

**SOCIAL MEDIA: HOW THEY CREATE
VALUE FOR BUSINESS ENTERPRISES IN
NEW ZEALAND FROM CUSTOMERS'
PERSPECTIVES**

By

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A thesis

submitted in partial fulfilment
of the requirements for the degree

of

Master of Business

at

Unitec Institute of Technology



2015

ABSTRACT

The explosive growth of social networking sites such as Facebook, Twitter, LinkedIn, and YouTube has been capturing the attention of a great number of consumers from all age groups, not only teenagers but also users in Generation X. In recent years, social media has become the buzzword for businesses. More specifically, social media are considered as being the new and promising online marketing channels for marketers to build up consumer communities and interact with their potential customers based on user-generated content and real-time communication. Therefore, it is crucial for businesses to leverage these new tools as new components of their marketing mix and business actions in the new millennium. Previous studies highlighting social media has brought up great opportunities to engage with consumers via a two-way interaction, which in turn has a powerful impact on brand loyalty and engagement. However, many companies still have not recognised the importance of social media. Many companies are still confronting challenges in terms of managing marketing tactics and their business actions on social media effectively.

To broaden our understanding and provide useful recommendations for effective marketing communication and business activities via social media, this research aims to provide insights into how social media can create value for New Zealand businesses from a customers' perspective. The research employed the quantitative approach including a large-scale online survey among New Zealand young adults on different social media platforms in 2014, yielding 153 valid responses. The research findings highlight consumers tend to reply on social media not only for socialising but also to seek recommendations and advice to inform their purchasing decisions. It has been suggested that from a customers' point of view, direct social media advertising such as posting sales information is the most popular example of using social media for business purposes. Furthermore, most participants felt that the content presented on social media platforms is misleading to a certain extent. There are significant differences among age groups in perceived importance of social networking sites in their daily lives. The study, therefore, outlines specific suggestions on how New Zealand businesses can utilise social media tools for business and marketing purposes more effectively. In addition, the study suggests several useful directions for future research on social media advertising in different contexts.

Key words: *social media advertising; social media; businesses; value; New Zealand*

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ACKNOWLEDGEMENTS

I would like to express my great appreciation to Dr. Asoka Gunaratne, my research supervisor, for his professional advice, patient guidance and enthusiastic encouragement during this research project. He taught me not only specialised knowledge but also useful research methods and skills, which have been essential for me to complete this thesis successfully.

My grateful thanks are also extended to my associate supervisor Dr. Andries Du Plessis, who ably assisted me to conduct my research. The research could not be successful without the active involvement of people who completed my online questionnaire on the Qualtrics site. I therefore offer the sincere thanks to all respondents for their patience and effort to give their views on the topic.

Finally, I do wish to say thank you to my beloved family and friends, who sustained my enthusiasm throughout my postgraduate study. They inspired me with strong motivations to overcome all the challenges and difficult times during this work.

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CHAPTER ONE: INTRODUCTION

1.1 Chapter overview

This chapter offers insights into the importance of research problems in the context of New Zealand. Then, the research objectives and their relation to the quantitative approach are presented. Towards the end of this chapter, a brief summary of the structure and contents of the report is provided.

1.2 Importance of the study

In the past decade, social media has been widely used among Internet users all over the world. According to the report of eMarketer (2013), the number of social media users around the world has grown dramatically from 1.47 billion in 2012 to 1.73 billion in 2013. It is noticeable that the social network audience will reach 2.55 billion by 2017. Today, nearly one in four people worldwide is currently using social networks every day (eMarketer, 2013). Along with the rapid expansion of social media user populations in most markets, companies have increasingly adopted social media tools in combination with other marketing channels to promote their products and services to target customers (Kaplan and Haenlein, 2010). A significant number of organisations have already utilised social media to ensure effective and enduring relationships with present and potential customers (Agarwal, Mondal, and Nath, 2011).

In just a few short years, social media has revolutionised the way companies interact with their customers as well as the way they implement their marketing and business activities in more effective and efficient ways (Golden, 2011). Social media offers countless opportunities for companies large and small to promote and advertise their products and services to a mass audience all over the world. Over 81 per cent of advertising agencies and 75 per cent of advertisers have used social media in product promotion in 2012. However, 62 per cent of advertisers and 70 per cent of agencies are still unaware of how to measure the efficiency of social media advertising (Cohen, 2015).

In New Zealand context, the usage of social media for marketing purposes is still very limited with only 20 per cent of New Zealand businesses having some form of online presence on social media platforms (Smith, 2012). New Zealand companies are still very slow at adopting social media for their marketing and business actions, as they have not perceived the important role and benefits of these new communication channels. Moreover, it should be noted that the majority of emerging enterprises are solely concerned with promoting their organisation via mass media

instead of being committed to establishing personal connection with customers via social media platforms (Eyrich, Padman, and Sweetser, 2008). As a result, New Zealand businesses have strong resistance with using social media for business and marketing purposes. They are confronting challenges in terms of managing marketing tactics and business strategy on social media effectively. Considering the explosive growth of social network audience, it is essential to identify how social media could create the value for businesses from customers' perspective in the context of New Zealand (Bertot, Jaeger, and Grimes, 2010).

1.2.1 Importance of social networks

According to Golden (2011), the spread of social media is considered as a remarkable phenomenon in the 21st century. **As one of the most popular and influential medium in the social media universe, Facebook has reached nearly one billion active users, which is three times as large as the population of the United States in 2012** ("Facebook Statistics and Metrics by Continents," n.d.). Undoubtedly, the immense effects of these new media have become evident in almost every facet of both individuals' lives and business environment. As stated by Aral, Dellarocas, and Godes (2013), "social media are fundamentally changing the way we communicate, collaborate, consume, and create" (p.3). Due to its massive impacts on socio-economic aspects of human life, social media have gained incremental attention of scholars as an emerging and demanding research area in both academic and practical arenas.

In the current literature, there has been extensive research that attempted to understand diverse drivers why people would like to use social networking sites (SNS). It is noted that almost two thirds of **American adults** are currently using social media such as Facebook, Twitter, MySpace, or LinkedIn (Pentina, Gammoh, Zhang, and Mallin, 2013). Internet users tend to indicate that SNS help them connect with their family members, friends, colleagues, and moreover, reacquaint with old friends and interact with them on a regular basis. Besides, Smyth (2013) claimed communication is the major driving force of the extensive use of SNS. According to Delo (2013), around 3% of social media users are signed up for SNS in order to follow updates from public figures. An additional 5% use SNS primarily for searching for potential romantic partners. It is further reported that users consider themselves as part of a society because their friends also belong to a particular community online. Those who exert pressure to interact with friends described the use of SNS was an efficient and relevant instrument to maintain contact with several friends at the same time (Weiss, 2013). Abdel-Hafez and Xu (2013) suggested the reasons for using SNS varies by demographics features such as gender, age and marital status. In addition to

the apparent drivers, research has shown that many people use SNS due to easy accessibility to updated news, music, literature, cultural events, and current affairs in their neighbourhood (Yannopoulou, Moufahim, and Bian, 2013). Compared to the traditional channels of information, SNS provides a much more interactive means to share and learn new information, creating a more exciting experience for their users.

1.2.2 Social media used by the New Zealand business community

Another fundamental question relevant to this thesis is to determine the precise extent to which social media is used in the business context of New Zealand. Ryan (2013) found that New Zealand businesses were struggling to discover the appropriate uses of SNS for advertisements. Having considered the presence online, NZ businesses opted out to advertise on major search engines such as Google and Bing instead. Such engines are also used for other purposes including maintenance of company blogs and newsletters (Clark, 2013). Despite that, the majority of businesses use the Internet to conduct basic business procedures, such as paying suppliers or making purchases online (Ryan, 2013). According to BRR Media's ASX200 Social Media report, 78% of Australia and New Zealand companies are using at least one of the major social media channels. It should be noted that LinkedIn is the most popular of these with 71% of companies having an active LinkedIn company page (Friedlieb, 2013). Nearly half of companies in Australia and New Zealand have an active YouTube account, which they use for marketing and advertising. Moreover, forty seven per cent of companies having a Twitter active account and 57% of them tweet daily. Broida (2013) in the study conducted in 2013, found that New Zealand companies reported difficulties in maintaining their company SNS.

Researchers tend to argue that many New Zealand businesses are increasing and sustaining their use of the Internet in regions that are focused on business productivity, efficiency, administration and IT tools (Le Pla, 2010). The use of different social media websites varies significantly by age and gender, with business owners from the younger generation more likely to embrace information technology than their elder counterparts (Sargent, 2013).

Concerning the choice of SNS, the generation born between 1980s and 2000s (commonly known as Generation Y) is more likely to employ Facebook or Google+. Specifically, thirty-eight per cent of Generation Y business users are found to use SNS, compared to 23% among the business users who were born between the 1960s and 1980, known as Generation X (Smith, 2012). Only 9% of business owners identified themselves as 60 years of age and over (Baker, 2010).

1.2.3 Benefits of using social media as major business and marketing tools

There have been a great number of studies on benefits of using social media websites as a business and marketing tools (Wikstrom and Ellonen, 2012). Social media create enormous business opportunities in a cost efficient and effective manner. There are many benefits/advantages of using social media websites for business and marketing purposes.

Bakeman and Hanson (2012) summarised the major benefits of adopting social media tools (e.g., Twitter, LinkedIn, Google+, and Facebook) in business activities such as cost efficiency, timesaving and convenient. By operating online businesses, companies can operate all the time, even when the headquarters of companies, shops, and the business locations are closed. Online marketing and business activities can reach a huge number of people from all over the world and allows businesses to operate 365 days in a year. Social media platforms allow both existing customers and potential customers to browse organisational websites and business pages and do their shopping at their convenience, particularly when they are located in a different time zone (Heath, Singh, Ganesh, and Taube, 2013).

Furthermore, promoting businesses through social media is an effective way to expand their markets because it allows businesses to be reached anywhere in the world. The use of social media makes it unnecessary to open any outlet stores or offices in any other part of the state or country and saves money for businesses (Hann, 2013). In addition, companies can provide a translation service to interact with people from different countries on social media and advertise the business and products in the language of consumers. This in turn allows businesses to grow internationally with much lower costs than traditional ways, which is an important advantage of using social media for businesses.

In addition, companies can save significant operations and marketing costs by avoiding the use of conventional mass media tools such as newspapers, magazines and television because they can access the above services on social media platforms, which is more efficient than the conventional media strategies (Sood and Pattinson, 2012; Hawkins and Vel, 2013). The term “social media advertising” is can be simply defined as advertising on social media platforms to promote a company or products (Akar and Topçu, 2011). Pursuing this further, Edwards (2011) refers social media advertising (interactive advertising) to the utilization of social media as “a means of persuasion is far beyond that of another vehicle in which to serve advertising”. Social media advertising is considered to be the inevitable development of advertising from “paid and one-way promotional communication in any mass media” to “online and one-to-one messages” to the

targeted audiences (Tuten, 2008). This approach is enabled by the widespread adoption of social media and Web 2.0 around the world. This study focuses on how organisations implement advertising strategies on social media platforms rather than the operations of the companies owned social networking sites.

Moreover, social networks provide viable opportunities for businesses to obtain real-time feedback from customers, which help to improve brand awareness and reputation of companies. This also enables businesses to leverage positive word-of-mouth effects on social media to increase their trustworthiness in the eyes of customers. By interacting with customers via social media, companies can allow existing customers to share information of their products and businesses in the customers' online communities. If the potential customers are satisfied by the company's products and services, these customers can definitely give positive feedback on different social media, which will result in the expand of the customer base in the future (Chui, Dewhurst, and Pollak, 2013).

