; Goodhue, Lewis & Thompson 2012). The second component, measurement errors, are caused by any factors that affect the measurement. To avoid measurement errors, multiple items are used to measure a construct. By using multiple items, a construct can be triangulated across its items to get a more accurate sense of what is going on (Hunter & Gerbing 1982; Anderson & Gerbing 1982). A pilot test is also needed so feedback from respondents can be directly analysed to eliminate potential errors.
4.6.2 Pilot Testing

Before the survey was distributed in the field, a pilot test was conducted on a smaller sample of respondents to identify and eliminate potential problems. Indonesian students of the University of Western Australia were targeted for the pilot test, followed by personal interviews to receive feedback from the survey so respondents’ reactions and attitudes could be observed. The purposes of this pilot test and personal interview were to find any ambiguous questions, to evaluate the survey layout across devices and browsers, to make sure that instructions were sensible and easy to follow, and to decide on a coherent flow of questions (Malhotra 2008). This test also gave real-time feedback on Qualtrics about the estimated time needed to complete the survey for every person.

The pilot test survey received 43 responses from UWA Master and PhD students. They were interviewed about their experience of the survey in terms of the questions and statements, simplicity, interfacing format, layout and the flow of questions. The time they took to complete the survey was automatically generated from the Qualtrics engine that was able to display a report of time elapsed on each survey page from each respondent. Based on the feedback received from this pilot test, a few wording issues and order of answering selections were revised. Nevertheless, these minor revisions brought no changes to the fundamental meanings of each question in the survey. The layout difference between desktop and mobile browsers was reported insignificant in confusing the respondents. All devices and most of the browsers were considered acceptable in displaying clear instructions from the survey, apart from the smaller display in mobile phones that reduced their convenience. One mobile browser, Opera Mini, was reported for not displaying the survey correctly. Thus, browsers other than Opera Mini were suggested to access the survey. After the survey was revised, 30
new respondents were invited to partake in the second stage of the pilot test. This group suggested no changes to the survey and the online survey could be released for public data collection.

4.6.3 Distribution Strategy

Regarding the context of the current research on social media, the distribution of a survey through online channels is more likely to target social media users. Unlike the traditional survey, an online survey has some concerns regarding its convenience as respondents need a computer or mobile phone and Internet connection. However, this issue is less relevant as this research is focused on consumers’ activity in social media which they do mostly online. The distribution of the survey through online channels can be through email and SNS messaging services, in which the respondents come from a convenient sample of social media users.

The advantages of the online survey compared to the traditional survey are lower distribution costs, shorter collection time, and the flexibility of delivering questions to respondents. An online survey does not require the cost of printing and postage or initial interviews of the respondents. The time between sending the questionnaire and receiving the data is also much shorter in an online survey than having to wait for dispatching the traditional mail survey. The flexibility of delivering questions in an online survey is also an advantage over the traditional survey, such as the use of earlier answers of the respondent to seed in the next questions. For example, consumers were asked which SNS and brand had they been involved in with peer-communication through social advertising and then the next questions were related to that particular brand and the SNS. They could also answer ‘no’ to some questions and skip the next section without intervention from the researcher. Furthermore, the error in
data entry could be minimised in that there was no data entry required as the data could be imported into any statistical format instantaneously (Dillman 2000).

Concerns in an online survey might appear in the interfacing format across the type of Web browsers and operating systems, as they do in any Web pages. The latest Qualtrics version was used in developing the online survey, which is already supported for the interfacing format in any browsers for both computers and mobile phones. Still, to minimise any problems, technical testing was firstly executed with different browsers and operating systems in computers as well as mobile phones.

4.7 Sampling Strategy

The choice of sample strategy for a research project should be based on the purpose of the research (Collins, Onwuegbuzie & Jiao 2007), which in this case aims to investigate consumer peer-communication through social advertising in Indonesia. The Indonesian market is chosen, as this research is funded by an Indonesian telecommunication company, PT Telkom Indonesia. The results of this study are expected to support the company on its digital strategy. The sampling strategy selected in the current research is divided into four stages: identifying the population, identifying the sample, determining the sample size and selecting a sampling technique. Each stage is elaborated in more detail in the following sections.

4.7.1 Identifying the Population

The subjects in this current research are consumers in social media. There are many forms of social media, which Kaplan and Haenlein (2010) classify according to the media richness and the level of users’ self-disclosure. Under this classification, social media is divided into
six areas that include blogs, collaborative projects, social networking sites, content communities, virtual social worlds and virtual game worlds (Table 4.2). However, the focus of the present research is on social advertising that is commonly established in SNSs. In SNSs, social advertising is communicated by advertisers as well as influencers, and the readers are able to communicate directly to the advertiser or tell other readers about social advertising. A two-way communication in the SNS’s social advertising is possible in that this creates buzz between consumers. Other than SNSs, there will be no social advertising in collaborative projects, such as in Wikipedia. Apart from that, blogs and content communities may provide the content-author to communicate social advertising, but the response from the readers is typically passive which means that it is a one-way communication. Social advertising in virtual social worlds and virtual game worlds might exist, but the way it is communicated by advertisers or influencers may be as complicated as the virtual world itself, hence difficult to observe. Thus, the subject population of the current research is concentrated in SNSs, such as Facebook, Twitter, Instagram, LinkedIn, Google+, etc. In these SNSs, social advertising is easily communicated by everyone to each other.

Table 4.2 Social media classification (Kaplan & Haenlein 2010).

<table>
<thead>
<tr>
<th>Low</th>
<th>Social presence/ Media richness Medium</th>
<th>High</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blogs</td>
<td>Social networking sites (e.g., Facebook)</td>
<td>Virtual social worlds (e.g., Second Life)</td>
</tr>
<tr>
<td>Collaborative projects (e.g., Wikipedia)</td>
<td>Content communities (e.g., YouTube)</td>
<td>Virtual game worlds (e.g., World of Warcraft)</td>
</tr>
</tbody>
</table>

With a population of over 250 million, Indonesia is one of the most attractive markets in the Southeast Asia region. As the fourth largest country in the world, 30 per cent of its population, or 79 million of them, are active social media users (Balea 2016). Indonesia is also the largest country in Southeast Asia that shows such a tremendous amount of activities
in social media that Twitter has seen Indonesia as a growth engine for its income (Schonhardt 2015). Social advertising in Indonesia is common, as many online shops in Indonesia often use social media in extending their reach or driving more traffic to their main websites. Accordingly, social media research in Indonesia is vital to demystify its market characteristics, particularly in social advertising.

### 4.7.2 Identifying the Sample

According to the purpose of this research, the required sample cannot be from any SNS users. It also requires a sample of consumers that have experience in peer-communication through social advertising so they can be validated on their behaviour towards social advertising. Consequently, there should be two stages of verification to validate the potential respondent is an SNS user who also has experience in peer-communication through social advertising.

Firstly, identifying SNS users is done by inviting the potential respondents directly through the SNS’s messaging or broadcasting service. SNS users could include those who use any of a range of SNSs, including Facebook, Twitter, LinkedIn, Instagram, Pinterest, Google+, or any others that the respondents could name. Secondly, identifying whether the potential respondents have experience in peer-communication through social advertising is done through preliminary screening of the three-steps validation questions mentioned earlier in the section Survey Administration (4.4). Prior to these questions, three visual examples were given to show kinds of peer-communication through social advertising across several SNSs. The examples given include a Nike social advertising in Facebook, a Wendy’s social advertising in Twitter, and an Aqua social advertising in Instagram. The social media platforms given in the examples are preferred based on their position as the top active social
platforms in Indonesia identified in a study by Kemp (2016). By these examples, the respondents will be reminded of similar social advertising that they have experience with.

The context of consumer experience in peer-communication through social advertising will be every communication by which consumers partake in social advertising, such as liking, mentioning, commenting or sharing. Liking an advertisement is considered as peer-communication as this ‘liking’ in the SNS will tell peers about the consumer’s impression of the advertisement. As with liking, commenting on an advertisement will tell peers about the consumer’s response to the advertisement. Mentioning an advertisement will include mentioning the brand and the hashtag used in communicating social advertising. Lastly, sharing advertisements comprises consumer re-posts of the whole advertisement in their timeline or status, thus communicating social advertising to peers.

4.7.3 Sample Size

Sample size is important in assessing a research model to meet stable estimates and yielding minimal standard error and confidence intervals, thus the generalisability of results and validity of conclusions drawn are well-grounded (Marcoulides & Saunders 2006). Standard errors can be either overestimated where significant effects are missed, or underestimated where significant effects are overstated (Muthén & Muthén 2002). In using PLS for the statistical analysis, minimum sample size can be determined based on the number of paths that lead into any endogenous construct together with the required significance level, statistical power and minimum $R^2$ in the model (Hair et al. 2013). In this research, the highest number of paths leading to an endogenous construct, which is peer-communication through social advertising construct, is six. Marcoulides and Saunders (2006) suggest an approach
that six paths of arrows pointing to an endogenous construct should require a minimum of 75 in a sample.

Although there is a pervasive belief that PLS analysis is advantageous when used in small sample sizes, some studies have reported that PLS, like other statistical techniques, suffers from increased standard errors, decreased statistical power and reduced accuracy (Goodhue, Lewis & Thompson 2012; Goodhue, Lewis & Thompson 2006). Many studies also suggest the use of a larger sample size to support conclusions (Marcoulides & Saunders 2006), in which the more heterogeneous the population in a structure is, the more observations are needed to reach an acceptable sampling error level (Hair, Ringle & Sarstedt 2013). In summary, although a sample of 75 is all that is needed for the current research, larger than that number will meet a higher satisfactory level to support conclusions by minimising standard errors, improving statistical power, and increasing the accuracy. Thus, the present research aims to get a usable sample of at least 200.

4.7.4 Sampling Technique

In the current research, a combination of convenience sampling and snowball sampling techniques was used (Malhotra 2008). It was expected that convenience and snowball sampling would provide a range of demographic profiles to represent the social media population. Snowball sampling, also called chain referral sampling, is a method commonly used in qualitative research to reach hidden or sensitive populations, such as drug users, homeless people and prostitutes (Faugier & Sargeant 1997; Frank & Snijders 1994). In contrast, the use of snowball sampling in the current research, that uses a quantitative approach, is mainly due to the ethical consideration of spamming unknown users in social media with a survey invitation message that would likely be ignored. In some SNSs, a
message from unconnected users can go into the junk mail that most likely never gets read by the user. Furthermore, snowball sampling is a feasible method for use in research around social media issues (Li, Lee & Lien 2012; Ahn et al. 2007). This process involved a selection of an initial group of respondents and asking them to identify and refer others who belong to the target population of interest (Patton 1990; Malhotra 2008).

To be more specific, the sample was first collected from the convenience of a private network of communities in several mailing lists and SNSs. Subsequently, the snowball sampling technique was employed so the respondents who were selected initially were asked to refer other social media users in their networks to participate in the research. This way, the survey invitation message will be dispersed privately from node to node hence lowering the chance of the invitation going into the junk mail. Potential SNSs users from alumni networks and student associations of Telkom University are the first stage of sampling. The choice of alumni networks and student associations is primarily due to the chance of getting vast arrays of demographics, particularly in terms of Baby Boomers, Gen X, Gen Y (Millennials) and Gen Z, as their behaviour may differ in social advertising (eMarketer 2013).

Online invitations were broadcast through email and SNS messaging services to alumni networks and student associations’ mailing lists, and pages in SNSs. One week after the initial broadcast, a private message approach to random members was also sent through email or an SNS’s direct message. The message explained the objectives of the survey and invited the potential respondents to participate in the survey with a chance of a lucky draw. Each respondent was offered to enter a prize draw to win one out of ten shopping vouchers worth IDR 500,000 each. They were also encouraged to forward the invitation message to their connections. This snowball sampling process that draws on the peer-to-peer nature of an SNS
was used to recruit more SNS users (Li, Lee & Lien 2012; Ahn et al. 2007). Data collection then could be taken in waves by obtaining referrals from referrals, similar to a snowballing effect. The details of the data analysis are presented in the following section.

4.8 Data Analysis Strategy

As the objective of this research is predictive and explanatory in nature, the partial least square (PLS) structural equation modelling approach was considered an appropriate analytic approach. Unlike other structural equation modelling (SEM) approaches, such as covariance-based SEM (CB-SEM) that are generally used in developing a theory, PLS modelling is suitable to predict a model (Hair et al. 2012b). In this case, analysis was carried out using WarpPLS 5.0 (Kock 2010; Kock 2015). A statistic editor software program, IBM SPSS Statistics, was also used to help a deeper understanding of reliability and validity measures.

PLS structural equation modelling has four genuine advantages that make the method popular among researchers (Hair, Ringle & Sarstedt 2013). First, PLS does not require assumptions about the population or scale of measurement (Fornell & Bookstein 1982). Thus, PLS modelling can be used when distributions are highly skewed. Second, PLS path modelling still can be used with a small sample to estimate relationships between latent variables with several indicators (Chin & Newsted 1999). As the PLS modelling procedure consists of ordinary least squares regressions for separate subparts of the focal path model, the complexity of the overall model hardly influences sample size requirements (Henseler & Sarstedt 2013). Third, current easy-to-use PLS modelling software with graphical user-interfaces, like WarpPLS 5.0 (Kock 2010; Kock 2015), SmartPLS (Ringle, Wende & Will 2005), and open-source packages like semPLS (Monecke & Leisch 2012) have made the use of PLS modelling appealing. Fourth, PLS modelling is preferred over CB-SEM when
improper or non-convergent results are expected, such as in more complex models, for which the number of latent and manifest variables is high in relation to the number of observations, and the number of indicators per latent variable is low (Henseler & Sarstedt 2013). Thus, PLS modelling is effective in estimating complex relationships with both reflective and formative variables (Ringle, Sarstedt & Straub 2012). PLS also has the capacity to model several dependent and independent variables simultaneously to find cause and effect of the relationships.

Before testing the model with PLS analysis, it is necessary to calculate the model’s goodness-of-fit (GOF) index to make sure that the model will be well-performed. Tenenhaus et al. (2005) suggest a GOF index for PLS models to diagnose whether the observed values will meet the expected values in the model. Computing the GOF index for PLS models is necessary to provide global validation of the model (Henseler & Sarstedt 2013). A formal test of the GOF, suggested by Wetzels, Odekerken-Schröder and Van Oppen (2009), is calculated as the square root of the average variance extracted score for the model’s constructs and the average R-squared for all of the endogenous constructs. It is suggested that the GOF index of a PLS model should be higher than 0.36, which implies that there would be large effect sizes within the model and that the model performs well (Wetzels, Odekerken-Schröder & Van Oppen 2009).

4.8.1 Validity and Reliability Tests

The adoption of items and scales from published research has the advantage of them being pre-tested for validity and reliability. However, it is still necessary in each case to test for validity and reliability so the data is sufficient to be able to draw conclusions from PLS analysis. Before processing the PLS analysis, all of the measurement items were evaluated
for reliability and validity. Outliers were detected and discarded through the Mahalanobis Distance method that measures how many standard errors away it is from the mean (Mahalanobis 1936). All of the scale items were then factor analysed to validate their representation in the composite indicator. Principal component analysis was also conducted to assess whether correlated variables needed to be reduced into smaller sets of composite variables. A normality test using the Kolmogorov-Smirnov method was completed to test reliability. Additionally, Cronbach’s alpha and composite reliability was also used to test the reliability of each variable. Average Variance Extracted (AVE) was used to test convergent validity (Gefen & Straub 2005).

4.8.2 Partial Least Square Structural Equation Modelling Method

The use of Partial Least Square Structural Equation Modelling (PLS-SEM or PLS) in the current research is mainly due to the predictive purpose of the research. As a reminder, the current research is predicting some aspects in consumer self-disclosure behaviour, social structure and relationship experience with the brand will have influences on consumer peer-communication through social advertising. Moreover, this study predicts the outcomes of peer-communication through social advertising that relate to consumers’ intention to purchase. Structural modelling analysis is suitable to predict these dependencies between variables focusing on causality. Although there is another structural modelling approach called Covariance-Based SEM (CB-SEM), this method should only be used in testing a theory and estimating a model (Hair et al. 2012a). As the purpose of the current research is predictive and explanatory in nature, PLS is the method that is appropriate.

PLS has been around as a key multivariate analysis method in a range of areas, including accounting, international marketing, management information systems, marketing,
operations management and strategic management (Hair, Ringle & Sarstedt 2013). There is a general belief that the many advantages of using PLS over other statistical techniques include: a relatively small sample size is required; it has the ability to handle non-normal data in explanatory research; and it is suitable for formatively measured constructs (Hair et al. 2012a). However, regarding the small size sample ability to process the analysis, many studies suggest taking a sample large enough to support the arguments (Marcoulides & Saunders 2006; Goodhue, Lewis & Thompson 2012). Thus, formatively measured constructs and the possibility of getting non-normal data in explanatory research are the central reasons that the present study uses PLS analysis.

4.9 Ethical Considerations

Respondents in this research will be able to make an informed decision whether to participate in the survey or not. Each person participating in the evaluation will be fully informed about the evaluation being conducted. During the survey, respondents are free from coercion and free to withdraw their participation at any time. They will have the right to leave the survey with no pressure being placed on those who choose not to continue.

Although the research is studying consumer self-disclosure behaviour, no consumer privacy was invaded or exposed to the public. The study focuses solely on the consumer’s perceptions of their behaviours in revealing personal information online, so no personally identifiable information has been collected in the survey. The evaluation process will not in any way harm respondents’ privacy as well. Any personally identifiable information will not be made available to access by anyone but the researcher, and will be excluded from any reports or published documents. Likewise, the identity of the respondent will remain unknown to everyone.
4.10 Conclusion

Overall, the current research is an empirical research to examine the antecedents and outcomes of peer-communication through social advertising. This research was delivered by a quantitative approach with a descriptive method using a cross-sectional survey. The survey and constructs’ operationalisation were developed from previous studies related to the hypotheses being argued. The context of research and sampling procedures were also discussed. PLS analysis is used with the assistance of SPSS and WarpPLS software to investigate the hypothesised relationships. Findings and analysis are presented in the next chapter.
CHAPTER 5

DATA ANALYSIS AND MODEL ESTIMATION

This chapter reports the research findings. Before testing the hypotheses and estimating the structural model, the sample was analysed for its characteristics and latent variables were evaluated for its validity and reliability. This evaluation was done through statistical methods. Details of these preliminary analyses are now described.

5.1 Introduction

In the previous chapter, this research has been positioned in a positivist view to explain the relationships associated with peer-communication through social advertising. As reason and logic interpretations of the phenomenon will form the source of knowledge (Macionis & Gerber 2010), a statistical method is used to interpret the phenomenon studied in the current research. The strategy of data analysis and statistical tools employed for the current research has been explained in section 4.8. The partial least square (PLS) structural equation modelling approach was considered appropriate to evaluate the proposed hypotheses. However, before undertaking the PLS analysis, a preliminary data analysis was needed to test the data validity and reliability.
Figure 5.1 provides an outline of this chapter, where preliminary data analysis and PLS method are undertaken. In short, the current chapter examines the respondents’ profiles and explains the analytical process in evaluating the model.

![Diagram showing the outline of Chapter Five]

**Figure 5.1 Outline of Chapter Five**

### 5.2 Data Preparation

Before data can be used for analysis, it needs to be prepared to make sure that the data is clean and unbiased from missing values and outliers. The process of collecting the data should also be clear and accountable. The data in the current research were obtained through online distribution, such as email and SNS messaging services. This way, respondents would come from a convenient sample of SNS users. Local Indonesian respondents at the University of Western Australia were targeted in the first run of distribution as a pilot test. This pilot test was to make sure that everything in the questionnaire was running well and the contents were easy to follow. In the second launch, the questionnaire was officially distributed through email and SNSs’ direct messaging services. A convenient sample was selected from the researcher’s connections in various SNSs (i.e. Facebook, Twitter, Path, and Instagram). As mentioned earlier in the previous chapter, snowball sampling was intended by encompassing an expectation message to further refer the survey to the friends of friends in the SNS. A
message of notification was also sent to each respondent after two weeks of the initial
distribution as a reminder.

Through the recruitment period of two months from October to November 2015, the online
survey link was clicked 1,123 times. From this number of clicks, 444 respondents completed
the questionnaire. If we assume that each respondent clicked the link once to participate, 444
completed the survey implying a 39.54 per cent response rate that is satisfactory for an online
survey (Kaplowitz, Hadlock & Levine 2004). Data was extracted from the Qualtrics server
to Microsoft Excel format and ready to use immediately. The screening questions, studied
variables, and demographics were coded into question numbers consisting of Q1 to Q20
(Table 5.1).

Table 5.1 Variables coding.

<table>
<thead>
<tr>
<th>Variable Name</th>
<th>Question Coding</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>ID</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Screening Process</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peer-communication in the last 6 months</td>
<td>Q1</td>
<td>Yes/No</td>
</tr>
<tr>
<td>Frequency of peer-communication</td>
<td>Q2</td>
<td>Very rarely to very often</td>
</tr>
<tr>
<td>What did they do to peer-communicate through social ad</td>
<td>Q3</td>
<td>Multiple choice</td>
</tr>
<tr>
<td><strong>Confirmation of Peer-communication Activity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product type the respondent normally peer-communicate</td>
<td>Q4</td>
<td>Multiple Choice or Text</td>
</tr>
<tr>
<td>The social media they usually use</td>
<td>Q5</td>
<td>Multiple Choice or Text</td>
</tr>
<tr>
<td>The brand name they usually peer-communicate through</td>
<td>Q6</td>
<td>Text</td>
</tr>
<tr>
<td>Peer-communication activities they normally do on the brand social ad</td>
<td>Q7</td>
<td>Multiple Selection</td>
</tr>
<tr>
<td><strong>Outcomes Variable</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitude towards the product</td>
<td>Q8</td>
<td>Likert Scale (Various)</td>
</tr>
<tr>
<td>Attitude towards social advertising</td>
<td>Q10</td>
<td>Likert Scale (Various)</td>
</tr>
<tr>
<td>Intention to Purchase</td>
<td>Q12</td>
<td>Likert Scale (Various)</td>
</tr>
<tr>
<td><strong>Antecedents Variable</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Identification</td>
<td>Q13</td>
<td>Likert Scale (Strongly Disagree to Strongly Agree)</td>
</tr>
<tr>
<td>Brand Commitment</td>
<td>Q14</td>
<td>Likert Scale (Strongly Disagree to Strongly Agree)</td>
</tr>
<tr>
<td>Perceived Benefits</td>
<td>Q15</td>
<td>Likert Scale (Strongly Disagree to Strongly Agree)</td>
</tr>
<tr>
<td>Privacy Concern</td>
<td>Q16,1 to Q16,3</td>
<td>Likert Scale (Strongly Disagree to Strongly Agree)</td>
</tr>
</tbody>
</table>
Privacy Control  Q16_4 to Q16_6  Likert Scale (Strongly Disagree to Strongly Agree)
Trust in the SNS  Q16_7 to Q16_9  Likert Scale (Strongly Disagree to Strongly Agree)
Invasion of the Respondent’s Privacy  Q17  1=No; 2=Yes
Tie-strength  Q18  Likert Scale (Very Unlikely to Very Likely)
Identification with Group  Q19  Likert Scale (Strongly Disagree to Strongly Agree)

Dependent Variable
Peer-communication through Social Advertising  Q20  Likert Scale (Strongly Disagree to Strongly Agree)

Demographics Variable
Gender  Q21  1= female; 2= male
Age  Q22  Numbers
Education Level  Q23  Multiple Choice
Income  Q24  Multiple Choice

5.2.1 Data Transformation

To help keep respondents focused on the questions given in the survey, some of the Likert scales were reversed. Before beginning the analysis, these reversed 7-point Likert scales should be transformed. Data transformation was done to the indicators in a reversed order and this was conducted through SPSS transformation function. From the survey, three questions in reversed order were Q8_2 (Good to Bad scale), Q10_1 (Like to Dislike scale) and Q10_3 (Desirable to Undesirable scale). Since most of the survey parts were displaying the 7-point Likert scale from the adverse response (such as strongly disagree) to the favourable response (such as strongly agree), these three particular measures were reversed to this order. Q8_2 responses were transformed into Q8_2Rev with a Bad to Good scale, Q10_1 responses were turned into Q10_1Rev with a Dislike to Like scale, and Q10_3 responses were changed into Q10_3Rev with an Undesirable to Desirable gauge. Likewise, ‘Yes’ or ‘No’ answers from Q17, where ‘Yes’ was 1 and ‘No’ was ‘2’ on statistical sheets, were inverted into ‘No’ as the lowest value (‘1’) and ‘Yes’ as the highest value (‘2’) with a new code Q17Inv.
5.2.2 Data Screening

It is important to examine outliers within the data and make decisions about how to cope with these outliers. Data should be clean from missing values or respondents who have left blank answers in some parts of the survey, which indicates that the survey was not fully completed. Missing responses or blank answers will cause the measurement of a variable to be biased, as the information given was not finished. These missing responses were treated by case-wise deletion, in which respondents with any blank answers were dropped from the research (Malhotra 2008). This deletion method was selected as the number of respondents with missing responses was subtle compared to the sample size. In this case, missing values were found by ascending each column of responses in Microsoft Excel and specifying which respondent presents an empty value on each variable. It was identified that there were 5 out of 444 respondents who left some answers blank on one or more variables. It seems that the majority of incomplete responses was caused by the respondents leaving the survey unfinished. Thus they were excluded from the sample, leaving 439 respondents to be used for further screening.

As noted in the previous chapter, respondents were required to have experience in peer-communication through social advertising. This experience was validated through a three-step screening process that would identify whether the respondent had communicated through social advertising as shown in the illustrations. These questions included:

- A yes or no question as to whether the respondent had communicated through social advertising over the last six months;
- A frequency question on how often they communicated through social advertising;
A question about the type of communication that they usually had through social advertising (reading, clicking, liking, sharing, commenting, mentioning, or not at all).

If they had no experience at all in peer-communication through social advertising, the respondents would not be included in the sample. These questions were shown on the same page as the social advertising illustrations in the survey, so respondents could figure out the experience they may have had with social advertising. The first two questions were aimed to help respondents remember the most recent experiences in peer-communication they had had through social advertising. The screening process was taken in the third question, asking the types of communication that they had through social advertising. If the respondents choose ‘No, I have not had any communication through social advertising before,’ then these respondents would be dropped, excluded from the research. From this screening process, 44 respondents were identified as not having communicated through social advertising. This process leaves a usable sample of 395 respondents.

**5.2.3 Examining Multivariate Outliers**

Many statistical methods are sensitive to outliers as they provide an extreme value on one or more variables. Tabachnick and Fidell (2007) noted four explanations that cause multivariate outliers. The first is incorrect data entry. This reason is susceptible in the traditional survey, where data are recorded manually. Since the study in the current research was done through an online channel, data entry was generated automatically from the server and extracted directly to the available processing format. Thus, the risk of incorrect data entry can be minimised. Second is the failure of identifying missing values, hence they are read as real data. At this step, the data of this research have been double-checked for any missing values.
through Microsoft Excel and five respondents were identified. Third, the outlier is not a member of the population that the researcher intended to sample. This risk has been minimised by contacting the respondents through the SNS’s messaging service, so the sample should come from SNS users as well. Furthermore, the three-step screening process in the earlier section of the survey would identify whether the respondent had communicated through social advertising as shown in the illustrations in the survey. This three-step screening process has detected 44 respondents who had not communicated through social advertising before. Fourth, the outlier is representative of the population the researcher intended to sample, but the population has more extreme values than a normal distribution. In this case, outliers can be detected and discarded through the Mahalanobis Distance method that measures how many standard errors away it is from the mean (Mahalanobis 1936).

Based on chi-square distribution of Mahalanobis Distance, multivariate outliers were assessed using the probability $\alpha < .001$. Degrees of freedom ($df$) was defined as the number of predictor variables in the model, which in this research studies six predictors (tie-strength, identification with the peer group, perceived benefit, trust, brand commitment, and brand identification). Based on chi-square distribution, the critical chi-square value ($\chi^2$) for $df = 6$ at a critical alpha value of 0.001 is 22.46. Thus, the maximum Mahalanobis Distance larger than 22.46 indicates the presence of one or more multivariate outliers. By carrying this assessment, two outliers were detected (Table 5.2) and discarded, leaving 393 responses in total for the analyses.

<table>
<thead>
<tr>
<th>ID</th>
<th>Mahalanobis Distance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>352</td>
</tr>
<tr>
<td>2</td>
<td>373</td>
</tr>
</tbody>
</table>

Table 5.2 Multivariate outliers.
5.2.4 Descriptive Statistics

As discussed earlier, the survey was distributed digitally through the SNS’s messaging service and email. Through the two-months’ collection period, the survey link was clicked 1,123 times, of which 444 respondents provided usable data (a 39.54 per cent response rate). The total sample was reduced from 444 respondents to 393 respondents after excluding the respondents with unfilled responses in some questions, respondents who had not communicated through social advertising, and the statistical outliers. The 14 possible factors were treated as variables in the peer-communication through social advertising phenomenon. Means and standard deviations of each indicator grouped within the hypothesised variable can be seen in Table 5.3.

Among all of the latent variables, the tie-strength with peer factor displayed the lowest standard deviation on each measure that varied between 1.21 and 1.49. In contrast, the brand commitment factor exhibited the largest standard deviation on its indicators which were ranged from 1.63 and 1.65. The mean of each indicator was mostly above the middle of the Likert scale, with the variation between 3.66 as the lowest mean of the indicator in the social benefit factor and 5.73 as the highest mean of the indicator in attitude towards the product factor. Each indicator’s mean and standard deviation was calculated and presented in Table 5.3.

A different approach was used to scale previous experiences of privacy invasion. As other variables were measured using the 7-level Likert scale, previous experience of privacy invasion was measured using a yes or no question. A ‘No’ answer was indicated by ‘1’ in statistical coding, and a ‘Yes’ answer was indicated by ‘2’. As this construct only has two types of response, the descriptive statistic for this is only available for its count of
respondents. Neither mean or standard deviations are applicable, nor the normality tests, for this construct data characteristic. From the survey, the number of respondents who answer ‘Yes’ is 77 respondents, and who answer ‘No’ is 316 respondents. It seems that some respondents who have had experience of privacy invasion in social media are a fifth of the total sample.

Table 5.3 Descriptive statistics and factor loadings on each item of indicators.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Indicators</th>
<th>Mean (n=393)</th>
<th>Std. Dev.</th>
<th>Loading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tie-strength</td>
<td>Q18_1 Share personal confidence to peers</td>
<td>4.93</td>
<td>1.49</td>
<td>0.79</td>
</tr>
<tr>
<td></td>
<td>Q18_2 Spend free time socialising with peers</td>
<td>5.27</td>
<td>1.21</td>
<td>0.75</td>
</tr>
<tr>
<td></td>
<td>Q18_3 Perform large favour for peers</td>
<td>5.18</td>
<td>1.24</td>
<td>0.87</td>
</tr>
<tr>
<td></td>
<td>Q18_4 Peers perform large favour for you</td>
<td>5.15</td>
<td>1.24</td>
<td>0.87</td>
</tr>
<tr>
<td>Identification with Group</td>
<td>Q19_1 Attached to peer group on SNS</td>
<td>4.36</td>
<td>1.42</td>
<td>0.85</td>
</tr>
<tr>
<td></td>
<td>Q19_2 Same objective with peer group</td>
<td>4.72</td>
<td>1.33</td>
<td>0.88</td>
</tr>
<tr>
<td></td>
<td>Q19_3 Meaningful friendships with peer group</td>
<td>4.80</td>
<td>1.32</td>
<td>0.82</td>
</tr>
<tr>
<td></td>
<td>Q19_4 “Our” activity, not “their”</td>
<td>4.60</td>
<td>1.32</td>
<td>0.75</td>
</tr>
<tr>
<td></td>
<td>Q19_5 Myself as part of peer group</td>
<td>4.62</td>
<td>1.37</td>
<td>0.86</td>
</tr>
<tr>
<td>Brand Identification</td>
<td>Q13_1 Praised brand is personal compliment</td>
<td>4.27</td>
<td>1.62</td>
<td>0.83</td>
</tr>
<tr>
<td></td>
<td>Q13_2 Interested in others’ thought about the brand</td>
<td>4.82</td>
<td>1.38</td>
<td>0.73</td>
</tr>
<tr>
<td></td>
<td>Q13_3 Feels good on the brand positive feedback</td>
<td>5.21</td>
<td>1.20</td>
<td>0.75</td>
</tr>
<tr>
<td></td>
<td>Q13_4 Personality is similar to the brand personality</td>
<td>4.32</td>
<td>1.52</td>
<td>0.84</td>
</tr>
<tr>
<td></td>
<td>Q13_5 A lot in common to other brand users</td>
<td>4.68</td>
<td>1.37</td>
<td>0.71</td>
</tr>
<tr>
<td></td>
<td>Q13_6 Personal values are similar to the brand values</td>
<td>4.42</td>
<td>1.47</td>
<td>0.85</td>
</tr>
<tr>
<td>Brand Commitment</td>
<td>Q14_1 Would like it if people talking about me buying</td>
<td>4.15</td>
<td>1.65</td>
<td>0.88</td>
</tr>
<tr>
<td></td>
<td>Q14_2 I can talk to peers about the brand</td>
<td>4.39</td>
<td>1.63</td>
<td>0.89</td>
</tr>
<tr>
<td></td>
<td>Q14_3 My peers influence my decision to buy</td>
<td>3.99</td>
<td>1.65</td>
<td>0.83</td>
</tr>
</tbody>
</table>

Perceived Benefit

Statements for Perceived Benefit began with: I engage (through like, share, comment, etc.) to <the-brand> social advertising in <social-media>..

Economic Benefit (Gummerus et al. 2012)
because I want to get a reward 4.05 1.70 0.92
because I want to participate in the lucky draw 4.30 1.70 0.80
because I want to get better service 5.00 1.54 0.51
because I want to get fast responses 4.44 1.62 0.66
because I want to get entertained 4.74 1.54 0.86
because I want to relax 4.45 1.56 0.76
because I want to pass the time when I am bored 4.57 1.56 0.87
because I want to get to know other users 4.13 1.58 0.53
because I want to help other users 4.83 1.43 0.88
because I want to feel needed by the other users 3.66 1.61 0.39
because I want to get help from other users 4.49 1.59 0.56
because I want to provide information to my peers 4.99 1.43 0.87
because I want to share my ideas with my peers 4.94 1.38 0.85
because I want to stay in touch with my peers 4.38 1.60 0.55
Unsolicited contact bothers me 5.02 1.48 0.76
Personal information for marketing is troubling 4.89 1.50 0.77
May receive promotional offers 5.07 1.36 0.71
Choose ways of personal info being used 4.94 1.48 0.52
Personal info can only be used what I approved 5.26 1.34 0.44
Have complete power to my personal info 4.93 1.46 0.58
SNS is trusted completely 3.93 1.47 0.79
SNS is counted to do right thing 4.61 1.34 0.81
SNS is reliable 4.58 1.39 0.81
Would like to discuss product with peers on SNS 4.61 1.35 0.84
Would tell peers on SNS about buying product 4.68 1.37 0.89
Would like to hear advice from peers 4.92 1.33 0.82
Would like to receive information from peers 4.83 1.32 0.75
Peers would encourage to buy product 4.20 1.44 0.76
Would recommend product to peers 5.08 1.28 0.84
Would speak positively about product 5.13 1.18 0.78
Would encourage my peers to buy product 4.51 1.44 0.84
Dislike-like advertising attitude 5.49 1.46 0.90
Bad-good advertising attitude 5.54 1.42 0.87
Q10_3Rev Undesirable-desirable advertising attitude 5.36 1.45 0.86

Attitude towards the Product
Q8_1 Dislike-like product attitude 5.73 1.45 0.92
Q8_2Rev Bad-good product attitude 5.67 1.43 0.79
Q8_3 Undesirable-desirable product attitude 5.60 1.45 0.92

Purchase Intention
Q12_1 Unlikely-likely to purchase 5.55 1.47 0.91
Q12_2 Uncertain-certain to purchase 5.24 1.52 0.85
Q12_3 Definitely not-definitely to purchase 5.28 1.47 0.93

* item is removed due to low loading
# item is removed due to low AVE score
~ item is analysed separately due to low AVE score and low reliability

5.2.5 Characteristics of the Sample

Respondents were 54.71 per cent female and 45.29 per cent male. The ages of the respondents are broad, ranging from 18 to 55 years old. As the first generation to have spent their entire lives in the digital environment, Generation Y or the Millenial Generation who were born in the 1980s (25–34 years old) is the majority in the sample, representing 63.10 per cent of the respondents. The second most are between the ages of 35 to 44 years old, which accounted for 20.61 per cent and are followed by Generation Z who were born in the 1990s, aged 18 to 24 years old. Only four respondents came from the ages of 45 to 55 (Table 5.4). Furthermore, while only three of the respondents have doctorate education and six were professionals, about half of the respondents were undergraduates and a quarter have master’s degrees. The rest were below bachelor degree level or had chosen not to give the required information (Table 5.5).

Table 5.4 Ages of the respondents.