1.2.4 Important factors in implementing social media for business purposes

As previously stated, the present study attempts to determine effective ways in which businesses could use social media tools to improve their performance. Before creating and developing social media campaigns, they should consider their main business goals and strategies. It has been reported that starting a social media business and marketing campaign without a business plan may give the company a negative outcome (Logofatu and Alexandru, 2012). Therefore, it is important for companies to determine what they are aiming to achieve through social media campaigns. This requires identification of their target audience, which is followed by studies of the behaviour of the potential customers in terms of how they interact with social media (Chanda and Zaorski, 2013). Social media as a business and marketing tool can help the company achieve a series of goals which includes the increase of website traffic, brand and company awareness, enhancement of brand identity, development of positive brand recognition and association, and a relevant approach to communicate and interact with key audiences. It has been argued that by establishing measurable goals in relation to the above, companies can assess their social media return on investment of social media.

Several elements have been identified in previous literature to help companies move in the right business direction across all their social media campaigns (Decarie, 2010). For example, correct selection of keywords helps to attract the targeted audience (Svatosova, 2012). When launching a social media business campaign, it is important for companies to provide valuable information on

the social media, so that potential and existing customers can find it interesting and appealing. For example, creating a variety of information by implementing images, videos, and graphics content that can help the companies communicate in a better and more efficient way (Chung and Austria, 2010).

Another important factor of use of social media relates to the creation of a proper brand image. The use of social media campaigns for marketing and awareness programmes enables the company to project their brand image across different social media platforms (Singh, Lehnert, and Bostick, 2012). While each social media platform has its own distinctive environment and influence, the businesses core distinctiveness must stay consistent with the respective social media campaign. Furthermore, companies should update relevant and useful information from other channels on their social media platforms in order to attract potential customers. Links to external information were found to improve the dimensions of faith and dependability among consumers (Barczyk and Duncan, 2012). Along with the increasing use of social media, there are tools have been made available to measure effectiveness of a company's use of social media, such as the Google Analytics, a tool developed by Google to help businesses monitor and analyse the use of their social media page (Bhanot, 2012). These types of tools are of considerable help for business when determining their successful social media marketing and overall business techniques.

1.3 Research rationale

Many researchers (e.g., Akar and Topçu, 2011; Khang, Ki, and Ye, 2012; Safko, 2013) have put great effort into discovering different aspects of social media usage for marketing and business purposes in various contexts. From these studies, the most important reasons for using social media tools for marketing and business actions are global reach, personalisation, and interactive communication (Golden, 2011). However, there have been a few scholarly attempts in investigating how social media could create the value for businesses from the customers' perspective in New Zealand settings. Therefore, the interest of this paper is to examine how social media can create value for New Zealand businesses to improve their business performance, particularly in the advertising strategies, from consumers' perceptions. The research also aims to identify the demographic features of social media users and their usage habits on different social media platforms.

1.4 Research objectives

The purpose of the study is to investigate consumer attitudinal insights about business and marketing actions of New Zealand businesses on different social media platforms. The research focuses on the following main objectives.

- 1. To identify the demographic features and usage habits of social media users in New Zealand*
- 2. To explore the primary reasons why **young adults** use social networks*
- 3. To examine the role and effectiveness of social media as a business tool*
- 4. To investigate how social media can create value for New Zealand businesses to improve their business performance from consumers' perceptions.*

1.5 Research approach and potential value

To achieve the research objectives above, the quantitative approach is best suited for the present research. The study collected and analysed primary data from a large-scale online survey on the Qualtrics site for young adults in New Zealand during in 2014, yielding 153 valid responses. Knowledge gained from this phase gave the researcher practical insights into how social media can create value for businesses in a New Zealand setting.

The research results extend the current literature on the adoption of social media for business and marketing purposes in exploring customers' attitudes towards how social media can create value for New Zealand businesses. In light of the research findings, marketers can make the right decisions on marketing and business actions to promote their products or services effectively. Researchers and allied industries could also benefit to gain from applying these results to understand social media usage habits and customers' attitudes towards social media as a value creator for New Zealand businesses.

1.6 Outline of the research

This research report consists of six chapters. Chapter One, the Introduction, highlights the importance and rationale of the study associated with research objectives and its potential value for prospective audiences. In Chapter Two, the researcher critically reviews major findings of prior work. Chapter Three offers a general picture of the sample definition, survey instrument, and data collection for a large-scale survey. Chapter Four presents the quantitative results and an analysis of data gathered from the online survey in the second phase. In Chapter Five, a thorough

discussion of research findings in conjunction with previous studies and their marketing implications are presented. Finally, the report concludes with a summary of key findings of this study, its limitations, and useful suggestions for future research in Chapter Six.

CHAPTER TWO: LITERATURE REVIEW

2.1 Chapter overview

The main objective of this chapter is to provide an all-inclusive review of different aspects of social media, social media advertising, and theory of customers' attitudes and responses. This is considered as a fundamentally theoretical ground to conduct the present research. Both earlier and the latest publications in four main areas are discussed to give a thorough picture of the important role and the impact of social media advertising on business performance, and how social media can create the value for New Zealand businesses in previous studies from customers' perspectives.

2.2 Overview of social media

The spread of social media is a remarkable phenomenon in the twenty-first century (Golden, 2011). These new means have totally broken the concepts of traditional media by offering real-time and two-way communication between customers and businesses. In the current literature, there have been many ways to understand the content of social media from different angles. Some authors (e.g., Cakim, 2010; Golden, 2011) define social media as "a continually changing set of tools and their users" supporting online relationships and sharing information generated by users themselves (p.3). With another approach, Kaplan and Haenlein (2010) refer social media to "a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of User Generated Content" (p.61). In general, the common idea across these definitions is the important role of social media in sharing knowledge and experience within and among online members in the virtual communities.

Social network is described as an online community where people use a computer, cell phone, or any other electronic device to access a website, as well as to communicate with each other and share information, resources, etc. Individuals use Internet-based social media programmes to make connections with friends, family, classmates, customers, and clients (Smith, 2010). The reasons for using social networking could be for social or business purposes, or both. The programme tries to connect different people with each other and helps in creating new contacts. Examples of social networking programmes include Facebook, LinkedIn, Classmates.com, and Yelp (Bennet, 2012).

Social networking sites (SNS) are defined as online platforms that allow individuals to create their own profiles in order to connect with other peoples such as their friends and colleagues. The nature and classification of these sites may depend on the specific site being used and can be

different from each other (Fazekas, 2013). Social media is different from traditional media in numerous ways including its quality, its ease and convenience to use, reach, be frequently accessed, and is permanent in nature.

Social media is different from traditional media in numerous ways in terms of operational mechanism, purposes, and accessibility (Tuten, 2008). Social media has created a communication revolution by providing new ways to interact with potential consumers in specialised and broadly based relationships (Brown, 2008). As explained by Kaplan and Haenlein (2010, p.61), social media has a higher social presence with “acoustic, visual, and physical contact” based on the synchronous interaction mechanism. In other words, the main strength of social media derives from the two-way communication between the senders and receivers in the “one-to-world” platform (Steffes and Burgee, 2009, p.1105). As a result, social media significantly affects consumer behaviours and purchasing decisions both online, and offline, especially for young people (Needham, 2008). Steffes and Burgee (2009) also elaborate that people tend to be more influenced by electronic messages from online members of virtual communities than speaking with friends in person.

Social media has been extensively used not only for personal purposes but also for business activities. Individual users normally use social media for personal communication with their families, relatives, and friends as well as for recreational activities (Youmans and York, 2012). Due to the extraordinary popularity, growth, and influence of social media, people now rely heavily on these media to seek information about products, services, brands, and firms. Social media enables users to find the latest and most detailed information about products or services with various formats such as text, images, or videos. From the managerial perspective, social media has emerged as an innovative way to enhance business performance, especially for marketing actions. Undoubtedly, managers and marketers need to recognise the important role of social media in their business activities. Social media should be considered as a hybrid element of a company marketing mix to understand consumers’ perceptions, attitudes, and behaviours as well as to engage them into the firms' activities.

2.3 Major types of social media platforms

There are two main ways to classify social media tools in the current literature. The first categorised system of Golden (2011) divides social media platforms into three groups: firm-sponsored (company forums), individual publications (blogs), and third-party forums (Twitter, Facebook, and LinkedIn). On the other hand, Kaplan and Haenlein (2010) employ four criteria:

social presence, media richness, self-presentation, and self-disclosure to distinguish six types of social media (see Table 2.1). Each type of social media has its own advantages in supporting real-time communication among online members.

Table 2.1 Classification of social media by social presence/media richness and self-presentation/self-disclosure

		Social presence / Media richness		
		Low	Medium	High
Self-pre-sensation and Self-disclosure	High	Blogs	Social networking sites (e.g., Facebook)	Virtual social world (e.g., Second Life)
	Low	Collaborative projects (e.g., Wikipedia)	Content communities (e.g., YouTube)	Virtual game world (e.g., World of Warcraft)

Source: Kaplan and Haenlein (2010, p.62)

There are various types of social media tools; common ones include Facebook, Twitter, Google+ and LinkedIn. The use of Facebook can also be implemented in numerous ways to highlight customers and fans; for example, marketers consider the options of putting contest winners in the spotlight, or encouraging users to upload and share their experience with anything associated with the company (Rehman, 2013).

Another social media website is Twitter and although the limited words to work with can be a challenge, if done correctly and the message can make it through the clutter, it can become an adequate tool to keep in touch with fans (Ryan, 2011). Successful companies using Twitter include the initials of the person handling the corporate account; this is a way of humanizing the corporation and giving it a more personal touch when interacting with the outside world. Scholars in the field indicate the importance of employees becoming part of the conversation; it is a good idea to take time out and Tweet with the people interacting with a particular company. Sometimes acknowledging someone’s Tweet can make them feel special and appreciated (Stelzner, 2009).

Using social media to interact with customers is becoming a norm of the industry, and utilizing social media like Twitter to interact with mass customers and secure Tweets with important clients is a quick way to respond to various consumer demands (Li, 2012). The customers can get a quick response on their issues and queries; such feedback is immediate owing to the specificity and

potential of social media platforms (Evans, 2012). This real-time interaction creates good will amongst the customers and increases the confidence in the company. Including the customer in the aforementioned idea of a team leader creating a blog and keeping the customer in the process can make them feel essential and important. With the help of social media, customers can control the level of involvement in the company as much as they want (Li, 2012). By creating an effective social media management program, the benefits can increase the efficiency of customer service, build trust and provide the employees working for the customers with a better tool to be synchronized (Zarrella, 2010). An interaction of such magnitude will eventually make a potential consumer turn into a brand loyal customer (Safko, 2010).

One of the new additions to the social networking is Google+, some of its features are persistently overlooked, and one of its overlooked features is the ability to share Circles. A certain company can become a resource for members to get in touch with other members of the website that are related to the industry in which the respective company operates (Bonde, 2010). Hence, the organisation can be provided with the ability to connect with the people in the circle it has allowed to be created, thus building a following base (Schaefer, 2011). Companies operating on Google+ can also participate in Google+ communities where they can create, join, administrate and participate in various important activities. Another feature of the Google+ social networking site is the Google+ Hangouts used to start a video chat with up to nine people; this can be used as a promising way to connect with a company's audience (Shaughnessy, 2012).

LinkedIn has become one of the favourite social media amongst professionals, customers, and companies. It has provided another option of joining in discussions within a company's industry and professionals (Crook, 2013). Using LinkedIn for business purposes increases transparency of the company among the professional circle. Particularly, it can be used to communicate between clients and key account managers, announcing recent performance achievements, and many other things (Social Bakers, 2013).

As mobile devices has widely used among young people, the workplace is becoming more adaptive to such changes, which can bring flexibility and streamline basic communication procedures (Bonde, 2010). However, if this flexibility in communication is left unsupervised, it can spiral out of control and be counterproductive. Creating a management program to monitor and track the inter-company social interaction is necessary (Stelzner, 2009).