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>60</td>
<td>15.27%</td>
</tr>
<tr>
<td>25-34</td>
<td>248</td>
<td>63.10%</td>
</tr>
<tr>
<td>35-44</td>
<td>81</td>
<td>20.61%</td>
</tr>
<tr>
<td>45-55</td>
<td>4</td>
<td>1.02%</td>
</tr>
</tbody>
</table>
Table 5.5 Education level of the respondents.

<table>
<thead>
<tr>
<th>Education</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No answer</td>
<td>16</td>
<td>4.07%</td>
</tr>
<tr>
<td>Less than high school</td>
<td>2</td>
<td>0.51%</td>
</tr>
<tr>
<td>High school</td>
<td>28</td>
<td>7.12%</td>
</tr>
<tr>
<td>Some college</td>
<td>21</td>
<td>5.34%</td>
</tr>
<tr>
<td>2-year college degree</td>
<td>17</td>
<td>4.33%</td>
</tr>
<tr>
<td>4-year college degree</td>
<td>202</td>
<td>51.40%</td>
</tr>
<tr>
<td>Master</td>
<td>98</td>
<td>24.94%</td>
</tr>
<tr>
<td>Doctorate</td>
<td>3</td>
<td>0.76%</td>
</tr>
<tr>
<td>Professional</td>
<td>6</td>
<td>1.53%</td>
</tr>
</tbody>
</table>

The most popular social media the respondents used for peer-communication through social advertising is Facebook (Table 5.6), which accounts for 66 per cent of the respondents. Instagram (20 per cent) is the second most popular social media used by the respondents to peer-communicate through social advertising, while Twitter (6 per cent), Google+ (3 per cent), LinkedIn (0.5 per cent) and Pinterest (0.3 per cent) are the least popular. About 3.6 per cent of respondents chose ‘other social media’ where they name the social media that they use. Five respondents mention YouTube, five on Path (a closed-group SNS), two on Line (an SNS for chatting, voice and video calls), and two on Weibo (a Twitter-like SNS used mostly by Chinese consumers).

Table 5.6 Social media used for peer-communication through social advertising.

<table>
<thead>
<tr>
<th>Social Media</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>261</td>
<td>66.41%</td>
</tr>
<tr>
<td>Instagram</td>
<td>80</td>
<td>20.36%</td>
</tr>
<tr>
<td>Twitter</td>
<td>25</td>
<td>6.36%</td>
</tr>
<tr>
<td>Other</td>
<td>15</td>
<td>3.82%</td>
</tr>
<tr>
<td>Google+</td>
<td>9</td>
<td>2.29%</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>2</td>
<td>0.51%</td>
</tr>
<tr>
<td>Pinterest</td>
<td>1</td>
<td>0.25%</td>
</tr>
</tbody>
</table>
In the earlier stage of the survey, a brand or a product was named by the respondent as an object of interest about which they had been involved in peer-communication through its social advertising. This brand or product was then used in the subsequent survey questions. As seen in Figure 5.2, almost 20 per cent of the respondents mentioned electronic products and brands. Fourteen per cent of them would peer-communicate through online/general retailers’ social advertising. Apparel products and sports brands share nearly the same proportion of the respondents at around 10 per cent, as well as car or bike brands and cosmetics at around 8 per cent; followed by hobby or lifestyle-related products (7 per cent), restaurant brands (5 per cent), food and beverages products (5 per cent), entertainment-related brands (4 per cent), and toys and gaming (3 per cent). The rest are software products (1.5 per cent), alcohol and cigarette brands (1 per cent), and financial institutions (1 per cent). Moreover, none of the respondents had chosen to choose luxury goods or jewellery brands as an object of interest as a use case in the survey.

Figure 5.2 Product Types as an Object of Interest in Peer-Communication through Social Advertising
5.2.6 Assessing the Normality

Assessing the normality of the data is essential in quantitative studies as this could demonstrate predictable traits and probabilities. The Kolmogorov-Smirnov statistic method can assess normality. If the significance level is greater than 0.05, then normality is assumed. Table 5.7 shows a normality test using the nonparametric Kolmogorov-Smirnov method, which indicated that all of the constructs were below the 0.05 significance level, confirming that the variables were not normally distributed, even though the outliers had been excluded. However, the skewness of the distribution of the data can also be used to determine how far the normality is skewed.

As shown in Table 5.7, all of the constructs display a negatively skewed distribution. Most of the variables show a moderate skewness level (between 1 and -1), which indicated that the distribution was not highly skewed or not severely non-normal. Although one factor, attitude towards the product, had a high negative skewness level at -0.94, it is still at the moderate level. A negative skewness is an asymmetrical distribution with a long tail to the left. This non-normality on a data characteristic will reduce its statistical inference. Although predictable traits and probabilities may be problematic with non-normal data, prediction in non-normal data can be assumed. The PLS analysis is appropriate to deal with this non-normal data distribution (Hair et al. 2012a). Despite this one construct (attitude towards the product factor) that is nearly non-normal, other factors’ data are normal with moderate skewness.
### Table 5.7 Normality, convergent validity, and reliability tests.

<table>
<thead>
<tr>
<th>Variables (n=393)</th>
<th>Skewness</th>
<th>Kolmogorov-Smirnov Statistic</th>
<th>df</th>
<th>Sig.</th>
<th>Cronbach's Alpha</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tie-strength</td>
<td>-0.56</td>
<td></td>
<td>393</td>
<td>0.00</td>
<td>0.83</td>
<td>0.84</td>
<td>0.57</td>
</tr>
<tr>
<td>Identification with Group</td>
<td>-0.38</td>
<td></td>
<td>393</td>
<td>0.00</td>
<td>0.89</td>
<td>0.89</td>
<td>0.62</td>
</tr>
<tr>
<td>Social Benefit</td>
<td>-0.53</td>
<td></td>
<td>393</td>
<td>0.00</td>
<td>0.85</td>
<td>0.85</td>
<td>0.66</td>
</tr>
<tr>
<td>Economic Benefit</td>
<td>-0.26</td>
<td></td>
<td>393</td>
<td>0.00</td>
<td>0.77</td>
<td>0.78</td>
<td>0.55</td>
</tr>
<tr>
<td>Entertainment Benefit</td>
<td>-0.38</td>
<td></td>
<td>393</td>
<td>0.00</td>
<td>0.81</td>
<td>0.81</td>
<td>0.58</td>
</tr>
<tr>
<td>Perceived Privacy Concern</td>
<td>-0.58</td>
<td></td>
<td>393</td>
<td>0.00</td>
<td>0.70</td>
<td>0.70</td>
<td>0.44</td>
</tr>
<tr>
<td>Perceived Privacy Control</td>
<td>-0.18</td>
<td></td>
<td>393</td>
<td>0.00</td>
<td>0.66</td>
<td>0.66</td>
<td>0.41</td>
</tr>
<tr>
<td>Trust</td>
<td>-0.03</td>
<td></td>
<td>393</td>
<td>0.00</td>
<td>0.82</td>
<td>0.82</td>
<td>0.61</td>
</tr>
<tr>
<td>Brand Identification</td>
<td>-0.45</td>
<td></td>
<td>393</td>
<td>0.00</td>
<td>0.87</td>
<td>0.88</td>
<td>0.55</td>
</tr>
<tr>
<td>Brand Commitment</td>
<td>-0.40</td>
<td></td>
<td>393</td>
<td>0.00</td>
<td>0.83</td>
<td>0.83</td>
<td>0.63</td>
</tr>
<tr>
<td>Peer-communication through Social</td>
<td>-0.56</td>
<td></td>
<td>393</td>
<td>0.00</td>
<td>0.93</td>
<td>0.93</td>
<td>0.62</td>
</tr>
<tr>
<td>Advertising</td>
<td>-0.57</td>
<td></td>
<td>393</td>
<td>0.00</td>
<td>0.85</td>
<td>0.85</td>
<td>0.66</td>
</tr>
<tr>
<td>Attitude towards Social Advertising</td>
<td>-0.94</td>
<td></td>
<td>393</td>
<td>0.00</td>
<td>0.85</td>
<td>0.86</td>
<td>0.67</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>-0.74</td>
<td></td>
<td>393</td>
<td>0.00</td>
<td>0.88</td>
<td>0.88</td>
<td>0.71</td>
</tr>
</tbody>
</table>

#### 5.2.7 Assessing the Multicollinearity

The PLS structural equation modelling estimates a model by using multiple regressions between the latent variables hypothesised by the measurement model. Any statistical techniques that use multiple regressions will be complicated by the presence of multicollinearity (Malhotra 2008), where two or more predictor variables in a multiple regression model are highly correlated. The multicollinearity among the latent variables in the survey was assessed by examining correlations between each construct. Any pair of variables with a correlation higher than 0.90 may introduce multicollinearity problems in subsequent multiple regression analysis (Hair et al. 2010). An examination of the correlations among latent variables, which are shown in Table 5.8, found that all of the correlations were
below 0.90 (ranging from 0.01 to 0.73). Therefore, multicollinearity was not seen as a major concern in the present study.

Table 5.8 Multicollinearity and discriminant validity tests.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Tie-strength</td>
<td>(0.82)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Identification with Group</td>
<td>0.63</td>
<td>(0.03)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Benefit</td>
<td>0.53</td>
<td>0.55</td>
<td>(0.88)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economy Benefit</td>
<td>0.20</td>
<td>0.37</td>
<td>0.38</td>
<td>(0.03)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entertainment Benefit</td>
<td>0.21</td>
<td>0.31</td>
<td>0.38</td>
<td>0.42</td>
<td>(0.05)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Privacy Concern</td>
<td>0.09</td>
<td>0.07</td>
<td>-0.01</td>
<td>0.14</td>
<td>0.11</td>
<td>(0.79)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Privacy Control</td>
<td>0.43</td>
<td>0.38</td>
<td>0.39</td>
<td>0.19</td>
<td>0.16</td>
<td>0.25</td>
<td>(0.77)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>0.39</td>
<td>0.45</td>
<td>0.37</td>
<td>0.27</td>
<td>0.21</td>
<td>-0.07</td>
<td>0.38</td>
<td>(0.06)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Identification</td>
<td>0.27</td>
<td>0.43</td>
<td>0.56</td>
<td>0.38</td>
<td>0.34</td>
<td>-0.02</td>
<td>0.26</td>
<td>0.32</td>
<td>(0.79)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Commitment</td>
<td>0.38</td>
<td>0.52</td>
<td>0.64</td>
<td>0.45</td>
<td>0.37</td>
<td>0.01</td>
<td>0.35</td>
<td>0.43</td>
<td>0.62</td>
<td>(0.97)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Peer-communication through Social Ad</td>
<td>0.50</td>
<td>0.59</td>
<td>0.72</td>
<td>0.45</td>
<td>0.38</td>
<td>-0.01</td>
<td>0.39</td>
<td>0.49</td>
<td>0.68</td>
<td>0.73</td>
<td>(0.02)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitude toward Social Advertising</td>
<td>0.19</td>
<td>0.25</td>
<td>0.31</td>
<td>0.11</td>
<td>0.13</td>
<td>-0.07</td>
<td>0.21</td>
<td>0.17</td>
<td>0.35</td>
<td>0.27</td>
<td>0.37</td>
<td>(0.88)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product Attitude</td>
<td>0.17</td>
<td>0.18</td>
<td>0.27</td>
<td>0.11</td>
<td>0.09</td>
<td>-0.07</td>
<td>0.24</td>
<td>0.15</td>
<td>0.32</td>
<td>0.35</td>
<td>0.35</td>
<td>0.73</td>
<td>(0.08)</td>
<td></td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>0.25</td>
<td>0.25</td>
<td>0.42</td>
<td>0.22</td>
<td>0.13</td>
<td>-0.02</td>
<td>0.29</td>
<td>0.28</td>
<td>0.45</td>
<td>0.36</td>
<td>0.50</td>
<td>0.57</td>
<td>0.65</td>
<td>(0.90)</td>
</tr>
</tbody>
</table>

5.3 Validity Tests

Construct validity evaluates how a construct has acceptable results that agree with the theoretical foundations. This validity test can be done by result analysis through comparing composite reliability and average variance extracted to test the convergent and discriminant validity between constructs (Gefen & Straub 2005). However, before testing the convergent and discriminant validity on each construct, factor analysis is needed to validate the construct’s measures used in the study. In social research, a considerable number of variables might be utilised so that they may be correlated. Factor analysis is a procedure primarily used for data reduction and summarisation related to the correlated variables (Malhotra 2008).

Exploratory factor analysis (EFA) is one statistical method used to reveal the fundamental structure of a set of constructs and to isolate these correlated variables. EFA is a procedure
in factor analysis used to identify the underlying relationships between measured constructs (Norris & Lecavalier 2010).

5.3.1 Conducting Exploratory Factor Analysis

All of the questionnaire items were evaluated for their validity and reliability on representing a construct. Factor analysis generates a useful group of items, which in many cases are survey questions, that are strongly correlated. The strongly correlated items would define their distinctiveness as a measured construct. These groups of strongly correlated items will be assumed to represent some reflective factors or constructs, as they have the same characteristic. This method involves the relationship between the observed measurements and the underlying latent variables.

An initial cross-loading analysis using WarpPLS analysis tools suggested one item from the social benefit measures (Q15_13: because I want to feel needed by other users) had a high loading on the economic benefit factor but its loading in social benefit had the lowest, which led to its removal. However, after the deletion of item Q15_13, the social benefit construct had discriminant validity issues, as its average variance extracted (AVE) score was lower than its squared correlation with the peer-communication through social advertising construct (Fornell & Larcker 1981). Consequently, an exploratory factor analysis (EFA) was undertaken to understand better the relationships between the various constructs, to evaluate whether the measurement model had the appropriate properties to represent each construct. Using the SPSS statistical tools, the factor analysis suggested that there were fourteen constructs in the study (see Table 5.9). Most of the constructs had no changes, the measurements of each construct are the same as the previous study. Among the perceived benefits measures, factor analysis separates them into economic benefits, entertainment
benefits, and social benefits. However, some of the measurements had a low factor loading so the analysis required them to be removed as the correlation with other items within the construct was very low.

From the analysis, five items were dropped due to their low factor loading (below 0.60) as shown in Table 5.3. One item (Q15_6: because I want to get better service) was removed from perceived economic benefit, leaving the construct with only three indicators. This item only has a 0.55 loading value to the perceived economic benefit. Four items (Q15_11: because I want to get to know other users; Q15_13: because I want to feel needed by the other users; Q15_14: because I want to get help from other users; and Q15_17: because I want to stay in touch with my peers) were also removed from perceived social benefit, leaving the construct with only three indicators. These items (Q15_11, Q15_13, Q15_14 and Q15_17) have loading values at 0.54, 0.51, 0.57, and 0.56 respectively to represent the perceived social benefit factor. Therefore those low loading items were removed, and indicators for economic benefit and social benefit variables were restructured. Aside from these low loading items, it was not essential to remove any other indicators from other constructs in this step. However, further convergent validity analysis was needed to confirm the validity of each construct.

After the removal of low loading items on the economic benefit and social benefit constructs, factor analysis was conducted for the second time. As depicted in Table 5.9, all of the construct indicators are recommended to be settled into one single factor with a total of fourteen factors. This factor analysis can be determined from the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy that should be more than 0.50 values on each of the variables to judge its factorability. All of the constructs have more than 0.50 KMO value,
with the lowest value on privacy control at 0.65. These values show the consistent result of the indicators to represent a factor.

The factor analysis suggests some factors that can be split on each variable based on their loadings. Brand developmental experience variables have two factors, which are identified as brand identification and brand commitment. Perceived benefits variables have three different factors, which are divided into social benefit, economic benefit, and entertainment benefit. Trust and privacy variables are separated into three factors: perceived privacy concern, perceived privacy control, and trust in the social media. Social structural variables are made up by two factors, known as tie-strength with peers and identification with the peer group. Lastly, each dependent variable was analysed as a single factor that validates each construct from previous studies. These variables are advertising related peer-communication, attitude towards the product, attitude towards social advertising, and consumer intention to purchase. In total, there are constructs including the dependent and independent variables.

Furthermore, each construct was exploratory factor-analysed using the principal component method of extraction. This analysis produced 14 factors that can each explain more than 50 per cent variance on their indicators (Table 5.9). The lowest percentage of variance that can be explained on a construct was achieved by economic benefit at 56.80 per cent and social benefit at 57.46 per cent. The prior analysis suggested some items be removed from these constructs: one item in economic benefit and four items in social benefit. Taking effect of the removals, EFA was recalculated to see the new percentage of the variable variance explained. This removal has made a significant improvement in the proportion of variance explained by economic benefit and social benefit, to 68.60 per cent and 77.53 per cent respectively. This
enhancement of the proportion of variance explained demonstrated that the removal was necessary and significant.

Finally, each latent variable was factorised using the regression method and correlated to its mean of validated indicators. As can be seen in Table 5.9, the relationship is highly correlated. Therefore its mean of indicators can represent the factorised construct.

### Table 5.9 Principal component analysis.

<table>
<thead>
<tr>
<th>No</th>
<th>Construct</th>
<th>KMO</th>
<th>ΣFactor</th>
<th>% of Variance</th>
<th>Correlations (Factor × Mean)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Social Structural</td>
<td>0.91</td>
<td>2</td>
<td>61.05</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a. Tie-strength</td>
<td>0.81</td>
<td>1</td>
<td>68.54</td>
<td>0.99</td>
</tr>
<tr>
<td></td>
<td>b. Identification with Group</td>
<td>0.88</td>
<td>1</td>
<td>69.28</td>
<td>1.00</td>
</tr>
<tr>
<td>2</td>
<td>Brand Developmental Experience</td>
<td>0.89</td>
<td>2</td>
<td>59.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a. Brand Identification</td>
<td>0.87</td>
<td>1</td>
<td>62.05</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>b. Brand Commitment</td>
<td>0.71</td>
<td>1</td>
<td>75.16</td>
<td>1.00</td>
</tr>
<tr>
<td>3</td>
<td>Perceived Benefit</td>
<td>0.93</td>
<td>3</td>
<td>55.46</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a. Social Benefit</td>
<td>0.9</td>
<td>1</td>
<td>57.46</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>b. Economic Benefit</td>
<td>0.83</td>
<td>1</td>
<td>56.80</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>c. Entertainment Benefit</td>
<td>0.71</td>
<td>1</td>
<td>72.35</td>
<td>1.00</td>
</tr>
<tr>
<td>4</td>
<td>Trust and Privacy</td>
<td>0.76</td>
<td>3</td>
<td>48.69</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a. Privacy Concern</td>
<td>0.67</td>
<td>1</td>
<td>62.52</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>b. Privacy Control</td>
<td>0.65</td>
<td>1</td>
<td>59.54</td>
<td>1.00</td>
</tr>
<tr>
<td></td>
<td>c. Trust</td>
<td>0.72</td>
<td>1</td>
<td>73.61</td>
<td>1.00</td>
</tr>
<tr>
<td>DV</td>
<td>Peer-communication through Social Advertising</td>
<td>0.92</td>
<td>1</td>
<td>66.76</td>
<td>1.00</td>
</tr>
<tr>
<td>DV</td>
<td>Attitude towards Social Advertising</td>
<td>0.72</td>
<td>1</td>
<td>77.10</td>
<td>1.00</td>
</tr>
<tr>
<td>DV</td>
<td>Attitude towards the Product</td>
<td>0.67</td>
<td>1</td>
<td>77.42</td>
<td>1.00</td>
</tr>
<tr>
<td>DV</td>
<td>Purchase Intention</td>
<td>0.71</td>
<td>1</td>
<td>80.78</td>
<td>1.00</td>
</tr>
</tbody>
</table>

* % of Variance after low loading indicators are eliminated

### 5.3.2 Construct Validity

After removing the low loading items by factor analysis, discriminant and convergent analysis is needed to assess the construct validity of a measurement procedure (Campbell &
Discriminant validity can be evaluated by comparing the square root of AVE scores with the construct’s correlations among other constructs. As can be seen in Table 5.8, all of the constructs had discriminant validity as all of the square roots of the AVE scores, which ranged from 0.64 to 0.84, were greater than the correlations among the relevant constructs.

Also, convergent validity can be assessed through the AVE scores threshold which should be no lower than 0.50 (Fornell & Larcker 1981). The exploratory factor analysis had found the perceived privacy control items had low loadings (see Table 5.3), which explained the low AVE score of privacy control at 0.41 (Table 5.7). Consequently, perceived privacy control items were included separately in the subsequent analysis in estimation of the structural model. A low AVE score (below 0.50) was also found in the perceived privacy concern factor, although some of the items had high loadings. Thus, one of the lowest loading items (Q16_3: ‘I am concerned that my personal information that companies acquire from <social-media> may result in me receiving more promotional offers’) was removed, which led to a satisfactory AVE score (0.50). Meanwhile, in other constructs, their AVEs are higher than 0.50, indicating that the variance captured by each latent variable is significantly larger than variance due to measurement error, and demonstrating unidimensionality and a high convergent validity of the constructs.

5.3.3 Tests of Mediation

Mediation analysis is relevant to test key mediating factors in the hypothesised framework. From the proposed model of peer-communication through social advertising (Figure 3.1), it can be identified that peer-communication through social advertising is the key mediating variable of the framework. This view is clearly defended by Churchill & Moschis (1979),
who proposes that a consumer develops consumption-related attitudes and behaviours by learning from socialisation agents, through interactions with them.

Similarly, consumer attitude towards social advertising and attitude towards the product are conceptualised as a key pathway to purchase intention. Peer-communication through social advertising may directly or indirectly affect purchase intention. Thus, tests of mediation would be necessary to support the hypotheses of consumer attitudes as a key pathway to purchase intention.

5.3.3.1 Attitude towards Social Advertising as a Mediator to Purchase Intention

A four step approach to mediation analysis (Baron & Kenny 1986) was used to test the mediation of attitude towards social advertising between peer-communication through social advertising and purchase intention. Step one is to measure the direct relationship between peer-communication through social advertising and purchase intention with simple linear regression. Step two analyses the relationship between peer-communication through social advertising and the hypothesised mediator: attitude towards social advertising. Step three measures the relationship between the hypothesised mediator and purchase intention. Finally, step four is a multiple regression analysis of peer-communication through social advertising and attitude towards social advertising on purchase intention. The results in Table 5.10 showed that all steps met the projection with significant results. Indirect effect was calculated and it showed a non-zero result (0.159) while on the other hand, direct effect is significant (0.289; p<0.001). Thus, attitude towards social advertising is partially mediating peer-communication through social advertising on purchase intention and these relationships will be included in the PLS analysis.
5.3.3.2 Attitude towards the Product as a Mediator to Purchase Intention

The same approach to mediation analysis by Baron & Kenny (1986) was used to test whether attitude towards the product mediates peer-communication through social advertising to purchase intention. Step one measures the total relationship between peer-communication through social advertising and purchase intention. Step two analyses the relationship between peer-communication through social advertising and the hypothesised mediator: attitude towards the product. Step three is measuring the relationship between attitude towards the product and purchase intention. Finally, step four is a multiple regression analysis of peer-communication through social advertising and attitude towards the product on purchase intention. Similar to attitude towards social advertising, the result showed that peer-communication through social advertising has both indirect and direct effect to purchase intention (Table 5.11). Thus, attitude towards the product is partially mediating peer-communication through social advertising on purchase intention and these relationships will be calculated in the PLS analysis.
Table 5.11 Mediation analysis of attitude towards the product

<table>
<thead>
<tr>
<th>Tests of Mediation</th>
<th>Regression Analysis</th>
<th>Path coefficients</th>
<th>p-values</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td>Peer-communication through social advertising Purchase Intention</td>
<td>0.448</td>
<td>&lt;0.001</td>
<td>0.201</td>
</tr>
<tr>
<td>Step 2</td>
<td>Simple Regression Peer-communication through social advertising Attitude towards the Product</td>
<td>0.315</td>
<td>&lt;0.001</td>
<td>0.1</td>
</tr>
<tr>
<td>Step 3</td>
<td>Multiple Regression Attitude towards the Product Purchase Intention</td>
<td>0.651</td>
<td>&lt;0.001</td>
<td>0.424</td>
</tr>
<tr>
<td>Step 4</td>
<td>Peer-communication through social advertising Purchase Intention</td>
<td>0.269</td>
<td>&lt;0.001</td>
<td>0.409</td>
</tr>
<tr>
<td></td>
<td>Attitude towards the Product Purchase Intention</td>
<td>0.566</td>
<td>&lt;0.001</td>
<td>0.179</td>
</tr>
</tbody>
</table>

5.4 Reliability Tests

The items to measure a construct should indicate a consistent message about the construct.

This consistent reliability can be measured by an internal consistency reliability test, which is a method ‘to assess the reliability of a summated scale where several items are summed to form a total score’ (Malhotra 2008). A common method to test internal consistency reliability is to use the coefficient alpha or Cronbach’s alpha.

As shown in Table 5.7, Cronbach’s alpha was calculated for each construct. The peer-communication through social advertising factor achieved Cronbach’s alpha 0.93, which showed solid reliability. Other constructs were also calculated with each value having more than 0.70, which exceeded the reliability threshold (Nunnally 1978). However one factor, perceived privacy control, has an alpha lower than the threshold, which explains the low loadings and low AVE score. As this factor is important in this study, the items will still be included but treated separately as one indicator for each measure.

Further, the composite reliability (CR) scores should be greater than 0.70 (Hair et al. 2010) to suggest a reliable construct (Fornell & Larcker 1981). Also, with Cronbach’s alpha test, the peer-communication through social advertising factor achieved the highest composite reliability at 0.93, which showed solid reliability. Except for the perceived privacy control,
in which prior discussion concluded that the items should be separated due to low loadings and low validity, other constructs’ composite reliabilities were higher than 0.70, and in general above 0.80; showing a high internal consistency of indicators measuring each construct and consequently confirming construct reliability.

5.5 **Estimation of the Structural Models**

As we completed the preliminary analysis and all the constructs are valid and reliable, the model can now be estimated. The proposed structural model (as in Figure 3.1) will be estimated using the PLS analysis. The analysis will be divided into several groups of factors based on the literature, to get a thorough understanding of each factor in the model. There will be three groups of antecedents to be studied, which are social structural antecedents, developmental experience antecedents, and self-disclosure antecedents. Consumer socialisation outcomes will also be analysed individually. Thus, each consumer socialisation factor can be studied rigorously. To conclude, an integrated model will also be analysed which would take into account only factors that are significant in the preceding individual group analyses.

5.5.1 **The Social Structural Antecedents of Consumers’ Peer-communication through Social Advertising**

This social structural model is replicating the previous study by Wang, Yu and Wei (2012) in the context of peer-communication through social advertising. The model is similar to the suggested model in the prior work, except for the context and the outcomes of the socialisation that will be analysed specifically in Section 0. Similar to the previous study, the preliminary data analysis supports the model. The result of factor analysis (Section 0)
suggested that none of the measures from both latent variables be removed as all measures have sufficient loading. Therefore, four items will measure tie-strength with peers, and five items will measure identification with the peer group. Figure 5.3 is the structural model that will be estimated using the PLS analysis.

![Figure 5.3 Social Structural Antecedents of Peer-Communication through Social Advertising](image)

**5.5.1.1 Support for the Hypotheses**

The relationships between the variables as in Figure 5.3 were estimated by using the PLS structural equation modelling. The analysis demonstrates significant results as the antecedents (tie-strength with peers and identification with the peer group) can explain 46 per cent of the variation in peer-communication through social advertising (Table 5.12). Supporting the prior studies by Wang, Yu and Wei (2012), identification with the peer group mediates tie-strength with peers in influencing peer-communication through social advertising. Tie-strength with peers was found to explain the 51 per cent of the variability of brand identification with the peer group. Every path of the hypothesised relationships showed high statistical significances (p-value<0.01). The Variance Inflation Factor (VIF) value of
each construct is less than 5, which indicates none of the estimated relationships has an increase in variance as a result of multicollinearity.

Table 5.12 PLS estimation results for social structural antecedents.

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Predictors</th>
<th>$R^2$</th>
<th>Path Coefficient</th>
<th>p-value</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer-communication through Social Advertising</td>
<td>Tie-strength</td>
<td>0.46</td>
<td>0.21</td>
<td>0.00</td>
<td>2.10</td>
</tr>
<tr>
<td></td>
<td>Identification with the Group</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Identification with the Group</td>
<td>Tie-strength</td>
<td>0.51</td>
<td>0.71</td>
<td>0.00</td>
<td>2.10</td>
</tr>
</tbody>
</table>

From the results of PLS analysis, tie-strength with peers and identification with the peer group were positively influencing the level of consumers’ peer-communication through social advertising. Thus, hypotheses H1a and H1c were supported. Although both of the constructs were significant in influencing peer-communication through social advertising, the effect of tie-strength with peers had a lesser impact in peer-communication through social advertising than the effect of identification with the peer group. Furthermore, identification with the peer group was significant in mediating tie-strength with peers in influencing peer-communication through social advertising, thus it confirms H1b.

5.5.2 The Developmental Experience Antecedents of Consumers’ Peer-Communication through Social Advertising

The structural model for developmental experience antecedents proposed in Chapter Three has no modifications as the preliminary analysis was supporting the model. None of the measures of both latent variables, brand identification and brand commitment were removed as they have sufficient factor loadings. Therefore, six items will measure brand identification,
and three items will measure brand commitment. The model shown below (Figure 5.4) will be estimated using the PLS analysis.

![Figure 5.4 Developmental Experience Antecedents of Peer-Communication through Social Advertising](image)

### 5.5.2.1 Support for the Hypotheses

Hypotheses of this study were tested by examining the relationships between variables using the PLS structural equation modelling analysis. The PLS results in Table 5.13 indicated a substantial explanatory power of the antecedents explaining the peer-communication through social advertising construct. Through determination of the coefficient or $R^2$, brand identification and brand commitment antecedents were close to the predicted regression line; peer-communication through social advertising, at 0.75. This indicated that brand identification and brand commitment explain 75 per cent of the variability of peer-communication through social advertising. As predicted earlier in the literature review, brand identification also has influence on consumers’ brand commitment, which explained the 50 per cent of the variability of the construct. Path coefficients estimation on each hypothesised relationships also showed statistical significances at $p$-value<0.01. The table also indicates that the Variance Inflation Factor (VIF) of each construct is less than 5.00, which indicates
none of the variables of the estimated pathway coefficients has their variance severely increased as a result of multicollinearity.

Table 5.13 PLS estimation results for developmental experience antecedents.

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Predictors</th>
<th>$R^2$</th>
<th>Path Coefficient</th>
<th>p-value</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer-communication through Social Advertising</td>
<td>Brand Identification</td>
<td>0.75</td>
<td>0.25</td>
<td>0.00</td>
<td>2.23</td>
</tr>
<tr>
<td></td>
<td>Brand Commitment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Commitment</td>
<td>Brand Identification</td>
<td>0.50</td>
<td>0.70</td>
<td>0.00</td>
<td>2.23</td>
</tr>
</tbody>
</table>

From the PLS analysis, brand identification and brand commitment have positive influences in affecting the level of consumers’ peer-communication through social advertising. Therefore, this supports hypotheses H2a and H2c. However, the effect of brand identification had a lesser impact on peer-communication through social advertising than the effect of brand commitment. Furthermore, the brand commitment was significant in mediating brand identification to influence peer-communication through social advertising, confirming H2b.

5.5.3 The Self-Disclosure Antecedents of Consumers’ Peer-Communication through Social Advertising

Figure 5.5 displays the model that was finally tested in the study of self-disclosure antecedents after the validity tests in Section 0 entailed some adjustments in perceived privacy control and privacy concern items. The validity tests suggested removing items with a low loading in privacy concern and splitting items in privacy control into individual variables to achieve construct validity. Based on this preliminary analysis, the item Q16_3 (‘I am concerned that my personal information that companies acquire from <social-media> may result in me receiving more promotional offers’) was removed. Thus, privacy concern
had two items left. Item Q16_4 (‘I choose the ways in which my personal information in <social-media> may be used for marketing’), Q16_5 (‘The information about me that I supply to <social-media> can only be used for advertising in ways I have approved’), and Q16_6 (‘I have complete power over how the information I provide to <social-media> will be later used for promotional purposes’) became individual variables that were measured in the model. Item Q16_4 become Perceived Privacy Control-A variable, item Q16_5 become Perceived Privacy Control-B variable, and item Q16_6 become Perceived Privacy Control-C variable.

![Diagram](image)

**Figure 5.5 Self-Disclosure Antecedents of Peer-Communication through Social Advertising**

5.5.3.1 **Support for the Hypotheses**

The final step in the structural model analysis was to examine the influence of self-disclosure antecedents on peer-communication through social advertising that include trust in the SNS
and its privacy antecedents, and perceived benefits. The hypothesised relationships were tested and estimated using PLS analysis. Through determination of the coefficient or $R^2$, the PLS results in Table 5.14 show the explanatory power of the equations explaining the constructs. It can be seen that the proposed model displays a high explanatory power for peer-communication through social advertising, at 0.70. However, the explanatory power of trust explaining privacy matters is 0.20, which means that privacy concerns and privacy controls describe 20 per cent of the variability of the data around its mean, although these predictors were significant. Estimates of the path coefficients of the proposed model and their respective significances (p-values) are also presented. It can be observed that seven of the nine hypothesised pathways are statistically significant.

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Predictors</th>
<th>$R^2$</th>
<th>Path Coefficient</th>
<th>p-value</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer-communication through Social Advertising</td>
<td>Economic Benefit</td>
<td>0.70</td>
<td>0.08</td>
<td>0.06</td>
<td>1.53</td>
</tr>
<tr>
<td></td>
<td>Entertainment Benefit</td>
<td></td>
<td>0.03</td>
<td>0.27</td>
<td>1.49</td>
</tr>
<tr>
<td></td>
<td>Social Benefit</td>
<td></td>
<td>0.64</td>
<td>0.00</td>
<td>3.07</td>
</tr>
<tr>
<td></td>
<td>Trust in the SNS</td>
<td></td>
<td>0.25</td>
<td>0.00</td>
<td>1.62</td>
</tr>
<tr>
<td>Trust in the SNS</td>
<td>Perceived Privacy Concern</td>
<td>0.20</td>
<td>-0.10</td>
<td>0.03</td>
<td>1.20</td>
</tr>
<tr>
<td>Perceived Privacy Control-A:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I choose the ways in which my personal information in &lt;social-media&gt; may be used for marketing</td>
<td></td>
<td>0.16</td>
<td>0.00</td>
<td>1.49</td>
<td></td>
</tr>
<tr>
<td>Perceived Privacy Control-B:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The information about me that I supply to &lt;social-media&gt; can only be used for advertising in ways I have approved</td>
<td></td>
<td>0.11</td>
<td>0.01</td>
<td>1.41</td>
<td></td>
</tr>
<tr>
<td>Perceived Privacy Control-C:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I have complete power over how the information I provide to &lt;social-media&gt; will be later used for promotional purposes</td>
<td></td>
<td>0.28</td>
<td>0.00</td>
<td>1.36</td>
<td></td>
</tr>
<tr>
<td>Previous Invasion Experience moderates Privacy Concern</td>
<td></td>
<td>0.14</td>
<td>0.00</td>
<td>1.14</td>
<td></td>
</tr>
</tbody>
</table>
The perceived social benefit, trust, and perceived privacy control pathways are the most significant; at below the 0.1 per cent significance level. Perceived privacy concern is significant below the 5 per cent level. The moderation effect of previous privacy invasion on perceived privacy concerns is significant at below 1 per cent. There are two non-significant constructs in influencing peer-communication through social advertising, which are perceived economic benefit and perceived entertainment benefit. The results also show that the Variance Inflation Factor (VIF) of each construct is less than 5.00, which indicates none of the variables of the estimated pathway coefficients has their variance severely increased as a result of multicollinearity.

Perceived privacy concerns and perceived privacy control have negative and positive influences, respectively, in affecting the level of trust. Accordingly, this supports H3a1 and H3a2. The effect of perceived privacy concerns, while significant, had less impact than did the control aspects that were included. Items in perceived privacy control were individually measured, and all of them are highly significant (H3a2a, H3a2b and H3a2c). Furthermore, previous privacy invasion was significant in moderating the impact perceived privacy concerns had on trust, confirming H3a3. Trust in the SNS and social benefit had a significant positive impact on peer-communication through social advertising, confirming H3a and H3b1. However, economic and entertainment benefits did not influence peer-communication through social advertising significantly, which meant H3b2 and H3b3 were not supported. Thus, social benefit is the only significant consumer’s perceived benefit in disclosing social information.
5.5.3.2 The Moderating Effects

Previous experience of privacy invasion was suggested as a moderator of the relationship between privacy concerns and trust (Figure 5.6). The PLS analysis suggested previous experience of privacy invasion did moderate this relationship. As can be seen in Figure 5.6, when previous experience of privacy invasion was low (i.e. there was no such experience), the influence privacy concerns had on trust in an SNS was stronger. However, when previous experience of privacy invasion was high (i.e. there had been such an experience), the influence privacy concerns had on trust in an SNS was weaker. This moderation effect is important, as the $R^2$ score for trust in the SNS improved from 0.18 to 0.20 when the effect was included in the model.