Due to the effects of globalization, professionals and companies can work in different time zones and require flexible schedules; the use of social media to cater to those demands can create

collaboration amongst all the participants. The use of blogs is beneficial for team leaders to keep in touch with employees, receive comments and communicate details regarding projects. Companies that are updated on the recent developments in technology trends can use social media to expand their reach and build a stronger brand. Companies do not own blogs, or have no plans to encourage their employees and customers to use and write blogs about companies (Dominick, 2008). As Internet usage continuously grows, and social media is becoming more widely used, it is important to understand the economic potential of managing social media effectively (Dominick, 2008).

Social media is not only important when it comes to dealing with customers but also with employees. Information is power and the more information people have the more they have a chance of exploiting potential opportunities (Mangold and Faulds, 2009). Social media such as LinkedIn and MySpace are now being used to monitor employees hired by companies to look at their social interaction with professionals and businesses; this aspect has become as important as a resume because it reflects the social profile of a company.

2.4 Social media usage for personal purposes

The purpose of the study is to investigate how social media can create value for New Zealand businesses to improve their business performance from consumers' perceptions. Therefore, it is important to understand how and why New Zealand customers are currently using social media in their daily lives. First, social media can be described as an online community where people communicate with each other as well share information and resources via a computer, cell phone, or any other Internet-enabled device. Today social media plays an important role in helping the user connect with friends, family, classmates, customers, and future potential clients (Smith, 2010). Online members can use social networking for both social and business purposes, as they not only strengthen their relationships with existing friends but also create new contacts with others around the world. The most popular examples of social media are social networking sites such as Facebook, LinkedIn, Classmates.com, and Yelp (Bennet, 2012).

Individual users can use social media for many reasons. First, they can build up their own personal networks, which help them keep in touch with their friends regardless of their geographic location. Moreover, they have freedom to express their opinions and interests and at the same time keep up with the latest trends, discover interesting places, popular cuisines and current events. With the increasing popularity of social media, online members use these means not only for entertainment, but also for searching information about products and brands (Kaplan and Haenlein, 2010).

However, there are negative effects of utilising social networking sites and the Internet. There are concerns about the trustworthiness and reliability of information provided and or presented, disputes over copyrights and ownership, and the actual meaning of interacting created by these social networking sites (Brandtzæg, 2009). In addition, negative effects of the persistent use of social media have been reported. Increased uses of SNS have found to be correlated to higher frequency of cyber bullying, online sexual predators. More general issues associated with frequent use of SNS include reducing human face-to-face interactions, and lack of day-to-day physical exercise, both of which lead to health issues (Wargnier, 2010). Social media may expose children to images of alcohol, tobacco and sexual behaviours. Yet it is also argued that social media has positive effects such as allowing freedom and autonomy for individuals to establish friendships.

Many researchers argue that personal users passively ‘waste time’, whereas professional users actively ‘utilize time’ (Brogan, 2010; Ryan, 2011). With the growing popularity of such social networking sites, SNS is no longer a mode for passing time or finding entertainment, but used for advertisement and surveys, providing businesses with increased opportunities. This will be discussed in more details in the following sections.

2.5 Social media as effective business tools

In this section, the researcher focuses on identifying the major applications of social media for businesses from the managerial perspective. Social media have created considerable transformation in many organisations. Research states that a substantial number of companies support the belief that external social media is not an effective tool for business; however, they now realizing the significance of applying social media tools and approaches, internally as well as externally (Billington and Billington, 2012). Social media as a business tool can create appreciated customer experiences, increase and enhance workforce productivity and efficiency, and speed up innovation processes. Yet many companies still struggle with the organisational and intellectual challenges caused by these new ways and tools of work (Maxwell, 2012). Furthermore, it has been reported that most of the users are using the social media tools to shop, spend, and share feedback. Research also indicates that social media websites like Facebook, for example, has approximately more than one billion active users (Maxwell, 2012).

Moreover, LinkedIn is used almost in every country in the world, and more than 100 million people use Twitter frequently. According to the research, both multinational companies and public sectors are considering the significance of contributing in the social world. Additionally, almost three quarters of the multinational companies are using Facebook or Twitter for business purposes

in order to obtain desired results (Whalen and Krishna, 2013). However, businesses at the front position are undertaking more steps than developing an existence on major social platforms. They are utilizing their external social media tools and implementing them into core business methods and capabilities. They are also using social media tools not only to communicate better with their customers, but also to share social knowledge with their business suppliers, business associates and, conceivably most important, their employees (Maxwell, 2012). In short, businesses are quickly continuing to a larger and substantive conversion in how they work called social media business.

It has been further specified that selecting social media tools depend on many business factors, including corporate and organisational culture (Whalen and Krishna, 2013). There are a few fundamental functions that companies find widely useful, including:

Presence: It is important to position co-workers to use social media tools and determine whether these employees are available, and find out the greatest way to contact them for social media positions; this can be accomplished by the organisation through appropriate and collaboration tools (Trott, 2014).

Collaboration: Organisations need to identify social media tools that also permit employees to gather and share information, give presentations, and functions (Trott, 2014). This can comprise data, video, audio, and other mixtures of work functions.

Information access: It is important to have different types of interactive document safekeeping, which can provide the workforce with access to organisational information and documents. Access can be restricted to authorized employees (Billington and Billington, 2012). Information access provides as more than inactive reference sources as they can be updated and applicable to current actions within the company.

Communications: Single blogging also becomes a favoured way for senior managers to communicate with employees, as there are different platforms available in social media websites.

Access to expertise: Facebook as a business tool allows (and supports) employees to provide personal information, experience, and expertise skills (Trott, 2014). As it is considered to be highly influential, content can be impressed onto employees who have indicated specific interests. Many multinational corporations introduced a social networking platform that allows their employees to discuss and examine personal interests as well as business ones, as it is enabling employees to unite and link on numerous levels (Billington and Billington, 2012).

Monitoring: Many multinational companies prefer to monitor social media tools, and different monitoring features are used to understand social media and employee current interests.

Research showed that ignoring issues associated with using social media does not only stop the business from essential collaboration, modernization, and communication, but also limits opportunities for the company to use social media as an advertising tool (Trott, 2014). Furthermore, unmonitored social networking tools are considered a high security risk; it is important to control and monitor social networking tools that will improve the organisation's business development, increase collaboration, and eventually increase productivity. Researchers have presented the following benefits from the implementation of social media tools to increase collaboration and communications within the enterprise:

- Social media helps organisations to generate revenue by uncovering the hidden consumers who have contributed to cross-selling or close dealing activities.
- Social media tools also improve cross-selling activities by identifying other measures during the selling process (Billington and Billington, 2012).
- Social media tools improve career paths by more accurately recognizing top employees. Social media tools boost productivity by contributing best practices and assisting the transfer of advice in the organisation (Whalen and Krishna, 2013).
- It also improves resource allocation by examining different social media and cooperation tools and eliminating inefficiencies by decreasing redundant efforts and contributing information.

2.6 Social media as innovative marketing channels

Over the past couple of years the business world has changed in substantial ways from how it operates from a marketing perspective and how customers respond. The introduction of the Internet and Internet based social media, as well as the development of e-commerce has caused this effect (Debono, 2012). Some sites which benefit substantially and are technology driven are Google, Amazon, etc. Every business wants to reap the benefits of social media and find ways how to expand their activities (Beinhauer, 2010). The following few graphs and diagrams show if social media has been effective as a business tool and whether it has improved business performance.

A social survey was conducted in which a questionnaire was designed to know what motivates consumers to buy online and what influences them (Crook, 2013). **Figure 2.1** clearly shows that

Facebook is at the top of the charts. It shows that Facebook is the most influential and popular site for consumers in New Zealand (Friedlieb, 2013).

TOP 15 SOCIAL MEDIA SITES AUGUST 2012

	Australia	Percentage of Australia's Population (22,707,000)	New Zealand	Percentage of New Zealand's Population (4,439,000)	
Facebook	11,500,000	50.65%	Facebook	2,800,000	58.57%
YouTube	11,000,000	48.44%	Youtube	2,400,000	54.07%
Blogspot	4,000,000	17.62%	Linkedin	430,000	9.69%
LinkedIn	2,200,000	9.69%	Twitter	350,000	7.88%
Twitter	2,114,000	9.31%	WordPress	320,000	7.21%
WordPress	1,800,000	7.05%	Tumblr	290,000	6.53%
Tumblr	1,200,000	5.28%	Flickr	180,000	4.05%
TripAdvisor	960,000	4.23%	Blogspot	150,000	3.38%
Flickr	820,000	3.61%	Pinterest	150,000	3.38%
Pinterest	620,000	2.73%	TripAdvisor	110,000	2.48%
Google Plus	600,000	2.64%	MySpace	64,000	1.44%
Instagram	475,000	2.09%	Bebo	52,000	1.17%
MySpace	390,000	1.72%	StumbleUpon	25,000	0.56%
Reddit	160,000	0.70%	Reddit	32,000	0.72%
StumbleUpon	110,000	0.48%	Instagram	14,000	0.32%

© Adcorp 2012

Figure 2.1: Top 15 social media in Australia and New Zealand

Source: Friedlieb (2013)

Moreover, the study of Evans (2012) identifies major motivating factors that affect customers' purchase decisions in the global business context. The emergence of different customer segments becomes obvious. Yet Evans (2012) emphasises the relevance of brand invitation/advertising initiatives on social media followed by friend invitation. In addition, customers are expected to engage in flexible research activities to explore the features of different brands. The attachment of individuals to particular brands indicates their willingness to engage in purchasing decisions. Furthermore, **thirty-six per cent** of the customers always consider social media before buying a product (Hanna, Rohm, and Crittenden, 2011), as shown in **Figure 2.2**. Therefore, it is vital that businesses put their products and services, and other relevant information online.

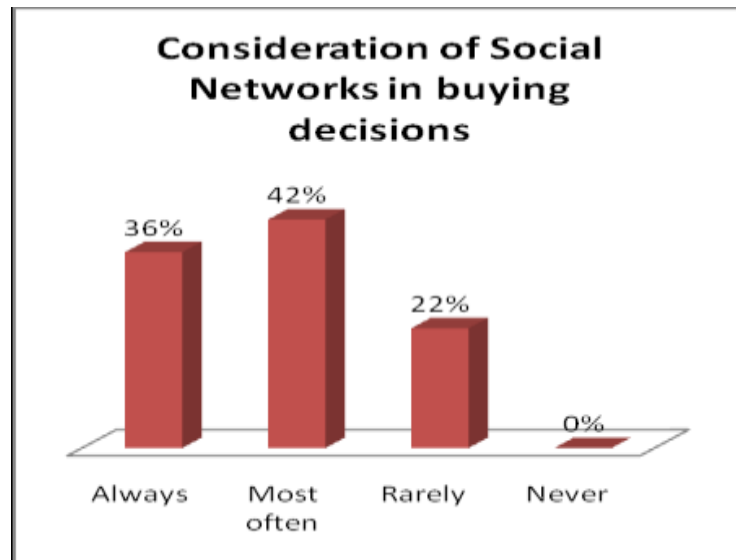


Figure 2.2: Social networking considerations in buying decisions

Source: Hanna et al., 2011

63% of companies using social media say it has **increased marketing effectiveness**—among other benefits.



SOCIALINEMEDIA LLC

SOURCE MCKINSEY GLOBAL INSTITUTE, DECEMBER 2010

Figure 2.3: Marketing effectiveness of companies

Source: McKinsey and Company, (2010)

Moreover, the marketing effectiveness of social media advertising has also been considered by researchers (Culnan, McHugh, and Zubillaga, 2010). In this context, people in today's flexible business environment tend to purchase products based on information received from advertisements in social media (Evans, 2012). They also indicate the important argument that

social networks help them compare prices to a significant extent. **As can be seen in Figure 2.4,** social media advertisements can undoubtedly help companies to increase marketing effectiveness, reduce marketing costs, enhance customer satisfaction, and increase profits (McKinsey and Company, 2010).