![Figure 5.6 The Moderation Effect of Previous Experiences of Privacy Invasion on Privacy Concerns and Trust](image-url)
5.5.4 The Outcomes of Consumers’ Peer-Communication through Social Advertising

This section is the final step of the study in testing the suggested model, which is to analyse the outcomes of peer-communication through social advertising. The model shown in Figure 5.7 is used to test the hypotheses of peer-communication through social advertising outcomes. Preliminary analysis results supported this model and suggested that no items be removed from each variable. Therefore, five items will measure peer-communication through social advertising and three items will measure any other variables, including attitude towards social advertising, attitude towards the product, and purchase intention. The PLS analysis is used to predict the hypothesised relationships.

![Figure 5.7 The Proposed Model of Peer-Communication through Social Advertising Outcomes](image)

5.5.4.2 Support for the Hypotheses

To examine whether the hypothesised outcomes are associated with peer-communication through social advertising, further structural equation modelling analysis is needed. The hypothesised relationships were tested and estimated using PLS structural equation modelling analysis. The PLS results in Table 5.15 show that most of the equations have a
reasonable explanatory power that can be seen through the determination of the coefficient or R². It can be seen that the proposed model displays a high explanatory power for attitude towards the product and purchase intention, at 0.67 and 0.63 respectively. Conversely, the explanatory power of attitude towards social advertising explaining peer-communication through social advertising is 0.14, which is small in value. This means peer-communication through social advertising only describes 14 per cent of the variability of the attitude towards social advertising data around its mean. However, further analysis shows that the relationship between peer-communication through social advertising and attitude towards social advertising is highly significant, with a 0.38 path coefficient. Thus, the small R² value on this equation means that peer-communication through social advertising, although significant, is not a major contributor to consumer attitude towards social advertising. There might be other contributors that were not studied in this research. Other estimates of the path coefficients of the proposed model and their respective significances (p-values) are also presented in the table. PLS results showed that three of the five hypothesised pathways are statistically significant. The results also show that the Variance Inflation Factor (VIF) of each construct is less than the value of five, which indicates none of the variables of the estimated pathway coefficients has their variance severely increased as a result of multicollinearity.

Table 5.15 PLS estimation results for peer-communication through social advertising outcomes.

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Predictors</th>
<th>R²</th>
<th>Path Coefficient</th>
<th>p-value</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer-communication through</td>
<td>Peer-communication through Social</td>
<td>1.37</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Advertising</td>
<td>Advertising</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Attitude towards Social Advertising</td>
<td>0.14</td>
<td>0.38</td>
<td>0.00</td>
<td>3.04</td>
</tr>
<tr>
<td></td>
<td>Peer-communication through</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Social Advertising</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Attitude towards Social Advertising</td>
<td>0.67</td>
<td>0.07</td>
<td>0.09</td>
<td>4.49</td>
</tr>
<tr>
<td></td>
<td>Peer-communication through Social</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Advertising</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitude towards the Product</td>
<td>Attitude towards Social Advertising</td>
<td>0.79</td>
<td></td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>Attitude towards Social Advertising</td>
<td>0.68</td>
<td>0.01</td>
<td>0.44</td>
<td>3.08</td>
</tr>
<tr>
<td></td>
<td>Attitude towards the Product</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Peer-communication through Social</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Advertising</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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The peer-communication through social advertising outcome was associated significantly with consumer attitude towards social advertising, but not significant enough to be associated with consumer attitude towards the product. Accordingly, this supports hypothesis H4a but rejects hypothesis H4b. Moreover, the consumer attitude towards social advertising was significantly related to attitude towards the product, which confirms hypothesis H4c. Related to the purchase intention outcomes, consumer attitude towards the product was significantly associated with purchase intention while attitude towards social advertising was not significant. Thus, hypothesis H5a is rejected, and hypothesis H5b is supported. The direct effect of peer-communication through social advertising to purchase intention was also found. This supports hypothesis H5c. All the significant paths also have a high path coefficient, while all of the insignificant paths are low in path coefficient. These results could mean that the predictors in the significant paths were having a high impact on the expected behaviour.

From this PLS analyses, the route of peer-communication through social advertising outcomes was found significantly to have a positive influence on consumer attitude towards social advertising. On the other hand, changes in consumer attitude towards social advertising have a positive association with attitude towards the product as well. Lastly, the changes in attitude towards the product were associated with the consumer purchase intention. These results suggest a new model of peer-communication through social advertising outcomes that can be seen below (Figure 5.8).
5.5.5 The Integrated Structural Model of Peer-communication through Social Advertising

The integrated structural model of peer-communication through social advertising from all of the previous sections can finally be presented. All of the antecedents and outcomes of peer-communication through social advertising are displayed in a comprehensive structural model (Figure 5.9). This model follows the consumer socialisation framework suggested by Moschis and Churchill Jr (1978) with a profound understanding of psychographic antecedents and behavioural outcomes. Peer-communication through social advertising was assumed as the socialisation process the consumers undertake through social advertising. The antecedents of peer-communication through social advertising are on the left side of the model, and the outcomes are on the right side of the model.

In general, there were two antecedents in the consumer socialisation framework: social structural variables and developmental experience variables (Moschis & Churchill Jr 1978). In the original study of consumer socialisation, these antecedents were more demographic
variables, such as social class and gender for social structural variables, and age and life cycle position for developmental experience variables. The current research provides insightful findings that these variables can be in psychographic forms. Tie-strength with peers and identification with the peer group were considered as social structural variables (Wang, Yu & Wei 2012), while brand identification and brand commitment were considered as developmental experience variables (Tuškej, Golob & Podnar 2013; Kuenzel & Halliday 2008). Moreover, following the nature of social advertising that involves consumers’ possibility to expose their privacy, self-disclosure theory was used to interpret the phenomenon (Mothersbaugh et al. 2012). Thus, trust and perceived social benefit were included as the most important self-disclosure antecedents of consumer socialisation. The perceived social benefit is the only benefit that is used in the complete model as the other benefits, such as economic and entertainment benefits, were not significant in stimulating consumers to peer-communicate through social advertising.

![Proposed Integrated Structural Model of Peer-Communication through Social Advertising](image)

*Figure 5.9 Proposed Integrated Structural Model of Peer-Communication through Social Advertising*
On the right-hand side of the model, the attitudinal and behavioural outcomes of the socialisation are presented. Based on the studies in the previous sections, attitude towards social advertising is the primary outcome of peer-communication through social advertising. Changes in attitude towards social advertising, however, will lead to variations in the consumers’ attitude towards the product that have a direct impact on purchase intention. The attitude towards the social advertising variable was essential as peer-communication through social advertising was found to have no direct influence on consumers’ attitude towards the product.

5.5.5.1 Partial Least Square Structural Equation Modelling Analysis

The PLS structural equation modelling analysis was used to test the suggested integrated model. Initial results in Table 5.16 show that one of the variables (peer-communication through social advertising) has a Variance Inflation Factor (VIF) value more than 5.00, which indicates that the variable has multicollinearity with one or many of its predictors. In this case, peer-communication through social advertising was collinear with its predictors, suggesting a larger error in prediction. Thus, one or more of the predictors should be removed to make the predictions more acceptable. The highest VIF value of peer-communication through social advertising predictors is brand commitment, so this factor was removed. PLS analysis was conducted for the second time to recalculate the model without the brand commitment factor.

Table 5.16 Initial PLS estimation results for the peer-communication through social advertising model.

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Predictors</th>
<th>R²</th>
<th>Path Coefficient</th>
<th>p-value</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identification with the Peer Group</td>
<td>Tie-strength with Peers</td>
<td>0.51</td>
<td>0.71</td>
<td>0.00</td>
<td>2.80</td>
</tr>
<tr>
<td>Brand Commitment</td>
<td>Brand Identification</td>
<td>0.50</td>
<td>0.71</td>
<td>0.00</td>
<td>4.26</td>
</tr>
<tr>
<td>Peer-communication through Social Advertising</td>
<td>Tie-strength with Peers</td>
<td>0.82</td>
<td>0.07</td>
<td>0.09</td>
<td>5.75</td>
</tr>
</tbody>
</table>
The new model estimation was again analysed through PLS analysis, and the final results are shown in Table 5.17 below. After the removal of the brand commitment factor, all of the VIF values are below 5.00. This removal has put brand identification as the only predictor of peer-communication through social advertising from the developmental experience variable. Most of the paths have a reasonable explanatory power that can be seen through the determination of the coefficient or $R^2$. The $R^2$ value of peer-communication through social advertising is very high at 0.77 although one of its predictors, tie-strength with peers, has no significant influence. Other than tie-strength with peers, all predictors of peer-communication through social advertising as well as its outcomes are significant. Still, the explanatory power of attitude towards social advertising explaining peer-communication through social advertising remains small at 0.15. This $R^2$ value suggests peer-communication through social advertising is not a major contributor to the consumer’s attitude towards social advertising. There might be other attitudes towards social advertising predictors that were not presented in this research. However, the path between peer-communication through social advertising and
attitude towards social advertising shows a highly significant relationship, with a 0.38 path coefficient. The PLS results also display a high explanatory power for attitude towards the product and purchase intention, at 0.67 and 0.68 respectively. It was shown that purchase intention is either directly and indirectly influenced by peer-communication through social advertising. The indirect path of peer-communication through social advertising in influencing purchase intention is via attitude towards social advertising and attitude towards the product. Thus, the final model of peer-communication through social advertising is presented in Figure 5.10.

Table 5.17 PLS estimation after multicollinearity elimination.

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Predictors</th>
<th>R²</th>
<th>Path Coefficient</th>
<th>p-value</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer-communication through Social Advertising</td>
<td>Tie-strength with Peers</td>
<td>0.77</td>
<td>0.03</td>
<td>0.25</td>
<td>4.49</td>
</tr>
<tr>
<td></td>
<td>Identification with the Peer Group</td>
<td></td>
<td>0.13</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trust in the SNS</td>
<td></td>
<td>0.18</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Perceived Social Benefit</td>
<td></td>
<td>0.43</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Brand Identification</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitude towards Social Advertising</td>
<td>Peer-communication through Social Advertising</td>
<td>0.15</td>
<td>0.38</td>
<td>0.00</td>
<td>3.18</td>
</tr>
<tr>
<td>Attitude towards the Product</td>
<td>Attitude towards Social Advertising</td>
<td>0.67</td>
<td>0.82</td>
<td>0.00</td>
<td>4.80</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>Attitude towards the Product</td>
<td>0.68</td>
<td>0.71</td>
<td>0.00</td>
<td>3.35</td>
</tr>
<tr>
<td></td>
<td>Peer-communication through Social Advertising</td>
<td>0.24</td>
<td>0.25</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>Identification with the Peer Group</td>
<td>Tie-strength with Peers</td>
<td>0.51</td>
<td>0.72</td>
<td>0.00</td>
<td>2.78</td>
</tr>
<tr>
<td>Tie-strength with Peers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.60</td>
</tr>
<tr>
<td>Brand Identification</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.46</td>
</tr>
<tr>
<td>Trust in the SNS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.63</td>
</tr>
<tr>
<td>Perceived Social Benefit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.53</td>
</tr>
</tbody>
</table>

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5.6 Conclusion

The preliminary analysis conducted under this chapter is essential to make a determination in the subsequent structural model analysis. All data from the survey was prepared to make sure that the data is clean and unbiased from missing values and outliers. The measurement of a studied variable will be biased if respondents with missing or blank responses are not screened and removed. Forty-four respondents with missing values were detected in this research. Outliers were also identified through statistical methods, by which two outliers were found through the Mahalanobis Distance method.

Some data that were reversed in the survey were also transformed into the correct order for consistency. Usable data has shown the sample’s demographic characteristics including gender, age and education. As a quantitative study, data normality was also assessed to demonstrate predictable traits and statistical probabilities. The normality test using Kolmogorov-Smirnov method indicated that the variables were not normally distributed. However, the skewness of the data determines how far the normality is skewed. Most of the variables showed a moderate skewness level that indicated the data were not severely non-
normal. Therefore the data has predictability and probability in a statistical study. Moreover, multicollinearity among latent variables was not found, thus subsequent data analysis can be continued.

Each construct and their measures have been tested for validity and reliability. An item’s validity to represent a construct was tested through exploratory factor analysis. This analysis identified factor loadings on each construct, which found that one item in economic benefit and four items in social benefit had a low factor loading. Consequently, these removals reduced economic benefit to three items and social benefit to three items also. The removal of low loading items has improved the percentage of variance explained of the construct. Further, principal component analysis has given support that all the measures in the survey were subject to 14 factors.

Once all the items were shown to be valid, construct validity was evaluated to find out if a construct has acceptable results that agree with the theoretical foundations. Convergent and discriminant validity were tested to determine construct validity. These analyses have given results that perceived privacy control had a low AVE score, which apparently was caused by the low factor loadings of its items. Consequently, these items were analysed separately in the subsequent estimation of the structural model. Moreover, privacy concern also had a low AVE score although the item loadings were sufficient. Therefore, one item with the lowest loading was removed in privacy concern, which resulted in a significant improvement in the AVE score. Thus, the entire construct is valid.

The items to measure a construct should also indicate a consistent, reliable message about the construct. Internal consistency reliability tests using Cronbach’s alpha score and composite reliability assessment were taken. Overall, all the constructs showed acceptable
reliability except the privacy concern construct that had low Cronbach’s alpha and composite reliability. As privacy control is a key factor studied in this research and it showed low construct validity and reliability, the measures will be analysed separately for each item. Item Q16_4 (‘I choose the ways in which my personal information in <social-media> may be used for marketing’), Q16_5 (‘The information about me that I supply to <social-media> can only be used for advertising in ways I have approved’) and Q16_6 (‘I have complete power over how the information I provide to <social-media> will be later used for promotional purposes’) in privacy control construct will be treated as three individual factors in the structural model.

As the data is now valid and reliable, it is ready for estimation using PLS structural equation modelling. Social structural antecedents, developmental experience antecedents, self-disclosure antecedents, and peer-communication through social advertising outcomes are analysed rigorously. Hypotheses were tested by examining the relationships between constructs. The analysis concluded with the final integrated model that combines every factor in the consumer socialisation framework. Discussions of these analyses are presented in the following chapter.
CHAPTER 6

DISCUSSION AND CONCLUSION

This chapter discusses and concludes the research findings. Theoretical and managerial implications of the research are discussed rigorously and described for each structural model. Recommendations for future research are also suggested. Details of these discussions are presented and the research is concluded.

6.1 Introduction

The core analysis that was undertaken in this research employed PLS structural modelling analysis to explain peer-communication through social advertising. The analysis assumed a position proposed by Moschis and Smith (1985), highlighted in Chapter Three, which asserts that multi-theoretical perspectives in the area of consumer socialisation are open to more explanation in consumer learning. In this chapter, the focus is on the estimation of the proposed antecedents and outcomes of consumer socialisation. The multi-theoretical approach in this research is suggested through various perspectives, including self-disclosure theory (Mothersbaugh et al. 2012) and consumer-brand relationships theory (Fournier 1998). The relationships between latent variables of antecedents and outcomes with peer-communication through social advertising, an extension of social media peer-communication study (Wang, Yu & Wei 2012), are therefore identified and analysed in this chapter.

The structure of this chapter is based on the viewpoints of theory and concludes with the comprehensive model comprising the entire proposed model. The first section examines the common antecedents proposed in the original consumer socialisation theory, the social structural antecedents (Moschis & Churchill Jr 1978). This is followed by the next prevalent
antecedent in consumer socialisation theory, the developmental experience antecedents (Moschis & Churchill Jr 1978), which were observed through the lens of consumer-brand relationship experience (Fournier 1998). As online consumer socialisation through social advertising can involve consumers’ privacy concerns in the way that social media use personal data for future targeting, a section will be dedicated to this perspective using the theory of self-disclosure behaviour (Mothersbaugh et al. 2012). The outcomes of consumer socialisation through social advertising are also discussed in an individual section. Lastly, the final section examines the entire antecedents and outcomes in a final model. Figure 6.1 shows an outline of this chapter, where the step-by-step estimation of the model was undertaken. In short, the current chapter examines the structural model, explains the relationships between latent variables, and discusses the findings.

![Figure 6.1. Outline of Chapter Six](Image)

6.2 The Social Structural Antecedents

This study models the antecedents of peer-communication, extending the context of the research by Wang, Yu and Wei (2012), particularly in social advertising. While consumer socialisation in the previous study discusses product-related communication, the current study suggests advertising-related communication that might be influenced by the same
antecedents, tie-strength with peers and identification with the peer group. The results in Table 5.12 suggest that all of the proposed hypotheses were supported. Consistent with Wang, Yu and Wei (2012), peer-communication through social advertising was driven by tie-strength with peers and identification with the peer group. Moreover, tie-strength with peers also predicted the identification with the peer group which acts as a mediator for an indirect route to affect peer-communication through social advertising. From this point of view, advertisers can utilise consumers’ tie-strength with peers and their sense of identification with the peer group to drive more consumers to peer-communicate through social advertising.

One of the significant factors affecting peer-communication through social advertising was identification with the peer group. Consumers with a higher sense of identification with the peer group were likely to have more peer-communication through social advertising. Identification with the peer group includes the consumer’s attachment to a peer group in social media and the consumer’s similar objectives with their peer group. Based on this study, consumers who have a peer group in social media and are attached to it are more likely to peer-communicate through social advertising than consumers who use social media for public interactions that are not connected to a specific group. This can be used by the social media mechanism to distribute social advertising messages based on the audience’s group or to target advertising to a specific group of communities.

Furthermore, tie-strength with peers is also an important factor in consumers’ peer-communication through social advertising. It also has an influence on identification with the peer group which mediates the effect on peer-communication through social advertising. This supports the Wang, Yu and Wei (2012) study which indicated that consumers with higher
tie-strength with peers would be likely to have more identification with the peer group and more peer-communication through social advertising. Tie-strength with peers measures include the consumer’s likelihood of sharing a personal confidence with peers, the likelihood of spending free time socialising with peers, the likelihood of performing a large favour for their peers on social media, and the peers’ likelihood of performing a large favour for the consumer. Therefore, it is important that advertisers utilise the consumers’ tie-strength with peers to stimulate consumers’ peer-communication through social advertising. Targeting consumers whose social media activities with their friends are frequent will be more likely to get peer-communication through social advertising than targeting more general consumers. Identifying consumers with numerous social media activities on related topics can be facilitated by the social media tools of audience targeting provided to advertisers.

These social structural antecedents can be used by SNSs to improve consumers’ peer-communication through social advertising. Tie-strength with peers and identification with the peer group factors were significant in influencing consumers’ peer-communication through social advertising. This result extends the consumer socialisation study by Wang, Yu and Wei (2012), particularly in the social advertising context.

6.2.1 Theoretical Implications

This study examined the antecedents of peer-communication through social advertising from a social structural variable perspective. It extended the work of Wang, Yu and Wei (2012) by using their proposed antecedents, tie-strength with peers and identification with the peer group, as factors in influencing peer-communication through social advertising. The original consumer socialisation framework suggested demographic aspects of social structural variables, such as social class and sex or gender (Moschis & Churchill Jr 1978). Social class
and gender were considered significant factors in social structure as a determinant of consumer socialisation behaviour. Psychological aspects of this social structure in consumer socialisation antecedents were introduced by Wang, Yu and Wei (2012) in their study about product-related peer-communication in social media. The current study extends this perspective in the context of social advertising and finds that both social structural variables were significant antecedents to peer-communication through social advertising.

### 6.2.2 Managerial Implications

This study can be used for managerial decision making in both SNSs and advertisers. As consumers with a peer group in the social media are more likely to peer-communicate through social advertising than consumers who use the social media for public interactions, SNSs can distribute a social advertising message based on consumer group interactions and relationships. The literature shows that social advertising effectiveness is related to the consumers’ interactions (Li & Shiu 2012), while for advertisers, creating an advertisement that attracts group interactions will be more likely to be dispersed by consumers to their peer group.

Tie-strength with peers can also stimulate consumers’ peer-communication through social advertising. Taking benefits from this, SNSs can identify consumers’ interactions with their peers and use that as a basis for distributing social advertising. Advertisers can also take advantage of this by creating an advertisement that entails consumer peers’ involvement to achieve the advertising goals. For example, the advertisement may ask consumers to involve their peers to unlock the product benefits as one of the advertising goals. Advertisers should also make sure that their social advertising is credible and relevant to the consumers to generate appreciated peer-communication and trustworthy interactions among peers.
6.2.3 Limitations and Future research

This study has limitations for future research directions. The main limitation is its generalisability for populations outside Indonesia. Although the sample was distributed among multiple demographic characteristics, the results may different in other populations with different cultures. This study also uses psychographic measures of the social structural variable as the antecedents of peer-communication through social advertising. Future studies can build on this research by, for example, examining other aspects of consumer socialisation. In the consumer socialisation framework, Moschis and Churchill Jr (1978) suggest developmental experience antecedents as a factor influencing consumer socialisation, and this will be discussed in the next section. Demographic factors, such as age, gender and education can also be explored for this research.

6.3 The Developmental Experience Antecedents

This study extended the work of Wang, Yu and Wei (2012) by covering another aspect in the consumer socialisation framework, the developmental experience antecedents (Moschis & Churchill Jr 1978). This study suggests consumer socialisation through social advertising is also influenced by developmental experience factors. The findings support all of the hypotheses. Besides the social structural antecedents proposed by Wang, Yu and Wei (2012), peer-communication seems to be driven by consumer’s developmental experience with the brand, such as brand identification and brand commitment. Brand commitment also mediates the relationship between brand identification and peer-communication through social advertising. That being said, brand identification has direct and indirect effects in peer-communication through social advertising. It is important for SNSs to utilise consumers’ brand identification and brand commitment if they wish to drive peer-communication, as the
more consumers peer-communicate through social advertising, the more data are available to profile and target consumers to facilitate advertisers (Ganguly 2015; Li & Shiu 2012; Smith et al. 2012).

In this study, one of the important antecedents to peer-communication through social advertising was identified as a consumer’s brand commitment. This antecedent is supported by previous studies that found brand commitment played a central role in consumers’ positive word-of-mouth (Tuškej, Golob & Podnar 2013). Here, consumers with higher brand commitment will be likely to have more peer-communication through the brand’s social advertising. Consumers’ brand commitment measures would include good feelings if peers talk about the consumer buying the brand, are willing to talk about the brand with peers in the SNS, and are influential in buying the brand. SNSs and advertisers should strengthen the brand commitment experience through social advertising, as this encourages consumers’ peer-communication through social advertising (Tuškej, Golob & Podnar 2013).

Likewise, consumers’ brand identification does not only have a positive influence on consumers’ brand commitment but can also directly influence peer-communication through social advertising, which is in line with studies by Tuškej, Golob and Podnar (2013), and Kuenzel and Halliday (2008). Consequently, consumers with higher brand identification will be likely to have more brand commitment and more peer-communication through the brand’s social advertising. Consumers’ brand identification measures include a compliment feeling when peers praise the brand, an interest in what peers thought about the brand, a good feeling to see positive feedback from peers about the brand, similarity between self-personality and values with the brand, and a sense of homophily with peers who use the brand. It is important that SNSs and advertisers intensify the brand identification experience through social
advertising, as this stimulates consumers’ peer-communication through social advertising (Belén del Rio, Vazquez & Iglesias 2001; Tuškej, Golob & Podnar 2013).

SNSs need to look into these consumer-brand experience antecedents to improve consumer interactions in peer-communication through social advertising. These factors were significant in influencing consumers’ peer-communication through social advertising. This result extends the study of Moschis and Churchill Jr (1978), which found consumer developmental experience can also be applied to the experience of the relationship between consumer and brand that forges consumers’ brand identification and commitment. Moreover, this result also completes the study of Wang, Yu and Wei (2012) of SNS consumer socialisation by including developmental experience antecedents in the model as suggested by Moschis and Churchill Jr (1978); particularly the consumers’ developmental experience with the brand.

6.3.1 Theoretical Implications

This study examined the antecedents of peer-communication through social advertising from a developmental experience perspective. Previous studies on social media peer-communication focused mostly on social structural variables, such as tie-strength with peers and identification with the peer group (Wang, Yu & Wei 2012). In the context of peer-communication through social advertising, a study of consumer socialisation through the lens of developmental experience is suggested (Moschis & Churchill Jr 1978). However, the classic consumer socialisation theory proposed demographic aspects of developmental experience, such as age (Moschis & Churchill Jr 1978). Age was considered correlated in the development of consumer experience as a determinant of consumer socialisation behaviour. This study extends this perspective to relevant aspects of developmental experience in social advertising, such as the development of consumer-brand relationship imprinted in the
consumer’s sense of belongingness and value towards the brand (Ashforth, Harrison & Corley 2008). This sense of belongingness and value towards the brand can be represented in the consumer’s brand identification and brand commitment (Tuškej, Golob & Podnar 2013; Kuenzel & Halliday 2008; Belén del Río, Vazquez & Iglesias 2001). Accordingly, the contribution of this study is twofold. First, this study provides a perspective of consumer socialisation in social advertising by investigating brand identification and brand commitment, constituting the consumers’ developmental experience. Second, this study illustrates two types of consumer developmental experience with the brand as the antecedents to consumer socialisation. This study extended previous social media peer-communication studies (Wang, Yu & Wei 2012) and discovered that brand commitment is a significant antecedent to consumer socialisation.

6.3.2 Managerial Implications

The sense of brand identification and brand commitment can be used by marketers to entice consumers to peer-communicate, particularly through social advertising. Brand identification was a significant factor in driving consumers’ peer-communication directly and indirectly through brand commitment. The study showed that consumers do identify with the brand in question. If identification is reinforced, this could lead to an enhanced consumer-brand relationship that is manifested in a consumer’s peer-communication through social advertising. The psychological connection in values and personality between brand and consumers was one of the reasons that consumers peer-communicate through the brand’s social advertising. By building a strong bond between brand and consumers, consumers will incorporate the brand’s defining attributes into his or her self-concept (Hughes & Ahearne 2010).
Furthermore, the brand commitment was the most influential antecedent to consumers’ peer-communication through social advertising. Brand commitment is a suitable indicator of consumer satisfaction with brand choice (Warrington & Shim 2000). Therefore, it will be crucial for companies to look into the consumer’s sense of commitment, particularly right after the consumer buys the product. Consumers who commit to a brand are more likely to generate communication about the brand with their peers. SNSs, as an online platform for communication, collaboration and information-sharing among consumers, could facilitate and stimulate these communications. SNSs enable consumers to generate content related to a brand congruent with their personality, values and lifestyles. For example, marketers could stimulate peer-communication through a brand commitment by encouraging consumers to share their experience with the product they had purchased in SNSs. These include displaying their use of the product in SNSs and sharing their ideas or opinions about that. Giving consumers more incentives to share their experience about the brand in SNSs could stimulate consumers’ peer-communication through a social advertising campaign. These incentives can be in the form of lucky draw participation, unlocking more features of the product, warranty extension, and other relevant benefits.

The L’Oréal buzz word: ‘#WorthSaying’ is a solid illustration of a successful social advertising campaign that makes the most of their brand identity. The social advertising promotion using the hashtag ‘#WorthSaying’ was used to tie closely into their long-running advertising slogan as the brand identity: ‘Because You’re Worth It’. This hashtag meant to inspire women to talk more about things that are important to them in the SNSs. The campaign used their sponsorship of the Golden Globes, and an influencer (Jennifer Lopez) lent authority to the message to push the buzz word (Agius 2016). The campaign was successful and is still being talked about and the hashtag still in use across SNSs. While brand
identification-based social advertising can be stimulated from consumers’ connections with the brand personality and values, brand commitment-based social advertising is stimulated from consumers’ devotion to a brand. For example, Disney teamed up with the Make-A-Wish Foundation to raise awareness and funds for terminally-ill children. Their campaign encouraged fans to share their images and selfies featuring the classic mouse ears on Twitter and Instagram, using the #ShareYourEars hashtag. This campaign utilises consumers’ brand commitment, particularly to Disney’s mouse ears product, to support the cause. The campaign became a trending topic on social media, and it was eventually successful (Agius 2016). To sum up, brand identification and brand commitment can drive consumers’ peer-communication through social advertising in that the consumers promote the brand enthusiastically to their peers.

6.3.3 Limitations and Future research

This study connects consumer socialisation theory with areas previously unforeseen. This study is one of the first to draw on consumer-brand relationship theory as providing measurable antecedents of peer-communication through social advertising. Future studies can build on this research by, for example, examining the role of other brand-related variables such as brand image, brand loyalty and trust. Demographic factors, such as age, gender and education, can also be explored for this research. Finally, there is always scope for any research design such as an experimental study, as the current research is a self-report survey. Perspectives in other research designs would provide complementary and even longitudinal data to shed more light on peer-communication through social advertising.
6.4 The Self-Disclosure Antecedents

This study extended Wang, Yu and Wei’s (2012) investigation, suggesting consumer socialisation through social advertising can be explained through a self-disclosure theory lens. The findings support all of the hypotheses except for the suggested influences of perceived economic benefits and entertainment benefits. Besides the social structural antecedents suggested by Wang, Yu and Wei (2012), peer-communication seems to be explained by consumer trust, privacy issues and perceived social benefits. Trust mediated the relationships between privacy concerns and privacy control and peer-communication through social advertising. Moreover, privacy control reduced the adverse effects privacy concerns had on a consumer’s trust in an SNS’s ability to manage their social profile data appropriately. This study also suggested perceived communication benefits had three aspects, of which social benefits were the only significant influence on peer-communication through social advertising. It is important for SNSs to focus on these key factors if they wish to drive peer-communication, as the more consumers peer-communicate through social advertising, the more data are available to profile and target consumers that can be sold to advertisers (Ganguly 2015; Li & Shiu 2012; Smith et al. 2012).

One of the significant antecedents to peer-communication through social advertising was identified as a consumer’s trust in the SNS, particularly regarding the handling of their social profile data. This antecedent is supported by previous studies that suggest trust played a central role in consumer’s self-disclosure behaviour (Mothersbaugh et al. 2012; Taddei & Contena 2013). It is evident SNSs need to look into their privacy determinants, such as privacy concerns and perceived privacy control. Here, consumers with higher privacy concerns had less trust in the SNS while, on the other hand, their perception of privacy control
improved their trust in the SNS. This result extends Mothersbaugh et al.’s (2012) study, which found previous privacy invasion moderated the relationship between perceived privacy concerns and consumers’ trust in the SNS. Consumers with previous experiences of privacy invasion were less willing to be profiled online (Awad & Krishnan 2006), but this did not reduce their trust in the organisation. The current study found consumers with privacy concerns reduced trust in an SNS when they had not experienced a privacy invasion. However, this relationship was positive for consumers who had experienced a privacy invasion. This unexpected finding suggests trust antecedents may be more complex than originally thought. For example, consumer’s action to cope with privacy invasion by reporting the issue to the SNS customer service with satisfactory problem solving, may help the consumer build their trust in the SNS. Experience of privacy invasion may also moderate privacy concerns in different ways, depending on whether it is seen as an organisational threat or a social threat (Krasnova et al. 2009). Moreover, consumers’ experience with an organisation may influence their trust in that organisation (Schoenbachler and Gordon 2002), even apart from experience of privacy invasion. Trust in the SNS may be influenced by other factors, even though consumers voice concerns. Consumer experiences of privacy invasion may lead to the consumer learning more about how to control their privacy, improving their trust in an SNS or leading them to only dealing with SNSs they see as trustworthy.

Moreover, supporting Mothersbaugh et al.’s (2012) and Taddei and Contena’s (2013) suggestions, perceived privacy control was more significant and had a stronger effect on trust than did privacy concerns. Privacy control was necessary, as even when consumers had previous privacy invasions, controls helped build trust (Krasnova et al. 2010; Mothersbaugh et al. 2012; Taddei and Contena 2013). This privacy control effect suggests that, although consumers with previous experiences of privacy invasion may have greater privacy concerns,
they may develop more trust in an SNS if they are provided with easy privacy controls or if their perception of privacy control is high (Joinson 2001; Krasnova et al. 2010). This is an important issue for SNS managers, who need to make privacy controls as accessible as possible and ensure consumers feel confident that their privacy is protected. This proposition aligns with previous studies that suggested consumers with privacy concerns use the privacy measures available on an SNS (Chellappa and Sin 2005; Mohamed and Ahmad 2012).

Parallel to reducing privacy concerns and increasing trust, it is important that SNSs and advertisers offer social benefits through social advertising, as this stimulates consumers’ peer-communication through social advertising (Gummerus et al. 2012). This extends previous self-disclosure work, by suggesting social benefits have an impact on peer-communication (Mothersbaugh et al. 2012). Perceived social benefits include providing social support, making new friends or deepening intimacy with others (Dholakia, Bagozzi and Pearo 2004; Gummerus et al. 2012). Economic benefits, such as seeking prizes, participation in lucky draws and the need to obtain rapid brand-related responses from peers or advertisers, and entertainment benefits, did not have an impact on peer-communication through social advertising.

6.4.1 Theoretical Implications

Automated big data collection from consumer activity on SNSs has allowed online advertising to achieve an unprecedented level of individual targeting (Ganguly 2015; Smith et al. 2012; Li & Shiu 2012). This study examined the antecedents of consumer activity on SNSs, particularly peer-communication through social advertising, from a self-disclosure perspective. Previous studies on consumer socialisation focused mostly on social structural variables, such as tie-strength with peers and identification with the peer group (Wang, Yu
& Wei 2012), and developmental experience variables (Moschis & Churchill Jr 1978). In the context of social advertising, a study of consumer socialisation through the lens of self-disclosure is pointedly relevant, as the collection and use of consumer data during peer-communication is ubiquitous. Accordingly, the contribution of this study is twofold. First, we provide a comprehensive model to explain consumer socialisation through self-disclosure behaviour, in the growing context of social advertising. Second, we illustrate three types of perceived communication benefits as antecedents to consumer socialisation. This study yielded a significantly higher explained variance than previous self-disclosure research in an online context (Mothersbaugh et al. 2012), and also revealed the most important antecedent to peer-communication through social advertising, perceived social benefits.

### 6.4.2 Managerial Implications

Advertisers need to develop advertisements that encourage socialisation among consumers. According to this study, most consumers seek social benefits when they communicate with their peers through social advertising. These social benefits may be providing help or support, sharing ideas and information, and keeping in touch with friends. Advertisers could, for example, emphasise advertising messages that stimulate peer-communication by finding out what consumers are likely to respond to and enjoy with their friends. The ALS Ice Bucket Challenge is a powerful example of a successful social advertising campaign that provided social benefits. Where ‘consumers’ communicated with each other through the advertisements, the awareness of Amyotrophic Lateral Sclerosis (ALS) disorder improved and donations increased (Chowdhry 2015). Belkin, in partnership with LEGO, created customisable iPhone cases and asked their consumers to display their creativity by tagging
Instagram photos of their cases with #LEGOxBelkin. This way, peer-communication through the hashtag was facilitated, and consumers promoted the product enthusiastically.

SNS managers also need to make privacy controls accessible and easy to use for consumers. Social media that provides privacy control features will increase consumers’ trust, and thus consumers will be more likely to communicate with their peers through social advertising. Although most SNSs today have provided privacy control features, often these features are complicated and confusing to set. For example, Facebook has received criticism around its regular revisions to privacy settings (Goel 2014; Goel & Wyatt 2013). Typically, privacy control settings can be fine-tuned to prevent access from other social media users, but not advertisers. We believe that this extra level of control will become essential for SNSs to provide, while also balancing their need for advertising revenue. For example, consumers could be enabled to permit SNS to use their data for organisations that they ‘like’ or ‘follow’, but not others. There is a definite lack of awareness among consumers about how their data is or can be used by SNSs, but this is changing (Smit, Van Noort & Voorveld 2014). Thus, improving transparency around data collection, management, uses and sharing, is going to be demanded by more and more consumers.

6.4.3 Limitations and Future research

In the growing field of social media-related research, this study is one of the first to draw on self-disclosure theory to explain peer-communication. Future studies can build on this research by, for example, examining the role of developmental experience variables, such as age or life cycle (Moschis & Churchill Jr 1978). Previous research by Wang, Yu and Wei (2012) made the link between peer-communication and attitude towards the product, and even intention to purchase. These relationships could also be tested in the context of peer-
communication through social advertising. The method employed in this study was a self-report survey. There is scope for an experimental research design, which would provide complementary and even longitudinal data to shed more light on peer-communication through social advertising. Finally, cultural issues are very prominent in any research around privacy and trust. This study is unique in that it draws on a developing economy sample (Indonesia), and lays a foundation for comparative research in developed economies.

6.5 The Peer-Communication through Social Advertising Outcomes

This study extended Wang, Yu and Wei’s (2012) peer-communication outcomes model by suggesting that the outcomes of peer-communication through social advertising in purchase intention is mediated by the consumer’s attitude towards social advertising and their attitude towards the product. Supporting previous studies, the direct influence of attitude towards the product on purchase intention has been anticipated. However, unlike Wang, Yu and Wei (2012), peer-communication through social advertising did not directly affect attitude towards the product as it was an insignificant relationship. In this study, changes in consumers’ attitude towards the product were mediated by changes in attitude towards social advertising as the effect of their peer-communication through social advertising.