The Internet has become the most widely used and easy to access mode of communication; it has established itself at the forefront of how business entities communicate amongst each other in the workplace and with stakeholders outside the premise of the organisation (Culnan, McHugh, and Zubillaga, 2010). No matter how large the companies are, the role of communication via the Internet, especially social media, is becoming an important factor in its survival and development in the competitive business environment, adapt as responsible enterprises, and seize any recent opportunities they might use to grow (Crook, 2013). The use of social media as a tool to not only stay in touch with family members and friends has now evolved into a more complex system of how a company can have its own identity and how the community around it responds to the company's image. This aspect of perception building has become one of the pillars of modern day's business performance (Irobogo, 2013).

Internet marketing has an ultimate goal of expanding the reach of the company. Social media is becoming the forefront for companies to increase their database with followers (Evans, 2012). There are various ways that this can be achieved such as the creation of interests amongst the public, and communicating customer centric messages. Providing useful content to the followers of the company increases the chance for this information to spread further. Another commonly used strategy is to have public figures to endorse the products on SNS. This is because influencing entities and individuals can impact the actions, opinions, behaviours, usage patterns, and perceptions of the followers (Debono, 2012). By having fans following them, they can easily trigger a response in the followers; they can share and increase the reach of the company (Kietzmann, Hermkens, MCCarthy, and Silvestre, 2011).

The ultimate goal of the business is the return on its investment. In order to create a return, a company needs to consider the fan-following strategy of using particular products or services (Dominick, 2008). Social media can be used to obtain an insight into the mind of the follower, and building a profile of the average user can help a company understand the specificity of consumer preferences and the dimensions of their loyalty. The information regarding the needs and wants of the followers can be used to increase the sales process and maximize the returns of the company (Lariscy, Avery, Sweetser, and Howes, 2009).

Social media is an effective approach to increase the sales generating horizons of the company, and this is where most companies overlook the importance of social media and they only focus on making the fan-following strategy a social medium (Dominick, 2008). However, there is more to just having a fan base that leads to increased sales. The idea of pushing a company's offerings to customers on social media is frowned upon and should be avoided (Taparia, 2011). The form of interactive social media allows individuals to show their expertise and increase the confidence of the followers in the company. Educating the followers about the company information should be the eventual objective. It is all about creating the curiosity in the follower to click on the link leading to the blog and once it is done, they will know more about the offerings, and the people behind the enterprise, building stronger bonds.

It is important to build a connection between customers and companies. Social media such as Facebook and Twitter are only about increasing the fan following and socializing aspects (Robison, 2013). Yet using these sites to direct potential customers to specific sites or blogs may be an efficient way to generate substantial sales. In the usual cases, fan following is more present among loyal customers that visit particular blogs and websites. At the beginning of the adoption process, there might be an influx of sales, but in most cases, existing customers will never repurchase. The important thing is to maintain and grow the current relationships (Kuo, 2009). One idea is to provide something valuable to the one that has replied, offering them the option of a newsletter that is exclusive to customers and keeps them informed of future updates. Other offers include discounts or invitations to promotional activities. This form of a lead capture system should be made important, and using that information to keep a company's existing database of customers and clients will be beneficial for the business (Multimedia Solutions, 2013). In the modern day, consumers are facing a huge amount of information. This has made impulse online purchasing a rarity (Rehman, 2013). Therefore, the company website should focus on providing useful information instead of pursuing customers to purchase (Pehlivan and Weinberg, 2011).

To sum it up, the major functions of business SNS are communication, image building, and interaction with people. These features of SNS should be applied to both big and small businesses, as these are directly related to the business performance (Rehman, 2013).

2.7 Social media as an effective way to build customer relationships

In the modern environment of global business, companies allocate an increasing amount of time towards using internet and social networking tools. The mixture of social media and the development of Internet usage have fundamentally changed the technique of how consumers

interact with and perceive company's brands (Kennedy, 2012). Currently, more than ever, organisations recognise, understand and communicate with their customers through social media. Research has shown that 88 per cent of all the senior management of multinational corporations are focused on interacting more closely with the customers, and it is considered the most important element for organisations to comprehend their strategy in the coming future (Whalen and Krishna, 2013). Research has stated that consumers are linking with companies primarily in new ways (Kennedy, 2012). With the use of social networking sites, individuals can not only find useful information for their purchase, but also receive the supports and customer services from the suppliers.

Increasingly, customers rely on digital communications, peer evaluations, social media interactions and online purchase process systems to make their decisions about the preferred company. While customers have traditionally cooperated with trusted sources to assist making their purchasing decisions, technology is facilitating them to do so on a much more well-built and organized extent using more resources (Billington and Billington, 2012). Social media tools are considered an effective and vital mechanism to engage with customers. Research in the field states that companies are getting numerous benefits from social media, as company building and engagement are understandable; however, organisations are confronted with delivering a reliable, compelling service to their customers through different social media channels (Goldner, 2013).

Organisations are frequently focused on becoming customer oriented; therefore, many organisations require having the social media tools inbuilt in their end-to-end business practice. They also need to pay attention to customers when they share information, because customer feedback acquired through social media is many times relatively different from information achieved through surveys, interviews and other market research tools (Whalen and Krishna, 2013). Social media businesses are discovering ways to supply this information while also creating a reliable, truly influential and context-aware understanding. Organisations are only focusing on a simple pushing communication method that offers different promotions in the market to satisfy customers (Trott, 2014). However, the respective marketing tool is considered to engage with customers through open discussions incorporated with rich media capabilities that indicate customer preferences, buying models and personal arrangement.

According to research, the marketing and sales department in organisations supports the belief that social media tools can create control and distribute personalized content based on profile information from social networking sites, which helps companies to identify customer-buying

patterns (Trott, 2014). In addition, it can also provide reliable branding and customer experiences across multiple social media and channels effortlessly through social content management. Ultimately, social media tools are healthier and able to target the right substance to the right customers based on personal characteristics, models of behaviour, segmentation and loyalty programs through appropriate social media channels (Uzelac, 2011). In terms of customer service, social media tools can also provide an online understanding with the assistance of showing personalized profile information via different Internet and social media applications.

2.8 Social media as powerful tools for crowdsourcing in an organisation

Social media tools can enhance communication systems within the organisation as well as drive innovation, especially in long-established organisations. Furthermore, better ideas from crowdsourcing can be conveyed with the help of social media tools, and expertise can be collective in the organisation. Unexpected connections can be prepared through social media tools (Billington and Billington, 2012). Additionally, ideas can be revealed by the organisation to expand business further and rotate products and services much more rapidly. This sharing of concepts and increased communication can guide the organisation to improve operational efficiency. Some multinational organisations have started to develop social tools to impel product innovation and service enhancement (Trott, 2014). Progressive development departments are being used in social media capabilities to connect with innovative, broader perceptions, which are inspiring the quality of their expansion efforts. As they enlarge their reach further than conservative networks within an organisation, their awareness base and problem-solving capacities will increase to achieve organisational core objectives.

The social media model is shifting the traditional roles of expansion managers by highlighting the significance of their ability to express diverse opinions to the specific problems. Thus, organisations tend to build focused communities that help them to advance their quality, and speed up their capabilities to gather business insights and create improvement ideas (Whalen and Krishna, 2103).

2.9 Social media risks

Despite the significant benefits above, the extensive use of social media has raised new concerns of privacy, safety and protection, intellectual property, employment practices, and other lawful risks, which are possible due to the dynamic nature of social media (Billington and Billington, 2012). It is significant to understand the substantial drawbacks that are present hand-in-hand with

the incredible advantages of using social media for a combination of business core objectives, which can transpire in the main areas of risk described below:

Reputational risk: The reputational risks can be found in social media and it can simply be equivalent or surpass the reputational benefits, for any reason. The measureless accomplishment of social media platforms on which millions of people, internationally, communicate easily and frequently, is evident. Yet this does not only provide a vast promotional opportunity but also vast unexplored gaps of risk (Uzelac, 2011). However, there are specific ways in which employees can damage a company's image. It is understood that general or bad behaviour by employees, or the posting of embarrassing information on social media websites without any approval, demonstrates a risk that it will affect poorly on the company (especially when the employee behaviour is displayed in their social media position e.g., a company's official fan page).

Legal risk: The legal risk is associated with social media. Companies should be cautiously considered before engaging in any social media strategy. Main legal risks include employment, confidentiality, safety measures, and intellectual property as well as media risks. Organisations that want to execute social media tools should explore legal risks in detail (Whalen and Krishna, 2013). It is critical to clearly understand regulations and laws on information technologies and social media before adopting them for a company' business activities. Although these legal risks can be considerable, with anticipation and planning, they can be controlled.

Employment risk: It is understood that the practice of examining potential and current employees through social media is extensive. According to research, more than 70 per cent of recruitment agencies and HR managers in multinational corporations have rejected most of the applicants based on information they found online through social media (Whalen and Krishna, 2013). Moreover, almost one in five multinational companies have disciplined or suspended an employee for social media fault or error. It has been indicated that employers who employ outside traders to inspect either an applicant's or an employee's social media actions may be mandatory by law to get written permission from those individuals (Trott, 2014).

Research further indicates that employers frequently seek to obtain such information, in some cases, obtain an individual's permission before the employer may obtain the different reports about that individual (Uzelac, 2011). In addition, such reports would necessitate employers to provide information to individuals as to how they may argue the accuracy of the social media report with the company that supplied the report. This requirement, however, is relevant when the employer takes unfavourable actions based on social media reports (Trott, 2014). According to

research, the report practice can lead to impermissible discrimination, as hiring applicants based on social media research can raise the matter and legal investigation can take place against companies (Billington and Billington, 2012). Furthermore, companies whose workforce participates in a transition process on social media platforms while using company resources, may indicate that managers may want to observe their employees' social media communications (Whalen and Krishna, 2013). Such observation is not considered legal; however, some employers may be liable under employment, privacy and discrimination laws.

Additionally, if employees and/or senior managers are involved in unprofessional activities on social media, this can lead to harassment claims against the company. Social media legal risks might be present in many companies (Uzelac, 2011). If an organisation decides to suspend or fire employees based on their social media interactions with other employees in the organisation, this would represent substantial risks at the operational level.

Security risk: Social media are considered having broad security risks, and if a security violation occurs from social media activities, the organisation may face legal liability. Security violation may take place because of malware downloaded onto an organisation's web page from the use of social media (Trott, 2014). Furthermore, this can take place when an employee downloads various applications, or the company system faces different virus or malware issues on social media websites while using company resources (computers). If the social media-related security guidelines, actions, and technical protection are inadequate, it is understood that liability for a system violation will occur from the secretly acquired malware (Billington and Billington, 2012). Additionally, social media risks within social media and social media fake profiles or company pages provide an opportunity for offenders to create more legal risks for companies. According to research, there are possibilities that criminals create profiles and fake company pages to target customers or employees (Uzelac, 2011). If customers or employees are asked to provide sensitive information, it is possible that they can provide company key information, personal information, or sensitive information; it can cause legal liability risks to the organisation whose profile or fan page was attacked, or replicated in a forged version.

Intellectual property and media risk: Research shows that organisations certify their social media team to understand what kind of job responsibilities they can perform with intellectual property of others competitors (Whalen and Krishna, 2013). If employees are posting or re-posting information (certified to other competitors) without their permission, this can lead to violation claims against the company. This could result in different consequences like potential contractual

violation claims, if the intellectual property certifies to other competitors or clients. Furthermore, companies may be considered directly liable for hosting information on their website in circumstances where the protection under copyright laws could be unavailable (Billington and Billington, 2012). It is possible that companies can indirectly be held liable for employee actions on third-party sites that violate the patent, copyright, trademark, or other intellectual property rights of other competitors or clients.