The findings support four of the six hypotheses. The outcomes of peer-communication through social advertising were hypothesised to be associated with attitude towards social advertising and attitude towards the product (Wang, Yu & Wei 2012). However, the latter was not significant as an outcome associated with peer-communication through social advertising. Attitude towards social advertising, on the other hand, was a proposed variable, introduced by this research based on the literature review. Attitude towards advertising was believed to be multidimensional, consisting of attitudes towards the brand as well as towards
the instruments used by advertisers (Muehling 1987) with, in this case, social media being the advertising instrument. Wang, Yu and Wei (2012) suggested that attitude towards the product was the result of product-related peer-communication. Instead, as peers give comments and interact with social advertising, their attitude towards social advertising is arguably the result of consumers’ communication with peers through social advertising. The result then demonstrated that the direct relation between peer-communication through social advertising and attitude towards the product was insignificant, thus attitude towards the product could only be mediated by consumers’ attitude towards social advertising.

The influence of consumers’ attitude towards the product on purchase intention has been the focus of considerable research in marketing literature (Wang, Yu & Wei 2012; Saadeghvaziri, Dehdashti & Askarabad 2013; Wang & Sun 2010). In this study, the attitude towards social advertising and attitude towards the product were hypothesised to be associated with purchase intention. However, only the attitude towards the product has significant results in its effects on purchase intention, hence this supports previous studies (Wang, Yu & Wei 2012; Saadeghvaziri, Dehdashti & Askarabad 2013; Wang & Sun 2010). The effect of attitude towards social advertising in purchase intention was, in contrast, insignificant. Nonetheless, attitude towards social advertising has a strong relationship with attitude towards the product, which means that it has an indirect route to affect purchase intention through the mediating effect of attitude towards the product.

All things considered, it is important that SNSs and advertisers invite more consumers to participate in peer-communication through social advertising as the outcomes of peer-communication through social advertising could improve the consumer’s attitude towards social advertising, the consumer’s attitude towards the product, and finally the consumer’s
purchase intention (Wang, Yu & Wei 2012; Saadeghvaziri, Dehdashti & Askarabad 2013; Wang & Sun 2010). The SNSs and the advertisers can invite consumers to participate in peer-communication through social advertising by enhancing peer-communication through social advertising antecedents that have been discussed in the previous sections. Finally, one thing important in the current study is that peer-communication through social advertising can improve consumers’ purchase intentions either directly and indirectly through the changes in consumer’s attitude.

6.5.1 Theoretical Implications

This study examined the effects of peer-communication through social advertising on purchase intention. It extended previous peer-communication research (Wang, Yu & Wei 2012), by putting peer-communication into the context of social advertising. Consumer attitudes and behaviour are most likely to be outcomes of learning properties of consumer socialisation (Moschis & Churchill Jr 1978). Based on consumer socialisation theory, Wang, Yu and Wei (2012) argued that consumers’ attitude towards the product can be improved through product-related peer-communication that eventually has an impact on consumers’ purchase intention. This study put the case in the social advertising context and supported that attitude towards the product is associated with purchase intention, but peer-communication through social advertising did not directly affect attitude towards the product. Peer-communication through social advertising has a strong influence on consumers’ attitude towards social advertising and this attitude towards social advertising influences their attitude towards the product. Moreover, the impact on purchasing intention was mediated through this attitude towards the product. This study positioned attitude towards social advertising as an important variable in peer-communication through social advertising phenomenon.
Indeed, peer-communication through social advertising directly and indirectly intensified consumers’ purchase intentions.

6.5.2 Managerial Implications

This study shows that peer-communication through social advertising can be associated with the consumers’ purchase intention of the product advertised. Therefore, managers could benefit more by involving more consumers in communicating through social advertising. As discussed in previous sections, consumers’ motivations to peer-communicate through social advertising can be driven through their tie-strength with peers, identification with the peer group, identification with the brand, their commitment to the brand and their trust in the social media. Most consumers also seek social benefits when they communicate with their peers. Emphasising these benefits through social advertising communication can also be considered, such as helping consumers to provide help or support to their peers, facilitating consumers to share their ideas, and encouraging consumers to keep in touch with their peers. By stimulating these motivations, consumers can improve their willingness to peer-communicate through social advertising that will change their attitude towards the product positively and eventually increase their intention to purchase.

6.5.3 Limitations and Future research

This study extends consumer socialisation study in social media in the context of social advertising. The outcomes of peer-communication through social advertising on purchase intention are presented in this study. Future studies can build on this study by examining more aspects driving consumers’ attitude towards social advertising. The determination coefficient for this function, although significant, was fairly low, which opens up many more
aspects to be studied in affecting consumers’ attitude towards social advertising. However, consumers’ attitude towards social advertising was indeed central to the model as a precursor of consumers’ attitude towards the product and purchase intention.

6.6 Peer-Communication through Social Advertising: An Integrated Model of Consumer Socialisation Framework

In this section, the study incorporates all of the previous studies into one consumer socialisation framework suggested by Moschis and Churchill Jr (1978). The framework puts peer-communication through social advertising as the consumer socialisation process with its antecedents and its outcomes. Previous studies in social media peer-communication only consider tie-strength with peers and identification with the peer group as the antecedents (Wang, Yu & Wei 2012). Following Moschis and Churchill Jr (1978), the current study also includes brand identification as the consumer’s developmental experience suggested in the framework. From the initial analysis, brand commitment could not be included in the model as one of the developmental experience variables as it has a multicollinearity problem with the dependent variable. Moreover, the inclusion of trust in the SNS and perceived social benefit as antecedents was more to describe the self-disclosure phenomenon in the communication.

From the analysis, the results suggested that among all of the antecedents, only ‘tie-strength with peers’ was not significant to consumers’ peer-communication through social advertising. This result is different to what Wang, Yu and Wei (2012) suggested where tie-strength with peers and identification with the peer group were both significant. However, among the peer-communication through social advertising antecedents, the highest relationship was made by the consumers’ perceived social benefit. This study suggested that
perceived social benefit plays a central role in peer-communication through social advertising. Perceived social benefit can be in the form of providing social support, making new friends or deepening intimacy with others (Dholakia, Bagozzi & Pearo 2004; Gummerus et al. 2012) and this is what encourages consumers to peer-communicate through social advertising. Another social structural variable of the antecedents to peer-communication through social advertising was identification with the peer group, but the effect is the lowest among others.

The second highest factor to influence consumer peer-communication through social advertising was the brand identification antecedent. Consumers’ brand identification was associated with peer-communication through social advertising that supports previous studies by Tuškej, Golob and Podnar (2013) and Kuenzel and Halliday (2008). Accordingly, consumers with higher brand identification will be likely to have more peer-communication through social advertising. Consumers’ brand identification measures include a compliment feeling when peers praise the brand, a feeling of interest in what peers think about the brand, a good feeling to see positive feedback from peers about the brand, a similarity between self-personality and values with the brand, and a sense of homophily with peers using the brand (Kuenzel & Halliday 2008; Tuškej, Golob & Podnar 2013). While the other two antecedents, trust in the SNS and identification with the peer group, had the least influence to peer-communication through social advertising.

Other relationship paths on the right-hand side of the model, the outcomes, were significant. The outcome of peer-communication through social advertising was directly and indirectly associated with the consumer’s purchase intention, which supports previous studies (Wang, Yu & Wei 2012). However, the attitudinal behaviour carrying the peer-communication
effects was through the attitude towards social advertising. The peer-communication outcome was analysed as directly influencing consumers’ attitude towards social advertising which will then influence their attitude towards the product. Eventually, the changes in attitude towards the product were associated positively with the consumer’s purchase intention, similar to previous studies (Wang, Yu & Wei 2012; Saadeghvaziri, Dehdashti & Askarabad 2013; Wang & Sun 2010).

Based on this study, advertisers can take advantage of consumers’ perceived social benefit, brand identification, trust in the SNS, and consumers’ identification with the peer group. Consumers’ brand commitment and tie-strength with peers were not suitable for this study, as the earlier had multicollinearity with other variables and the latter was not significant. Advertisers can be more focused on consumers’ social benefit when they launch social advertising in the social media, such as by facilitating consumers’ getting in touch with their friends through social advertising. This can be stimulated by content of advertising which fortifies friendships. Social benefits that the consumer gained from their participation in peer-communication derived from establishing and maintaining contact with other people, including social support, friendship and intimacy (Dholakia, Bagozzi & Pearo 2004). In other words, consumer desire to peer-communicate through social advertising can be initiated from the need to get social support, to have new friends, and to promote intimacy with others. Most branding or promotions through traditional advertising are one-way communications that dictate to the viewers. By using interactivity in social media, advertising can involve viewers or consumers in interacting with the company and participating in activities to satisfy consumers’ social benefit. For example, encouraging consumers to share their use and recommendation of the advertised product will boost the consumer’s perceived social benefit.
as they will provide information to other consumers or share their ideas about the product with their peers.

Brand identification is the second influential factor of peer-communication through social advertising, and this relates to the consumer’s identity. The concept of identity helps capture the essence of who people are and why they do what they do; that is, why people join organisations and why they voluntarily leave (Ashforth, Harrison & Corley 2008, p. 334). Consumers would be expected to use social media to identify the particular brand page or fan page to engage with their product updates, promotions or advertising in regard to expressing their identity towards the product. Thus, identification is the key process of socialisation by which people come to define themselves, communicate that definition to others, and use that definition to navigate their lives, involvements, and socialise (Ashforth, Harrison & Corley 2008). As most social media today can profile their users by the page that they like (Ganguly 2015; Li & Shiu 2012; Smith et al. 2012), social advertising through brand identification can be done by the help of social media. For example, consumers can choose which brands and pages they like to follow for their feed on social media. Based on this data, social media can offer advertisers a relevant audience who has interacted with these brands and pages and target that audience based on their stated preference. The consumer’s experience in browsing social media for relevant brand advertisements will be better than by viewing an unrelated advertising message that is distant from their identity.

Trust in the SNS and identification with the peer group are the last two influential factors of peer-communication through social advertising. As studied earlier in the previous sections, trust in the SNS is associated with the consumer’s privacy concerns and perceived privacy control. Improving consumers’ trust in the social media can be achieved by leveraging
consumers’ perception over privacy protection through providing privacy control. The more trust a consumer has in social media, the more likely the consumer is to use social media for their online activities, including peer-communication through social advertising.

The least influential antecedent studied in this research, identification with the peer group, is similar to brand identification, and related to the consumer’s identity that reflects individual identification with a particular object that represents self-image identity. In the theory of social identity, social identification is essentially a perception of oneness with a group of persons (Ashforth & Mael 1989). Identification with the peer group is a key factor of consumers’ participation in the virtual community (Dholakia, Bagozzi & Pearo 2004). Identification with the peer group can be in the form of the consumer’s sense of belongingness and attachment to a community (Zhou 2011). Taking advantage of this factor, advertisers can penetrate into these social media communities and make social advertising personalised for the community. This way, the advertising target more accurately improves advertising effectiveness.

For the outcomes, the results are pretty similar to the previous section dedicated to studying the outcomes of peer-communication through social advertising. Peer-communication through social advertising is either directly and indirectly associated with the consumer’s purchase intention. It is directly related to attitude towards social advertising, whereas the attitude towards social advertising positively influences the consumer’s attitude towards the product. Finally, change in attitude towards the product is associated positively with the consumer’s purchase intention. The result supports previous studies (Saadeghvaziri, Dehdashti & Askarabad 2013; Wang & Sun 2010; Wang, Yu & Wei 2012) and encompasses the research in the context of peer-communication through social advertising.
6.6.1 Theoretical Implications

In general, this study comprehends peer-communication through social advertising in the theory of consumer socialisation, whereas it has the antecedents, the consumer socialisation process, and the outcomes. This study examined the antecedents and the outcomes of peer-communication through social advertising on purchase intention. This research extends previous peer-communication study (Wang, Yu & Wei 2012) by looking further into more specific antecedents, such as developmental experience variables and self-disclosure variables. These variables, which once were considered demographic (Moschis & Churchill Jr 1978), are also studied further, particularly in the use of psychographic factors.

The study uses all aspects proposed in theory, including social structural antecedents and developmental experience antecedents (Moschis & Churchill Jr 1978). The consumer socialisation framework describes that social antecedents could be in the form of social class and gender, while in this study tie-strength with peers and identification with the peer group is used. Although after the analysis, only identification with the peer group is significant in the model. Other antecedents, developmental experience variables, were use age and life cycle as the antecedents of consumer socialisation (Moschis & Churchill Jr 1978). In this study, brand identification and brand commitment are used as the developmental experience variables considering the experience the consumers have in their relationships with the advertised brand. However, only brand identification can pass through the preliminary analysis due to multicollinearity in the brand commitment factor.

In short, the key theoretical contribution of this thesis is derived from the inclusion of self-disclosure variables in the framework, as previous consumer socialisation research has mostly focused on social structural variables and developmental experience variables. Self-
disclosure theory in online consumer socialisation is relevant as the use of consumer data during peer-communication is now common in almost any social media platform (Ganguly 2015; Smith et al. 2012; Li & Shiu 2012). The results showed that trust and perceived social benefits, as self-disclosure antecedents, are both significant in improving consumer peer-communication through social advertising. This contributes to the consumer socialisation body of knowledge, by showing the influence of consumer self-disclosure behaviours in predicting consumer socialisation.

The study also explains the outcomes of peer-communication through social advertising and puts emphasis on whether the peer-communication through social advertising has effects on consumers’ purchase intention. The effects on purchase intention were found to be indirect, mediated by the consumers’ attitude towards social advertising and the consumers’ attitude towards the product consecutively.

6.6.2 Managerial Implications

This study has implications for managerial decision making in both SNSs and advertisers. SNSs can help advertisers to achieve their expected audience by improving consumers’ trust in the SNS to communicate through social advertising. Social media has to make sure that consumers’ data will not be personally identified and to make room for consumers to control their privacy. In the previous section, privacy concerns have been demonstrated to reduce consumers’ trust in the SNS, but perceived privacy control improves their trust and consumers will be more likely to use the service, such as peer-communication through social advertising.

On the other hand, advertisers can benefit from all other antecedents of peer-communication through social advertising to improve their advertising performance and appeal to
consumers’ purchase intention. Emphasising social benefits in advertisements will have a prevalent impact on peer-communication through social advertising. Aiming advertisements at specific social media communities or groups related to the brand is also essential to stimulate consumers’ identification with the peer group as well as brand identification. Eventually, managerial efforts to emphasise the antecedents of peer-communication through social advertising will lead into consumers’ purchase intention.

6.6.3 Limitations and Future Research

Among the social media-related research, this study is one of the first to research social advertising rigorously. The antecedents and the outcomes of peer-communication through social advertising were profoundly studied. Future studies can build on this research by, for example, examining other antecedents or outcomes. For example, the determination coefficient of attitude towards social advertising as the outcome of peer-communication through social advertising is considered very low, suggesting that there may be other aspects that contribute to the attitude. Apart from psychographic factors studied in this research, demographic factors of consumer socialisation processes such as age, gender, social class and family income, as suggested by Moschis and Churchill Jr (1978), may also possibly be studied in the future. Moreover, other methods of research are also encouraged, such as experimental, to expose more understanding in the field of peer-communication through social advertising. After all, this study was located in Indonesia and the culture would always be different to another country. As a country with a collectivist culture, people are often encouraged to be active in society, which may mean social media use is higher than in countries with individualistic culture (Minton et al. 2012). Thus, a comparison study in other nations with different cultural backgrounds is also a potential for future research.
6.7 Conclusion

This chapter discusses and concludes the results of the peer-communication through social advertising model. The analyses were dissected into several sections that fragmented the proposed framework into a smaller model for easier and deeper understanding. The fragmented framework followed the outline of consumer socialisation theory (Moschis & Churchill Jr 1978), which consists of social structural antecedents, developmental experience antecedents, and outcomes, with proposed self-disclosure antecedents. Peer-communication through social advertising was considered as the process of consumer socialisation as the central variable of the model. The antecedents were first analysed, then the outcomes.

First, the social structural variables of peer-communication through social advertising model were analysed. Social structural variables are one of the suggested antecedents in the consumer socialisation framework (Moschis & Churchill Jr 1978), the framework that has been used to describe the phenomenon in social media peer-communication (Wang, Yu & Wei 2012). Psychographic factors of social structural variables became the focus of the research, following recent studies in social media peer-communication. The study on antecedents of peer-communication in the social media model that is introduced by Wang, Yu and Wei (2012) was used to test the proposed model in the context of social advertising. Supporting the previous study, tie-strength with peers and identification with the peer group could be associated with peer-communication through social advertising.

Second, another part of the consumer socialisation antecedents was proposed in the study of social media peer-communication. The developmental experience variables were suggested as one of the antecedents of consumer socialisation (Moschis & Churchill Jr 1978). The study then uses these variables to examine more associated antecedents that may be related to peer-
communication through social advertising. Brand identification and brand commitment were found to be significant antecedents as developmental experience variables to influence peer-communication through social advertising.

Third, as peer-communication through social advertising involves privacy, a study of applying self-disclosure theory into the model was proposed. Self-disclosure antecedents (Mothersbaugh et al. 2012) were analysed as the antecedents to peer-communication through social advertising. The results suggested that trust in the SNS mediates consumers’ perceived privacy control and privacy concerns. Moreover, among the perceived benefits studied as the self-disclosure antecedent, perceived social benefit is the only factor that stood out as the significant antecedent.

Fourth, the outcome of peer-communication through social advertising was discussed. The model proposed replicates the social media peer-communication study by Wang, Yu and Wei (2012) in the context of social advertising. The results suggested that peer-communication through social advertising can be associated with consumer’s purchase intention. However, the effect was indirect through the mediating roles of attitude towards social advertising and attitude towards the product. The changes in these attitudes then positively influence the variations in consumer’s purchase intention.

Finally, the analysis estimated an integrated model incorporating all of the individual models into one single consumer socialisation framework. The results of the integrated model were fairly different from the fragmented model, particularly in the antecedents section. The findings suggested that brand commitment needed to be removed as it has multicollinearity with another variable, possibly with the dependent variable. Thus, the brand commitment factor was removed, although in the fragmented model analysis it had a strong influence on
peer-communication through social advertising. Tie-strength with peers was also found to be not significant in its association with peer-communication through social advertising, compared to the significant effects on the individual model. Thus, the only significant factors of peer-communication through social advertising in the integrated model are the perceived social benefits, brand identification, trust in the SNS, and identification with the peer group, respectively, based on their loads on path coefficients. The outcomes of peer-communication through social advertising were found to be at the same results given by the individual model. Peer-communication through social advertising was considered to be associated with consumer’s purchase intention directly and indirectly through the mediation of attitude towards social advertising and attitude towards the product.
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APPENDIX A: ONLINE SURVEY

Participant Information

Thank you for taking your time to participate in this survey.

Please DO NOT USE the 'Back' and 'Forward' buttons on your browser. Use the buttons at the bottom of each screen.

PARTICIPANT INFORMATION

Aims of the project: This project is conducted by Yusfi Ardiansyah as part of a doctoral research project, under the supervision of Dr Paul Harrigan at The University of Western Australia. It aims to investigate the consumer motivation to socialise through advertising in social media and its effects on purchase intention.

About the project: The research will benefit consumers by providing new information about consumers’ motivation and needs on advertising socialisation in social media, and allowing businesses to work towards satisfying those needs and motivation.

About the questionnaire: The questionnaire consists of 12 pages (including this page) and will take approximately 15 minutes to complete. It will include questions about perceptions on socialising promotional message in social media, social orientation, benefit orientation, brand relationship orientation, attitude on the product and the advertising, and purifying intention. The survey is quantitative and does not require in-depth written responses, and there are no right or wrong answers. Please take as much time as you need to answer the questions. Most questions only require you to tick a box. There will be a link at the end of the survey to participate in a prize draw to win one of two Rp. 500,000 shopping vouchers from Grant or Carnavals.

Protection of privacy: The results will only be published in aggregate form. The information you provide will be treated as strictly confidential and no data about you will be released by the researchers. All your answers to the questions are strictly anonymous. Under no circumstances will any information be released about you as an individual nor will your data be sold or otherwise distributed unless strictly required by law.

Voluntary participation: The participation of this study is voluntary. You can withdraw from the study at any point without reason if you feel the need to do so. In which the questionnaire will not be recontacted.

Consent: By completing the anonymous survey, implicit consent will be assumed.

Questions: If you have any questions regarding the project please contact Yusfi Ardiansyah on (61) 0468 537 999 or Chief Investigator Paul Harrigan on (61) 8 6488 1979. If you have any issues regarding the ethics of this research please contact the Complaint Resolution Unit via complaints@uwa.edu.au

Approval to conduct this research has been provided by the University of Western Australia, in accordance with its ethics review and approval procedures. Any person considering participation in this research project, or agreeing to participate, may raise any questions with the researchers at any time.

In addition, any person not satisfied with the response or researcher’s may raise ethics issues or concerns, and may make any complaints about this research project by contacting the Human Ethics Office at the University of Western Australia on (61) 8 6488 3703 or by emailing to humanethics@uwa.edu.au

All research participants are entitled to retain a copy of any Participant Information Form and/or Participant Consent Form related to this research project.

Your participation in this study does not prejudice any right to compensation, which you may have under statute or common law.

Regards,

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PARTICIPATION CONSENT

Your participation in this study does not prejudice any right to compensation, which you may have under statute or common law.

I, the participant, have read the information provided and any questions I have asked have been answered to my satisfaction. I agree to participate in this activity, realising that I may withdraw at any time without reason and without prejudice. (Or where applicable – without prejudice to my future medical treatment.)

I understand that all identifiable (attributable) information that I provide is treated as strictly confidential and will not be released by the investigator in any form that may identify me. The only exception to this principle of confidentiality is if documents are required by law.

I have been advised as to what data is being collected, the purpose for collecting the data, and what will be done with the data upon completion of the research.

I agree that research data gathered for the study may be published provided my name or other identifying information is not used.

Approval to conduct this research had been provided by the University of Western Australia, in accordance with its ethics review and approval procedures. Any person considering participation in this research project, or agreeing to participate, may raise any questions with the researchers at any time.

In addition, any person not satisfied with the response of researchers may raise ethics issues or concerns, and may make any complaints about this research project by contacting the Human Ethics Office of the University of Western Australia on (08) 6488 3793 or by emailing to humanethics@uwa.edu.au.

All research participants are entitled to retain a copy of any Participant Information Form and/or Participant Consent Form relating to this research project.
Survey Introduction and Participant Screening Questions

INTRODUCTION TO CONSUMER SOCIALISATION IN SOCIAL ADVERTISING

Social advertising is advertising on social media that relies on social network information in generating, targeting, and delivering marketing communications.

Social advertising is endorsed by some users through their socialisation behaviour with the advertising posts. This socialisation could be in the form of likes, comments, tags or mentions of hashtags updates, about the product advertised in social media.

The purpose of this survey is to collect information from users of social media to explore their perceptions around their socialisation with advertising in social media.

Below are some examples of social advertising
This is a type of consumer socialization in social advertising on Twitter, where people mention the brand account, @Wendys, and the hashtag #wEatforK to discuss Wendy's new product.
This is an example of consumer socialisation in social advertising on Instagram, where people mention a hashtag campaign #ADAAqua in their photos to discuss the use of Aqua products in their daily activities.

Similar types of consumer socialisation in social advertising may be found on social networks not shown above, such as LinkedIn, Pinterest, etc.

Now let's begin the questions.

In the last six months, have you socialised (through likes, shares, comments, etc.) in social advertising, like the above examples?

☐ Yes
☐ No

How often are you involved in socialising through social advertising in your social media activities? Please slide the pointer.

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<td>5</td>
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<td>6</td>
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</tbody>
</table>

204
How do you usually socialise through social advertising? (You can choose more than one)

- Read the message or play if it is a video message
- Click the advertising to find out more information
- Like the advertising message
- Share the advertising or the promotional offer to tell people
- Comment on the post to discuss with the customer relation officer or other users
- Mention the @brand name in my posts
- Mention the #hashtag campaign of the brand
- No, I have not had any socialisation through advertising messages in social media before

The Survey

CONSUMER SOCIALISATION IN SOCIAL ADVERTISING ACTIVITY

YOUR SOCIALISATION ACTIVITY WITH SOCIAL ADVERTISING

Please select top three product types whose advertising updates you would be most likely to socialise with your peers on social media.

- Alcohol/Cigarettes
- Cars/Bikes
- Clothing/Apparel
- Cosmetics
- Electronics/Gadgets
- Entertainment/Cinema/Concert
- Finance/Insurance
- Food and Beverages
- Food Services/Restaurants
- Gaming/Toys
- Hobby/Lifestyle/Traveling
- Luxury Goods/Jewelry
- Online Shops/General Retailers
- Software/Apps
- Sport Brands/Club Merchandise
- Other: [ ]

When social networking website do you mostly use to socialise through social advertising?

- Facebook
- Twitter
- LinkedIn
- Instagram
- Pinterest
- Google+
- Other: [ ]
Please specify one of the brands of [a][a]CHOICEGROUP[SelectedChoicesTextEntry] type whose advertising updates you would be most likely to socialise with your peers on [a][a]CHOICEGROUP[SelectedChoicesTextEntry].

☐ Specify one brand

Please describe your socialisation activities when you encountered advertising from the brand:

☐ I only read it
☐ I clicked it to see further information
☐ I ‘liked’ it
☐ I shared the information with my friends
☐ I mentioned the brand to tell friends about my activity with it
☐ I mentioned the hashtag to participate in the brand discussion
☐ I commented on the post to have a discussion

YOUR ATTITUDE AND INTENTION

YOUR ATTITUDE AND INTENTION
Please describe your attitudes toward the products of [a][a]CHOICEGROUP[SelectedChoicesTextEntry].

Undesirable | Desirable
---|---
Dislike | Like
Good | Bad

Please describe your attitude toward the social advertising of [a][a]CHOICEGROUP[SelectedChoicesTextEntry].

Desirable | Undesirable
---|---
Bad | Good
Like

Please describe your likelihood to socialise through advertising from [a][a]CHOICEGROUP[SelectedChoicesTextEntry] on [a][a]CHOICEGROUP[SelectedChoicesTextEntry].

Read advertising messages from

[a][a]CHOICEGROUP[SelectedChoicesTextEntry]
suggested by my peers in social media

“Like”

[a][a]CHOICEGROUP[SelectedChoicesTextEntry]
advertising posts in social media

Write comments on the advertising posts of

[a][a]CHOICEGROUP[SelectedChoicesTextEntry]
Share advertising posts of

[a][a]CHOICEGROUP[SelectedChoicesTextEntry]
to my peers

Share advertising posts of

[a][a]CHOICEGROUP[SelectedChoicesTextEntry]
to my status updates

Mention

[a][a]CHOICEGROUP[SelectedChoicesTextEntry]
to tell friends about my activity with it

Participate in hashtag discussion by mentioning the

[a][a]CHOICEGROUP[SelectedChoicesTextEntry] #hashtag campaign
Please describe your intention to purchase products or services from [CHOICEGROUP:SELECTED:CHOICE:TEXT ENTRY].

<table>
<thead>
<tr>
<th>Uncertain</th>
<th>Certain</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<tr>
<td>Definitely not</td>
<td>Definitely</td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Unlikely</td>
<td>Likely</td>
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</tr>
</tbody>
</table>

**BRAND RELATIONSHIP ORIENTATION**

Please indicate the extent to which you agree or disagree with the following statements:

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Somewhat Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Somewhat Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
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<td></td>
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</tbody>
</table>

I feel good when I see a positive feedback about [CHOICEGROUP:SELECTED:CHOICE:TEXT ENTRY] from my peers.

When someone praises [CHOICEGROUP:SELECTED:CHOICE:TEXT ENTRY], it feels like a personal compliment.

I am very interested in what others think about [CHOICEGROUP:SELECTED:CHOICE:TEXT ENTRY].

I feel that my personality and the personality of [CHOICEGROUP:SELECTED:CHOICE:TEXT ENTRY] are very similar.

I feel that my values and the values of [CHOICEGROUP:SELECTED:CHOICE:TEXT ENTRY] are very similar.

I have a lot in common with other people who are using [CHOICEGROUP:SELECTED:CHOICE:TEXT ENTRY].

Please indicate the extent to which you agree or disagree with the following statements:

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Somewhat Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Somewhat Agree</th>
<th>Strongly Agree</th>
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</tbody>
</table>

I would like it if people on [CHOICEGROUP:SELECTED:CHOICE:TEXT ENTRY] talked about me buying [CHOICEGROUP:SELECTED:CHOICE:TEXT ENTRY].

The good thing about buying [CHOICEGROUP:SELECTED:CHOICE:TEXT ENTRY] is that I can talk to my peers on [CHOICEGROUP:SELECTED:CHOICE:TEXT ENTRY] about it.

## PERCEIVED BENEFIT ORIENTATION

Please indicate the extent to which you agree or disagree with the following statements:

- I participate (through likes, share, comment, etc.) with social advertising on Facebook, because...
- I share my ideas with my peers, because...
- I want to help peers or other users, because...
- I want to feel needed by other users, because...
- I want to provide information to my peers, because...
- I want to pass time when I am bored, because...
- I want to participate in lucky draws, because...
- It would be beneficial for me, because...
- I want to get help from other users, because...
- I want to get entertained, because...

<table>
<thead>
<tr>
<th>Reasons</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Somewhat Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Somewhat Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>It would be to my advantage</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>I want to relax</td>
<td></td>
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<tr>
<td>Fast responses from the company</td>
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<tr>
<td>Get better service</td>
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<tr>
<td>Want to stay in touch with peers</td>
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<td></td>
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<tr>
<td>Want to get reward</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>It would be valuable for me</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Want to get to know other users</td>
<td></td>
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<tr>
<td>Share my ideas with my peers</td>
<td></td>
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<tr>
<td>Help peers or other users</td>
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<tr>
<td>Feel needed by other users</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provide information to my peers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pass time when I am bored</td>
<td></td>
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<tr>
<td>Participate in lucky draws</td>
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<tr>
<td>It would be beneficial for me</td>
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<td></td>
</tr>
<tr>
<td>Get help from other users</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Get entertained</td>
<td></td>
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</tr>
</tbody>
</table>
TRUST AND PRIVACY ORIENTATION

Thinking about your socialisation through social advertising that may be in a public domain, you might think about your privacy and trust issues on social media.

Please indicate the extent to which you agree or disagree with the following statements:

<table>
<thead>
<tr>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Somewhat Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Somewhat Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I choose the ways in which my personal information in may be used for marketing</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>could be trusted completely</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The thought that Internet retailers may collect and re-use my personal information in for marketing to me is troubling</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The possibility that online firms may use information I give to to make unsolicited contact bothers me</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>could be relied on</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>The information about that I supply to can only be used for advertising in ways I have approved</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I have complete power over how the information I provide to will be later used for promotional purposes</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>I am concerned that my personal information that companies acquire from may result in me receiving more promotional offers</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
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</tbody>
</table>

Have you ever personally been the victim of what you felt was an invasion of your privacy when using?

☐ Yes
☐ No
### SOCIAL RELATIONSHIP ORIENTATION

Please consider your likelihood of the following:

<table>
<thead>
<tr>
<th>How likely is it that you would share personal confidence with your peers on your peer group?</th>
<th>Very Unlikely</th>
<th>Unlikely</th>
<th>Somewhat Unlikely</th>
<th>Undecided</th>
<th>Somewhat Likely</th>
<th>Likely</th>
<th>Very Likely</th>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>How likely is it that your peers on your peer group would perform a large favor for you?</th>
<th>Very Unlikely</th>
<th>Unlikely</th>
<th>Somewhat Unlikely</th>
<th>Undecided</th>
<th>Somewhat Likely</th>
<th>Likely</th>
<th>Very Likely</th>
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<table>
<thead>
<tr>
<th>How likely is it that you would perform a large favor for your peers on your peer group?</th>
<th>Very Unlikely</th>
<th>Unlikely</th>
<th>Somewhat Unlikely</th>
<th>Undecided</th>
<th>Somewhat Likely</th>
<th>Likely</th>
<th>Very Likely</th>
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<table>
<thead>
<tr>
<th>How likely is it that you would spend some free time socializing with your peers on your peer group?</th>
<th>Very Unlikely</th>
<th>Unlikely</th>
<th>Somewhat Unlikely</th>
<th>Undecided</th>
<th>Somewhat Likely</th>
<th>Likely</th>
<th>Very Likely</th>
</tr>
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</tbody>
</table>

Please indicate the extent to which you agree or disagree with the following statements:

<table>
<thead>
<tr>
<th>The friendships I have with my peer group on my peer group mean a lot to me.</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Somewhat Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Somewhat Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>My peer group on my peer group and I share the same objectives.</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Somewhat Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Somewhat Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>If my peers planned something, I'd think of it as something &quot;we&quot; would do rather than &quot;they&quot; would do.</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Somewhat Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Somewhat Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
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<td>〇</td>
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<td>〇</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>I am very attached to my peer group on my peer group.</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Somewhat Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Somewhat Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>〇</td>
<td>〇</td>
<td>〇</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>I see myself as part of the peer group on my peer group.</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Somewhat Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Somewhat Agree</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>
# Peer Communication Through Social Advertising

**Your Communication With Peers In Social Media**

Please indicate the extent to which you agree or disagree with the following statements:

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Disagree</th>
<th>Somewhat Disagree</th>
<th>Neither Agree nor Disagree</th>
<th>Somewhat Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>I would tell my peers on $\text{CHOICEGROUPSELECTEDCHOICETEXTENTRY}$ about buying $\text{CHOICEGROUPSELECTEDCHOICETEXTENTRY}$ products or services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I would like to hear advice from my peers on $\text{CHOICEGROUPSELECTEDCHOICETEXTENTRY}$ about $\text{CHOICEGROUPSELECTEDCHOICETEXTENTRY}$ products or services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My peers on $\text{CHOICEGROUPSELECTEDCHOICETEXTENTRY}$ would encourage me to buy $\text{CHOICEGROUPSELECTEDCHOICETEXTENTRY}$ products or services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I would like to receive product information from my peers on $\text{CHOICEGROUPSELECTEDCHOICETEXTENTRY}$</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I would like to discuss about $\text{CHOICEGROUPSELECTEDCHOICETEXTENTRY}$ products or services with my peers on $\text{CHOICEGROUPSELECTEDCHOICETEXTENTRY}$</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

211
DEMOGRAPHIC INFORMATION

I am a...

- Female
- Male

Please enter your age:

What is your highest level of education you have completed?

- Prefer not to answer
- Less than High School
- High School
- Some College
- 2-year College Degree
- 4-year College Degree
- Masters Degree
- Doctorate Degree
- Professional Degree

What is your combined annual household gross income?

- Prefer not to say
- Less than Rp. 30 million
- Rp. 30 mil – Rp. 75 mil
- Rp. 75 mil – Rp. 150 mil
- Rp. 150 mil – Rp. 300 mil
- Rp. 300 mil – Rp. 450 mil
- Rp. 450 mil – Rp. 600 mil
- Rp. 600 mil – Rp. 750 mil
- Rp. 750 mil – Rp. 900 mil
- More than Rp. 900 million

Clicking "next" will finish and save your survey.
APPENDIX B: ABSTRACT FOR ANZMAC CONFERENCE 2016

Consumers’ perceived benefits in peer-communication through social advertising

Yusfi Ardiansyah a, Paul Harrigan a, Geoffrey N. Soutar a
a The University of Western Australia Business School, Australia.

Abstract

Peer-communication is a fundamental premise of social media. Social advertising, a form of online advertising, uses peer-communication to diffuse advertising messages to consumers on social media. Advertisers are realising they need to use this phenomenon if they are to see a significant return on their social advertising efforts. This study examines the influence consumer’s perceived benefits had on social advertising peer-communication. Data from 393 respondents were collected through an online survey distributed to social media users in Indonesia. Findings showed social and economic benefits were significant predictors of social advertising peer-communication, although entertainment benefits were not. This study provides an extended understanding of consumer socialisation and its implications for managers wishing to develop social advertising content that improves peer-communication among consumers.

Keywords: Social advertising, social media, peer-communication, perceived benefit

Track: Digital Marketing and Social Media / Consumer Behaviour
APPENDIX C: ABSTRACT FOR JOURNAL OF INTERACTIVE ADVERTISING 2017

Antecedents to consumer peer-communication through social advertising: A self-disclosure theory perspective

Yusfi Ardiansyah\(^a\), Paul Harrigan\(^a\), Geoffrey N. Soutar\(^a\), Timothy Daly\(^b\)

\(^a\) The University of Western Australia Business School, Australia.
\(^b\) Zayed University College of Business, Dubai, United Arab Emirates.

Abstract

The use of peer-communication has become a primary method used by advertisers to disseminate their messages to relevant consumers on social media – with a significant return on investment. This study examines whether consumers’ privacy, trust and perceived benefits are associated with their peer-communication through social advertising within the lens of self-disclosure theory. The results of a survey of 393 social network users in Indonesia demonstrates that trust is a key factor promoting peer-communication through social advertising, mediating privacy concerns and perceived privacy control. Of the three types of peer-communication benefits examined, social benefit appears to be the most significant antecedent ahead of economic benefit and entertainment benefit. These findings have theoretical and managerial implications.

Keywords: Peer-communication, privacy, disclosures, social advertising, social media