2.10 Social media use in New Zealand enterprises

Recently, an increasing number of companies have switched from using the traditional door-to-door campaigns, flexes and brochures, which are not only time consuming and expensive but also, in most cases, ineffective to bring about the desired results (Mangold and Faulds, 2009). Many businesses in New Zealand these days have adopted SNS, which is easier to access, costs a minimal amount, and provides clear product information (Irobogo, 2013). It has been reported that the major reason for using social media is linked to consumer expectation of seeing various social media advertisements (Bakeman and Hanson, 2012). They point out the importance of direct advertising as well as indirect advertising campaigns. In this way, people can find information about events or products they are interested in. Therefore, the regular use of social media platforms allows them to demonstrate flexibility and freedom in dealing with substantial information provided in the online space (Debono, 2012). Moreover, the indirect advertising on social media websites created by others appears to have a strong impact on the way individuals relate to one another and decide to use particular services.

Social media is one of the prioritised choices of advertisement for many businesses in New Zealand. The development of the Internet has made it possible for millions of people to communicate with each other about products and the companies that make them (Duffy, 2012). The impact of these consumers has greatly deepened in the market. It is argued that social media is a hybrid element of promotion because of the mixture of traditional and modern forms of advertising (Melton and Hicks, 2011). Social media is also a hybrid in that it offers flexibility from mixed technology and media than instant real time communication, and utilizes multi-media audio and visual presentations and numerous other platforms such as Facebook, YouTube, etc. (Garibian, 2013).

Social media uses a wide range of online forums and blogs, discussion boards and chat-rooms sponsored by companies, e-mail accounts, ratings of products by customers on websites and blogs, Mob logs and social networking websites such as Facebook, Twitter, etc. (Wikstrom and Ellonen,

2012). These aspects are the main factors in influencing consumers, by providing them with awareness and information of various products and opinions (Mangold and Faulds, 2009).

Unfortunately, studies and business press publications on social media use by New Zealand businesses have provided limited information because of the unwillingness of marketing managers to integrate social media into their company’s objectives and strategies. Therefore, many managers do not really appreciate the role of social media in the company’s objectives and performance (Irobogo, 2013). To rectify this problem, businesses must understand consumer needs and make the organisation’s mission and goals in such a way that they are consistent with consumer expectations. There are number of different methods by which this consistency can be accomplished. They include providing consumers with networking platforms, and use of different types of advertisement and promotional mediums (Evans, 2010).

Furthermore, there are some changes to be made by businesses in New Zealand for the better and wider use of SNS. First, marketing managers or business owners must acknowledge the fact that a lot of information is passed by social media from existing consumers to other consumers about specific products and services (Microsoft, 2011). This fact needs to be more widely accepted. Second, those individuals, groups, or organisations and the processes they use to select, secure, and dispose products and services are influenced by social media, from selection to post purchase satisfaction and dissatisfaction (Gupta, 2011). Finally, managers who are used to keeping high control over their company and customer matters must learn to negotiate with their customers, discussing with them important issues at social media platforms rather than talking to them directly (Garibian, 2013). **Figure 2.4** show how social media works in a business organisation.

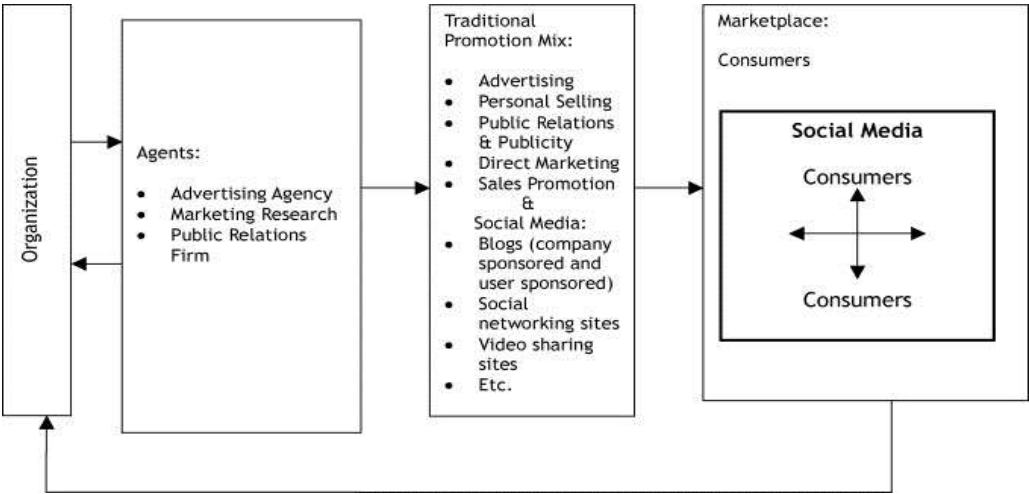


Figure 2.4: Illustration of the operational system of social media works

Source: Garibian (2013)

Nevertheless, many companies in New Zealand now use social media to promote their products and services. There are a number of reasons for this increase. First, social media marketing can create new markers for particular products and establishing an identity for these products or services (Gerhardt, 2012). This is very important for small businesses, as they have a great deal competitors and cannot afford the expensive advertising and exposure that other large companies can (Garibian, 2013). Social media can help them by word of mouth, online conversations and creates a buzz. Second, exposure is key to a growing business. Word of mouth may generate little or no business results but with social media, it has been agreed by over 80% online marketing firms that the interactions between customers and businesses indicate that social media generates business.

Third, social media tools keep a track on what people are saying about products or services on websites and blogs (Grimms, 2013). Marketers can use these observations and insights to fix the problems and try to bring products or services according to consumer needs. They can also use forums and other platforms to interact with consumers professionally. People will be looking forward to consumer answers, which may bring a reputable image to the business (Crook, 2013). Fourth, the business may not get better and progress unless marketers fix previous mistakes and faults. Social media helps them look at the company's previous performance by showing successes and failures. Then it can be decided what is important and what is not in the business field. Fifth, social media helps move up the search engines, which increases the chance of using specific websites and ultimately buying products or services (Evans, 2010). Lastly, social media will cost small business as much as the large business, thus one platform has the same rates (Haenlein and Kaplan, 2010). Ultimately, this will be a significant benefit to contemporary organisations. Social media is becoming more and more important for business, whether it is a large corporation or a small corner shop (Beinhauer, 2010). With clearly defined rules and tricks of marketing, social media is a proper way to enhance and boost business economically and brand wisely. New Zealand businesses should consider the importance of attracting new customers, along with promoting new products that can target specific customer segments (Haenlein and Kaplan, 2010).

According to a study conducted by the Center for Marketing Research at the University of Massachusetts, there are a number of difficulties and challenges that companies are facing when using social media for business and marketing purposes. This study included the Fortune 500 companies in America (Boyd and Ellison, 2007). Not coincidentally, empirical evidence has been obtained for the late uptake of social media for their business activities in New Zealand

enterprises. The low adoption of social media by New Zealand enterprises is anticipated. Maintaining an active blog site is time and labour consuming. Even with the minimum of investments, the return that has been initially predicted can fall short of satisfactory outcomes (Qualman, 2012). A senior managing consultant with Sweet Tea Group, Kathy Drewein, said that it was easier to make a switch to Facebook than running a blog (cited in Content Marketing Institute, 2012). Therefore, the use of social media has been related to its own shortcomings too. Once companies make a post on websites such as Twitter and Facebook, the content becomes their property and they have full control over it, while blogs are generally safer. Another issue with using social media like Facebook and Twitter is that they are not included in the search engine hits (Pehlivan and Weinberg, 2011). Search engines usually do not index Facebook updates, and only analyses of blog entries can be easily found in the online space.

Another challenge in using social media is possible negative image of corporations. A former engineer at Facebook, Jeff Hammerbacher, argued that social media is associated with forcing advertisements. The statement highlights the fact that social media is a way for corporations to make more revenue (Brustein, 2013). Such an association automatically leads to failures to establish a good company image (Crook, 2013). There have been numerous social media start-ups in the past few years; however, only a modest percentage of them have achieved the success in the market. Nonetheless, social media has seen a low development in the business context of New Zealand.

2.11 Research gap

In the field of media research, related work on social media mainly focuses on how people assess and utilise Internet-based information for their buying decisions. However, there is a large deficiency in offering an in-depth understanding of consumers' attitudes towards how social media can create value for New Zealand businesses, especially in the New Zealand context. Therefore, it is questionable how New Zealand firms can leverage social media tools for their business purposes and for advertising and promoting their products and services. Prior research results obtained in other regions and countries might not be entirely appropriate to apply in the New Zealand context due to the differences in social, cultural and behavioural settings. Hence, it is worthwhile to conduct an empirical study to investigate how social media can create value for New Zealand businesses to improve their business performance from consumers' perceptions. The study focuses on business and marketing actions of New Zealand businesses on different social media platforms. The research focuses on the following main objectives.

1. *To identify the demographic features and usage habits of social media users in New Zealand*
2. *To explore the primary reasons why **young adults** use social networks*
3. *To examine the role and effectiveness of social media as a business tool*
4. *To investigate how social media can create value for New Zealand businesses to improve their business performance from consumers' perceptions.*

2.12 Chapter summary

This literature review provided a fundamental background on the importance of social media as a value creator not only for individuals but also for business enterprises in New Zealand. First, the section identified the specific reasons of why consumers use social networks. Furthermore, the researcher emphasised social media use by New Zealand companies for their business and marketing purposes. The final part of the literature review focuses an explanation of research gap and the formulation of research objectives. Next, Chapter Three will discuss the research paradigms, the data collection method and other relevant issues pertaining to the present research.

CHAPTER THREE: METHODOLOGY

3.1 Chapter overview

This chapter aims to provide an overall picture of the research design for a large-scale online survey. First, a general overview of the research paradigms, survey method, definition of the sample, and the development of a questionnaire are described. Next, the author describes in detail the data collection process and the selection of specific techniques to analyse quantitative data. A separate discussion of ethical consideration of the present study was also presented. The statistical results for the validity and reliability of the survey instrument are reported at the end of this chapter.

3.2 Justifying the research methodology selected

The main purpose of this research project is to examine consumer attitudinal insights about business and marketing actions of New Zealand businesses on different social media platforms. At the beginning of this research, the researcher considered two alternative research approaches: quantitative or qualitative methods. These methods are useful for the empirical study and each has its own purposes, advantages and challenges. The decision on the most suitable research strategy depends on research problems and its purposes (Benbasat et al., 1987; Ghauri and Grønhaug, 2005).

First, qualitative approach is not adequate for this as qualitative research is particularly suitable for new research areas at their early formative stages, rapid changes, contextually rich and complex in nature (Zsidisin, 2003). The study focuses on business and marketing actions of New Zealand businesses on different social media platforms, which have already well-established in the current literature. On the other hand, a quantitative research method is often adopted by administering a survey to potential participants in order to collect numeric data (Punch, 2005). The quantitative research strategy is the ideal approach for this study. There are several reasons why the researcher selected quantitative approach for this study. First, a quantitative research method allows for obtaining greater statistical consistency in terms of results compared to qualitative research method. Second, it can contribute to achieving a high level of generalizability of research findings. Third, the use of quantitative research methodology enables the collection of measurable and descriptive data. A questionnaire administered electronically poses insignificant ethical dilemmas because of its success in maintaining the anonymity of the participants compared to other research methods (Punch, 2005). Furthermore, the utilisation of quantitative research methodology allows the researcher to present unbiased data from a large number of participants in a cost-effective manner (Dewhurst, 2006). Considering the specificity of the research method, the researcher was

engaged in using a descriptive approach and hypothesis testing to analyse the findings. The leading assumption was that the approach leads to more accurate and reliable results (Waters, 2011).

3.3 Research paradigm

As explained in the section above, the study adopted the quantitative approach to answer the research questions. Therefore, in this study, the researcher followed the positivist paradigm. In marketing and management studies, a positivist approach is generally associated with quantitative methods. Although there is an increasing acceptance of qualitative methods, the popularity of quantitative approaches in management research should not be underestimated. In addition, Blau and Scott (1963) suggest that in order to acquire knowledge of organisational phenomena, researchers should collect quantitative data from large-scale studies rather than individual cases. The dominance of quantitative approaches in management research has also been proven in prior work. For instance, Daft and Lewin (1993) discuss how academics in marketing disciplines attempt to prove marketing research 'more scientific than science'. However, while some scholars argued for an interpretative approach, others suggest that the greater presence of a rigorous quantitative approach in management and marketing is necessary.

Contrary to interpretivism, positivism attempts to explain and predict the reality via serious quantitative approaches, qualified observations, and detached studies. Positivism regards the social factors as real physical objects and proposes that reality is built upon absolute natural laws and mechanics (Guba and Lincoln, 1994; Blaikie, 2007). Based on this perspective, one believes that if something can be observed, it definitely can be quantified and defined.

3.4 Overview of a large-scale online survey

The study consists of a cross-sectional questionnaire survey for young people from different backgrounds (nationality, age, gender, etc.) across the online platforms. A large-scale online survey is considered a powerful and effective tool to gather data about human behaviours and characteristics in a limited timeframe and financial sources (Bryman and Bell, 2011). Most previous adoption studies on social media employed the online survey questionnaire as an effective method for hypothesis testing in the context of the applications of social media for business and marketing purposes (e.g., Ellen Gordon and De Lima-Turner, 1997; Mir, 2012; Wang and Sun, 2010). A large-scale online survey via social media platforms is suitable for this research. This is

because the approach required low costs and resources, saved time, and significantly improved probability and availability of appropriate respondents in New Zealand settings.

3.5 Definition of the sample

In general, **potential respondents were defined as New Zealand consumers who had at least one account of any social media platforms such as Facebook, Twitter, LinkedIn, or Tumblr. The target group was young adults from 21 to 35 years of age, who have already used different social media.** In terms of respondent capabilities, individuals were required to demonstrate a language of proficiency in order to understand the survey. Moreover, the participants were expected to show willingness to cooperate with the researcher for obtaining adequate results.

The decision on sample size plays an important role to ensure statistically significant analysis and to draw meaningful deductions from quantitative data. Collis and Hussey (2003) state that the number of research participants in a study should be sufficient for achieving the research goals and answering the identified research question in a relevant manner. In this study, the target sample size is at least 150. The sample size was sufficient and adequate for the univariate, bivariate, and multivariate analytical procedures used in the study (**Hair et al., 2006**). **Due to limited time and resources, the researcher decided to employ convenient sampling for data collection, which is a non-probability sampling technique. The subjects in the study are selected because of their convenient accessibility and proximity to the researcher. To be more specific, the invitations to participate in the online survey were posted on the most popular social networking sites in New Zealand so that it ensures the availability and the quickness with which data can be gathered. All young adults with different backgrounds and personalities were randomly invited to complete the online questionnaire on the Qualtrics site.**

3.6 Survey instrument development

The proposed data collection method was a questionnaire survey. Questionnaires are considered a convenient way of collecting information from participants. Collis and Hussey (2003) stated that quantitative research data should be collected in a highly structured manner. The design of the questionnaires was carefully planned so that the researcher could analyse the data as required. It is important to use neutral questions and relevant scales pertaining to the nature of the information required (Collis and Hussey, 2003). The design of the survey facilitated an unbiased response to individual questions included in the questionnaires.

According to Bordens (2011), a survey questionnaire should have an appropriate range of questions, which carefully cover all aspects of problems studied. A good questionnaire is one that helps to thoroughly assess behaviours and attitudes chosen to examine in the research. Moreover, it is suggested that a well-designed questionnaire should reach a reasonable level of rigour, uniformity, objectivity, and simplicity (Fowler, 2009).

The survey employed the multi-item approach, meaning each variable was measured by a number of items to enhance construct validity and reliability. The survey questions were developed and organised to facilitate the uniformity and coherence among the major sections. This, in turn, ensured accurate data collection and the achievement of research objectives. The words in questions were simplified to help respondents assimilate the content easily. Multiple-choice questions, a five-point Likert scale (ranging from “strongly disagree” (1) to “strongly agree” (5)) and open-ended questions with short answers were used in the questionnaire (See Appendix A).

At the first page of the questionnaire, respondents were provided with detailed information about the research purposes, the researcher, and their rights when participating in the study. The development of the questionnaire was a structured process. The questions were categorised into specific sections. The first four questions were demographic in nature and were related to the participants’ gender, age, and education level. The next section asked participants to identify their behaviours of using different social media platform. Then, respondents were asked to express their attitudes towards advertising on social networking sites and their perspectives on social networking as a business user.

Self-administered questionnaires were created on the website Qualtrics.com. The use of an online survey was convenient and allowed the researcher to reach the respondents in distant locations as well as to extract the results in the suitable format for data analysis. The respondents were provided with the participant information sheet prior to the commencement of the online survey. Consent forms were obtained from each participant. The participation was voluntary and respondents could withdraw from the research anytime they wished.

3.7 Data collection

Before distributing the online questionnaire anonymously in the large sample, the pilot test was conducted with ten customers by asking them to complete the draft version of questionnaire. The pilot test also enables the researcher to ensure the target sample clearly understand the content of questions in the same way. Based on the feedback from the respondents, some modifications on

wording, the order, and types of questions were made to minimise measurement errors. Then, at the beginning of the data collection process on a large scale, the advertisement of the online survey was created, including relevant information about the researcher, research purposes as well as confidential terms and conditions. **The online advertisement, containing a survey link connected to the Qualtrics site, was posted on social media platforms such as Facebook or Twitter.**

During two months from September to November 2014, the data collection process was carried out in two phases. In the first phase, the survey link was advertised to targeted participants on different social media platforms. Open online communities or online interest groups on Facebook or Twitter were regarded as suitable places for advertising this survey. The short and impressive advertisement on these groups could attract a large number of potential participants. Two weeks after the advertisements were posted; only 31 participants completed the survey.

In light of the results, the researcher undertook the second phase of data collection and collected data directly from people at public places. For phase 2 of data collection, the researcher utilised an iPad, which allowed access to questionnaires in public places. Participants were randomly selected in public places such as libraries or hubs. The researcher politely asked individuals whether they were willing to take part in the survey. If individuals agreed, a small gift was provided as an appreciation. Two weeks following the second phase of data collection, 45 questionnaires were collected, while an additional 77 questionnaires obtained due to the online advertisements on social media platforms in phase 1. In total, the sample size consisted of 153 valid responses.

3.8 Data analysis

After finishing data collection, the quantitative data set was downloaded from the Qualtrics site and imported into SPSS 19.0 (Statistical Package for Social Science) for analysis, discussion, summary, and graphic result presentation. In order to test the research hypotheses, the researcher used exploratory data analysis and confirmatory data analysis. The exploratory data analysis focused on the presentation of location, frequencies, dispersion, and change, while confirmatory data analysis provided a proper estimation from the sample, evaluating association, exploring difference, and forecasting, as recommended by Collis and Hussey, (2003).

Then, the author adopted preliminary analyses to provide background information about the sample with descriptive statistics. The researcher also utilised different kinds of statistical techniques for data analysis such as t-test, MANOVA, and univariate analyses (frequency tables

and diagrams). The findings are presented through tables and diagrams in order to comply with the research requirements for significance testing.

3.9 Ethics issues

Ethical issues were carefully considered when the present study was designed. Compliance with ethical requirements was ensured at all stages of the research process, including the design of the study, data collection, data analysis and interpretation of findings. The questionnaire was carried out with the permission of the participants. Moreover, the participants in the study remained anonymous, as privacy and confidentiality issues were thoroughly taken into consideration.

3.10 Chapter summary

This chapter provided detailed information on the research methodology employed for this study. The rationale for selecting quantitative research, including the use of a positivism paradigm was discussed. The procedures for data collection and statistical analyses were then presented. At the end of the chapter, the researcher analysed main ethics issues of the study. Now, quantitative data was ready for further analyses with the support of SPSS in the next stages.

CHAPTER FOUR: ANALYSES AND RESULTS

4.1 Chapter overview

The chapter describes research findings based on quantitative analyses of data set collected from the large-scale survey. Data collected from the online questionnaire are nominal, ordinal, and numerical; thus, statistical means were employed for data analysis and interpretation. The questionnaire focuses on four major aspects related to the participants. They were: 1) demographic data of the participants; 2) their habits in using social media; 3) their perceptions of advertising on social media, and 4) customer attitudes and responses towards social media advertising and other business activities on social media platforms. A total of 153 responded to the questionnaire, yielding an 54.0% response rate, which is within the acceptable response rate for web-based surveys (Sax, Gilmartin and Bryant, 2003; Correa et al., 2010).

The questionnaire focused on three major aspects related to the participants. They were: 1) demographic information of the participants; 2) their current behaviour in using social media; and 3) their perspective of advertising on social media as a receiver. An additional section of the questionnaire was designed for participants who have had experience with using social networking sites as business tools. A group of 51 participants took part in this section. Initially, all questions were classified and grouped in connection with the respective research objectives. Negatively worded items from the survey questionnaire were reversed before calculating the total score for each multiple-item scale.

The data analysis procedure consists of four major stages. The first stage was to analyse descriptive statistics to provide an overview of the sample characteristics, habits and experience in using social media platforms. Results obtained from this questionnaire were analysed with the following quantitative methods. They were 1) descriptive statistics, 2) cross-tabulation analysis, 3) correlation test, 4) independent t-test, 5) analysis of variance (ANOVA), and 6) multivariate analysis of variances (MANOVA). This chapter describes the results obtained from these statistical analyses methods undertaken and highlights the key findings.

4.2 Demographic characteristics of participants

This section provides background information about the sample with respect to demographic features, social media usage and experience. This is the first stage of a data analysis procedure, which can be seen as a foundation for explaining and interpreting research results derived from this sample in the next sections.

Demographic data provides a general overview of the sample's characteristics in terms of gender, age, education levels, and income. As can be seen in Table 4.1, the percentage of male participants (58.2%) is slightly higher than that of female respondents (41.8%) in the sample. The sample had an age range predominantly between 21 and 35 years old, which makes up 66.0 % of the total respondents. This result reflects the main characteristic of research participants, young adults, who are interested in using social media platforms. Only eleven per cent of social media users aged above 36 have already used social networking. The education level of the participants varies among respondents in the sample. The majority of the respondents have attained bachelor degrees (41.8%). More than 20 per cent have postgraduate levels with Master's or Doctoral degrees. Most of the respondents (57.5%) had annual salary being lower than 45,000 New Zealand dollars. Approximately 30.7 per cent earned from 45,000 to 100,000 New Zealand dollars while only 11.8 per cent had annual income of more than 100,000 dollars. The demographic data with regard to age, gender, educational level, and household income are summarised and presented in Table 4.1.

Table 4.1 A summary of demographic data

Variables	Items	Percentage
Gender	Male	58.2
	Female	41.8
Age	20 or under	22.9
	21-35	66.0
	36 or above	11.1
Education level	Diploma	34.0
	Bachelor	41.8
	Post-graduate	21.6
	Others	2.6
Household income	Less than 45,000	57.5
	Between 45,000 and 100,000	30.7
	More than 100,000	11.8
Total		100.0

4.3 Behaviours of using social networking sites

4.3.1 Habits and experience in using social media

The participants were also asked to provide information on their behaviours in using social networking sites. They were firstly asked to indicate the social networking sites used by them. The results showed that 73.2% of the participants have a profile page on the Facebook site. The second most used social networking site by the participants is LinkedIn, with 54.2% having an active profile page at the point of time that this survey is taken. Twitter is at the third place on the ranking of popularity, despite a much lower percentage of 19.6%. Google+, Instagram and Pinterest were shown to have comparable numbers of users, which yield 8.5%, 7.8% and 7.2% respectively. Among the various choices of social networking sites, it is interesting that WeChat, a predominant social media tool in China, is being used by 6.5% of the participants in the sample. This clearly indicated an accelerated growth of WeChat among consumers in New Zealand. Asides from the above, some less commonly known sites were listed by the participants, including Tumblr (2.0%), VK (0.65%) and Flickr (1.3%).

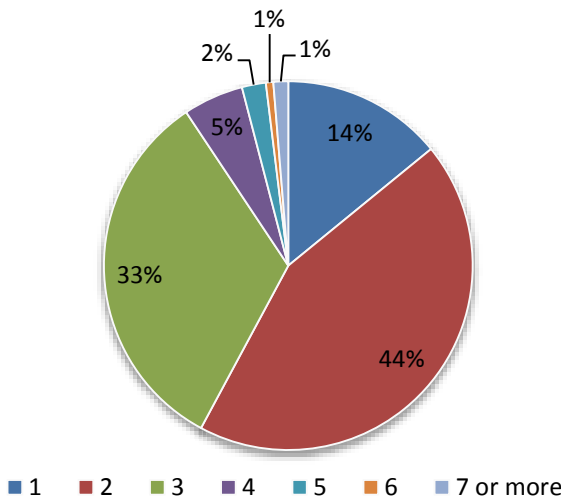


Figure 4.1 Illustration of the percentage of participants by the number of social networking sites that they use.

The results from this question also suggested a common scenario where the participants are signed up for more than one social networking site. Figure 4.1 presents the percentage of participants by the number of social networking sites that they use. The chart clearly illustrates that 44% of the participants use two social networking sites, and 33% use three sites.

4.3.2 Period of use

The results also revealed that the participants vary in terms of the length of using social networking sites. More than one-third of the participants reported that they have been using social networking sites for at least two years. Nearly half of the participants indicated they had been using social networking sites for a period of 6 months to 2 years. Only a small proportion (19%) started using social networking sites less than 6 months ago.

4.3.3 Time spent on social networking sites

Furthermore, the participants were asked about how much time on average they spend on social networking sites on a daily basis. Approximately 17.2% of the participants reported spending less than half hour on social networking sites on a daily basis. The majority of the participants, approximately 35.8%, suggested that they spend on social networking sites between half an hour and one hour. Another large group of participants (22.5%) reported spending one to two hours on the social networking sites each day. The remainder (24.5%) reported spending more than two hours on these sites. In terms of frequency of visits on an average day, it was reported that 38.2% of the participants visited their main site more than twice per day, 32.9% visited once only and 17.1% visited twice per day. The remainder (11.8%) visited less than once a day (i.e., once across two or more days).

4.3.4 Gender difference in the time spent on social media

An independent-samples t-test was conducted using SPSS 22.0 to assess if there is a difference between female and male participants in terms of the length of time spent on social networking sites. The statistics pertaining to the mean score and standard deviation are summarised in Table 4.2. Prior to interpreting the results from the t-test, the result of the Levene's test was examined to ensure the assumption of equal variance has not been violated. The result from the Levene's test suggests the assumption of homogeneity of variance is fulfilled as the P-value is greater than 0.05 ($F=1.769$, $P=0.186$). Therefore, the interpretation of the t-test, is based on equal variance assumed in Table 4.2 ($t_{(149)} = 0.744$, $P=0.458$). Inspection of the 95% confidence interval showed there is an overlap between the scores from both genders, suggesting there will be the same score of both genders for at least one sample. Therefore, it is concluded that there was no gender difference in terms of time spent on social networking sites.

Table 4.2 Results obtained from the analysis of the gender difference in the time spend on social networking sites.

Table (a) Descriptive statistics

	Gender Gender	N	Mean	Std. Deviation	Std. Error Mean
How many hours spend on social network a day	1 Male	89	2.70	1.142	.121
	2 Female	64	2.55	1.289	.164

Table (b) Results of the Levene's test and independent-samples t-test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
How many hours spend on social network a day	Equal variances assumed	1.769	.186	.744	149	.458	.148	.199	-.245	.542
	Equal variances not assumed			.728	120.908	.468	.148	.204	-.255	.551

4.3.5 Age group differences on the perceived importance of social networking sites

The participants were subsequently asked to rate how important social networking sites are to their daily life. The participants were asked to respond to that question on a five-point Likert scale. An analysis of variance (ANVOA) was conducted to determine whether there are differences between these three age groups, an ANOVA test was applied to this analysis. Prior to executing the ANOVA analysis, the dataset was examined with Shapiro-Wilk and Levene test respectively, to confirm the assumption of normal distribution and homogeneity of variance are fulfilled. Neither of the tests yielded a significant result with the resulting *P*-

value greater than 0.05. This suggested that the dataset did not violate the required assumptions.

The results from the ANOVA test showed that the P-value was smaller than 0.05 ($F_{(2,152)} = 4.120$, $P = 0.01$). Therefore, the results revealed that the data showed significant differences across the age groups in terms of the perceived importance of social networking sites. To elucidate the difference between the age groups, a post-hoc test with Bonferroni correction was conducted. The ANOVA results are presented in Table 4.3.

Table 4.3 ANOVA results on the difference across three age groups in terms of the score to the question on perceived importance of social networking sites to daily life

ANOVA

Age

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.681	2	.670	4.120	.001
Within Groups	47.173	150	.323		
Total	49.854	152			

(I) Age group	(J) Age group	Mean Difference (I-J)	Std. Error	Sig.	Lower Bound	Upper Bound
20 or under	21-35	0.76	.4213	.035	2.89	4.35
	36 or above	1.12	.4213	.008	1.45	4.12
21 – 35	20 or under	-0.76	.4213	.035	3.14	4.65
	36 or above	0.36	.4213	.120	1.45	4.12
36 or above	20 or under	-1.12	.4213	.008	3.14	4.65
	21-35	-0.76	.4213	.035	2.89	4.35

Results from ANOVA test revealed that the age group of 20 or under scored significantly higher than the other two age groups for the question of “how important social networking sites are to your daily lives”. As can be seen in Table 4.3, mean differences between the age group of 20 or under and age group of 21-35 and 36 or above are significant with p-values of 0.035 and 0.008 respectively. However, the difference observed between the age group of 21-35 and 36 and above was not statistically significant, as the P-value ($P = 0.120$) did not pass the criterion of significance. In other words, for these two age groups – 21 to 35 and 36 and

above, there was no significant difference in these perceived importance of social networking in statistically similar. This finding should be reviewed with caution. This is because there are considerably fewer participants belong to the age group of 19 or under due to the selection criterion made by the present study. The findings regarding the age difference could vary if more participants within this age group were included.

4.3.6 Main activities on social networking sites

Table 4.4 presents the average score of relative importance of different activities on social media platforms among the participants. As shown in Table 4.4, keeping in contact with friends was reported as the most important activity on social networking sites, with the lowest standard deviation (SD).

Table 4.4 Main activities on social networking sites

Main activities on social networking sites	Mean	SD
Keep contacts with friends	3.51	0.54
Share information	3.49	0.57
Receive information in general	3.12	1.24
Be involved in specific groups	2.57	0.89
Meet people	1.17	1.02
Receive commercial-related information (e.g., promotion, sales, new product launch etc.)	1.12	2.01

This result suggests respondents uniformly indicated that “keeping in contact with friends” is a highly preferred activity in their use of social networking sites. “Sharing information” is regarded as the second most important activity by the participants, with a marginally lower score of 3.49. This means “to receive commercially-related information” is the least important activity, which means that the participants did not consider social networking sites as the main channels for information about promotion, sales, new product launch. Instead, they use social media for their personal purposes such as chatting with friends or sharing their opinions.

4.3.7 Types of information on social networking sites

With respect to different types of information on social networking sites, the results also showed that respondents are interested in difference sources of information on social networking sites. Table 4.5 displays the mean and SD of different types of information posted

on social networking sites. The results suggested that the participants are highly interested in “comedic material”. Literacy is the information that they are least interested in. Commercial advertising has an average rate of 2.09, which is an equivalence of slightly interested based on the five-point Likert scale. The relatively high SD for social media advertising implies that the participants might have various views of this type of online advertising.

Table 4.5 Different types of information posted on social networking sites

Different types of information posted on social networking sites	Mean	SD
Comedic materials (pictures, jokes, etc.)	4.19	0.51
Educational articles	2.99	0.84
Friends’ updates about their activities	2.84	1.04
Current news	2.57	1.12
Commercial advertisements	2.09	0.99
Charity advertisements	1.62	0.12
Literacy (e.g., poem, critical reviews)	1.58	0.21

4.3.8 Responses’ attitude towards social media advertising

Customer responses towards social media advertising were measured in terms of how customers read and share contents to social media advertisements (See Table 4.6). The means of the items in the scale ranged from 2.33 to 3.22 out of 5.00, which indicates that social media users in the sample did not pay high attention to social media advertising. The item “ignore all advertisements” gained the highest mean (3.22) while the item “read all” only had the lowest mean (2.33). The statistics allow us to infer that the respondents tend to ignore social media advertisements or they would not read all advertisements posted on social media platforms if they found them irrelevant or boring.

Table 4.6 Customer responses towards social media advertising

Items	Mean	Std. Deviation
Ignore all advertisements	3.22	1.141
Read interesting advertisements	3.19	1.312
Read one suggested by friends	3.11	1.233
Only read favourite products advertisements	3.10	1.202

Read special offers and promotion	3.03	1.205
Read all	2.33	1.437

4.4 Perspectives on advertising on social networking sites as a receiver

Participants were asked to give their perspectives on advertising on social networking sites by selecting their level of agreement to ten statements. This subset of the questionnaire was firstly assessed by a split-half reliability test. The ten questions were randomly split into two groups. Responses to each group were compiled. It should be noted that the responses to Question 3 and 4 were reversed because these two questions are negative questions. Relationship between these two sets of scores was assessed by the Pearson's correlation test. The results revealed a significantly high correlation coefficient ($r_{(153)} = 0.85, P < 0.001$), implying an excellent internal consistency of this questionnaire.

Table 4.7 summarises the percentages of participants in accordance with their level of agreement to each of the listed statements, along with the mean score and the associated standard deviation. A few interesting insights were summarised from the results. The mean score for the question "I like social media advertising" is 2.78 (SD = 0.81). This score almost approximates to neutral (i.e., 3). This has suggested that the participants do not in general have a strong opinion neither against nor for advertisements on social media. This statement is reinforced by similar responses from a series of questions. However, contradictory opinions were observed when the participants were asked whether they trust the products advertised on social networking sites and whether they often make purchases on social networking sites. The former question was given an average score of 3.03 with 12.42% of the participants clearly stating they do not trust advertising on social media. With respect to the latter question, the mean score was 2.71, with 33.33% of the participants stating that they have a strong opinion against making purchases based on advertising on social networking sites. Responses from these two questions implicated there are a proportion of people who trust advertising on social media but are not influenced by it for their purchasing behaviour. Inspection of the means seems to indicate that the participants believe social networking sites effectively prompt commercial information, but at the same time, hold a neutral attitudes towards social media advertising.

Table 4.7 Summary of percentage of participants in accordance with their level of agreement to each of the listed statements

Questions	Percentage of each response category					Mean	SD
	Strongly disagree	Moderately disagree	Neutral	Moderately agree	Strongly agree		
Q 1. I like social media advertising	15.69	28.76	27.45	18.30	9.80	2.78	0.81
Q 2. I am interested by advertising from social networking sites	20.26	36.60	18.30	13.73	11.11	2.58	1.24
Q 3. Social media advertising should be reduced	27.45	18.30	13.73	19.61	20.92	2.88	2.10
Q 4. I am annoyed by advertising on social networking sites	18.3	20.26	13.07	28.76	19.61	3.11	1.64
Q 5. I trust advertising on social media	12.42	24.84	29.41	14.38	18.95	3.03	0.94
Q 6. I click into advertising links	26.80	13.73	5.23	17.65	36.60	3.24	2.24
Q 7. I learn about promotion and sales from advertisements on social networking sites	9.80	15.69	22.22	28.76	23.53	3.41	1.54
Q 8. I share advertising on social media with my friends	17.65	24.84	13.73	29.41	14.38	2.98	1.63
Q 9. I often purchase items or services after seen advertisements on social networking sites	33.33	15.69	7.84	33.33	9.80	2.71	1.45
Q 10. I think it is a good idea to advertise on social media	16.02	10.51	37.12	27.45	8.90	3.03	0.74

Another important question answered by this survey is which form of advertisements on social networking sites interests the users. The participants were asked to select the types of advertising formats that they are usually interested in (refer to Q 14). Responses to this question was computed into percentage and represented by Figure 4.2. As shown, the form of advertising that is noticed by most participants is in fact information relating to sales (i.e. price reduction), which is followed closely by newsletters. It is worth noting that posting information of sales is a form of direct advertising whereas newsletter is a form of indirect advertising. This piece of finding indicates the importance of both direct and indirect advertising for businesses.

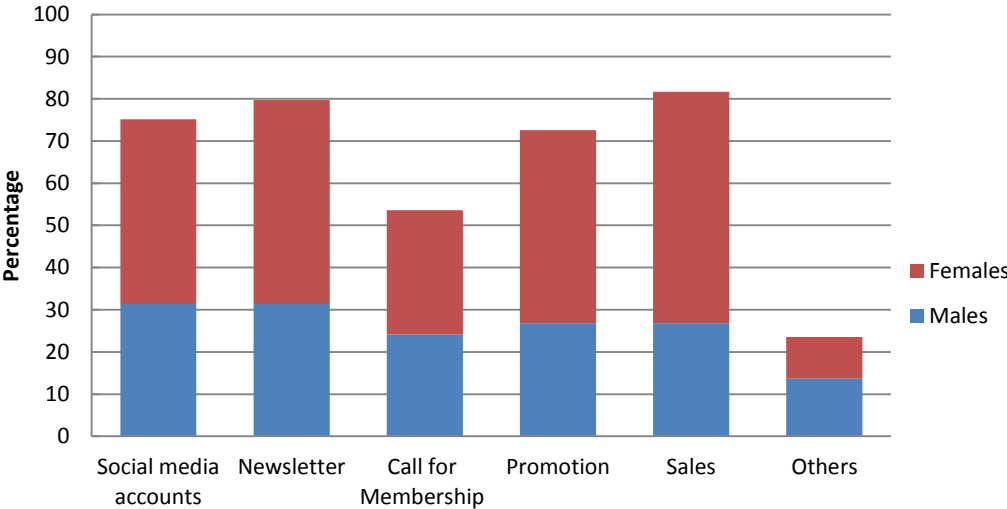


Figure 4.2 Bar chart of the percentage of responses for each of the listed advertising formats on social networking sites.

Furthermore, a gender difference was also identified in response to this question regarding the forms of advertisements. As shown, females yield a higher percentage than males for each of the listed forms of advertising, implying that females might have a higher level of interest in receiving advertising information on social networking sites. Within the different forms of interaction with businesses on social networking sites, the sales information indicated the biggest gender difference. The percentage of females who are interested in sales (54.90%) is more than double of the percentage of males (26.79%).

Data obtained from this question provided an opportunity to statistically qualify the possible associations suggested between gender and a particular type of advertising, a series of cross-tabulation analysis was conducted using SPSS (22.0). The results are presented in Table 4.8.

Table 4.8 Results from the cross-tabulation analysis on the association between gender and the level of interests toward advertising with sales information.

			Male	Female	Total
Sales Score	Strong disagree	% within Gender	12.3%	19.0%	17.8%
	Disagree	% within Gender	28.3%	2.7%	13.4%
	Neutral	% within Gender	12.3%	6.8%	9.1%
	Agree	% within Gender	12.3%	27.9%	21.34%
	Strongly agree	% within Gender	31.1%	43.5%	38.34%
Total		% within Gender	100.0%	100.0%	100.0%

The cross-tabulation test also included the chi-square test, which provided a significant Pearson Chi-Square ($\chi^2_{(4)} = 10.7$, $P = 0.030$). This result can be interpreted as there is 3% risk of being erroneous in rejecting the null hypothesis, which is there is a significant correlation between gender the level of interests in advertisements in sales.

Inspecting the result table as presented in Table 4.8 provides some interesting findings. First, it is clear that a higher percentage of females agreed to receive more sales information. For instance, 27.9% of female reported agree to receive more sales information as opposed to 12.3% of males corresponding to the same category. In contrast, there are more females than males, who did not want to receive sales information. This was shown by the percentage of people who responded “disagree” or “strongly disagree” to this particular category. These two different observations appeared contradictory at first, but a possible explanation is that a certain proportion of female consumers have already received a large quantity of advertising on product sales. Therefore, this group of people may hold a negative opinion against further involvement with this form of advertising.

The participants were further required to rate the preferred types of interaction with business uses on social networking sites. This was executed by asking the participants to rate each type of interaction on a scale of 1-5 (refer to Q14). Responses to this question were analysed and presented in Table 4.9. Across the five categories of interaction, the highest score was given to the sales information, with over 60% of the participants agreeing (or strongly agreeing) to receive more sales information. On the contrary, the newsletter was shown to be the least preferred approach by users of social networking sites. In comparison, more people hold a neutral attitude towards “call for membership”, “promotion” and “introduction of new products”.

Table 4.9 Summary of responses obtained for the question – whether you think businesses should do more of the following activities on social networking sites.

Questions	Percentage of each response category (%)					Mean	SD
	Strongly disagree	Moderately disagree	Neutral	Moderately agree	Strongly agree		
Q 1. Updates on social media accounts	20.26	43.79	6.54	14.38	15.03	2.60	0.47
Q 2. Sales	7.84	13.73	9.80	31.37	37.25	3.76	0.51
Q 3. Introduction of new products	17.65	13.73	26.14	20.92	21.57	3.15	0.97
Q 4. Regular newsletter	26.14	33.33	15.03	13.07	12.42	2.52	1.23
Q 5. Call for membership	26.80	13.73	26.14	20.26	13.07	2.79	1.04
Q 6. Promotion	14.90	15.40	28.30	18.30	23.10	3.05	0.95
Q7, Others	23.41	15.51	23.71	20.80	16.57	2.75	0.46

To further analyse the data described in Table 4.10, a MANOVA (multivariate analysis of variance) was conducted. The dependent variables are the scores obtained from the participants regarding their levels of agreement for each advertising format. The independent variables are the choice of their primary social networking site. The descriptive analysis in 4.3.1 has suggested that different types of social networking sites used by the participants include Facebook, LinkedIn, Twitter and Others. MANOVA analysis tests whether there is any difference in the preferences of different advertising formats among users of different social networking sites.

Prior to interpreting the MANOVA results, the dataset was assessed by Box's M test to ensure that the assumption of homogeneity was fulfilled. The results showed that the result of Box's M test ($F = 0.994$; $P = 0.475$) is not significant, therefore the dataset did not violate the assumption of homogeneity. The results MANOVA were interpreted based on the common multivariate test – Wilks' Lambda test. The results from the multivariate tests are shown in Table 4.10.

Table 4.10 Results obtained from the multivariate tests to investigate how users from different social media score their preferred forms of advertising. The results were interpreted by the Wilk's Lambda test.

Effect		Value	F	Hypothesis df	Error df	Sig.
	Pillai's Trace	0.947	249.681	4	251	0.00
	Wilk's Lambda	0.053	249.681	4	251	0.00
Intercept	Hotelling's Trace	17.834	249.681	4	251	0.00
	Roy's Largest Root	17.834	249.681	4	251	0.00
	Pillai's Trace	0.464	2.683	20	1000	0.007
	Wilk's Lambda	0.592	2.737	20	988	0.007
Group	Hotelling's Trace	0.597	2.698	20	998	0.007
	Roy's Largest Root	0.326	4.777	20	344	0.006

According to these results, an overall significance was observed between the users of different social networking sites, in terms of the way they scored their interaction with the networking sites ($F = 2.683$, $P = 0.007$). The subsequent univariate results suggest that different social networking sites have specific significant effects on the score given to “Call for membership” ($F_{(4,249)} = 7.455$, $P = 0.001$) and “Regular newsletters” ($F_{(4,249)} = 4.484$, $P = 0.015$). Post-hoc tests were formed to further elucidate the significant results. The results showed that LinkedIn users appeared to score significantly higher to these two categories, indicating that they agree to have businesses advertise their brands through these methods. Specifically, the mean for “Call for membership” is 3.87 (SD = 0.81) given by the LinkedIn users, as opposed to 2.14 (SD = 1.12) given by the Facebook users and to 2.22 (SD = 1.34) given by the Twitter users. Similarly, the mean for “Regular newsletter” is 4.01 (SD = 1.00) from the LinkedIn users, in comparison to 3.22 (SD = 1.81) from the Facebook users and to 2.98 (SD = 0.74) from the Twitter users. These findings suggest that companies should use the right social media platforms for each type of advertisement to achieve the highest effectiveness.

4.5 Perspectives on social media advertising from the managerial perspective

The present study also attempted to enquire opinions on using social media advertising as a business user. The last section of the questionnaire was therefore intended for people who reported yes to the question of “Have you ever posted advertisements on social networking sites for your own business or for your employer?” – Question 15

The results showed 51 participants (20.1%) have at least once used social networking site for business use. These people are then required to answer some additional questions. The first question was to select the main purpose of their use of social networking sites from five listed statements. The respondents are also asked to specify the purpose of use if none of the provided options is relevant. The results however showed no additional opinions, indicating the provided options captured the common uses of social networking sites. The percentage for each statement is listed in Table 4.11.

Table 4.11 Percentage of respondents to the question about the main purpose of the social networking sites for business use.

Main purpose of social networking sites for business	Percentage (%)
Contact new customers	9.8
Introduce a new product	33.5
Broadcast sales information	21.6
Business announcements	13.7
Regular contact with existing customer	21.4

According to Table 4.11, it is clear that the more frequent use of social networking sites for business was to introduce a new product, with 33.5% of the respondents reported yes to this category. Furthermore, broadcasting sales information and keep regular contacts with the existing customers are relatively common purposes for using social networking sites (approximately 21%). It was also interesting to learn that only a very small proportion of people use social networking sites for reaching out to new customers (i.e., 9.8%).

Subsequently, the participants were asked to give their perspectives on six statements relating to use social media as business tools. The results were summarised in Table 4.12. The results provided a clear indication that social networking sites are highly regarded among these respondents. With nearly half of the respondents strongly believing that social networking sites brings positive business value, the mean score of that question was as high as 3.92. However, only 27.45% of respondents possessed a strong opinion when they were asked whether the company would invest further in the sector of social networking sites. This contradictory was further discussed when respondents were asked whether they have observed increases in their investment in the use of social networking sites. Specifically, 47.06% of the participants decided to hold a neutral decision to this question. Furthermore, over 30% of the participants indicated that they did not witness a growth in using social networking sites within their companies. Results from the above three questions seem to indicate a gap between people’s perspectives of social networking sites as business tools and the reality of using this tool.

Table 4.12 Summary of results obtained from the set of questions that enquire about the participants' opinion on using social networking sites as business tools. The percentage of participants responded to each category was summarised. The mean and standard deviation for each question were included in the last two columns.

Statements	Percentage of each response category (%)					Mean	SD
	Strongly disagree	Moderately disagree	Neutral	Moderately agree	Strongly agree		
Q 1. Social networking sites brought business value to my business	11.76	9.8	0	31.37	47.06	3.92	0.74
Q 2. My company intends to invest more on social networking sites	11.76	11.76	7.84	41.18	27.45	3.61	0.83
Q 3. My company has been increasingly invested to the social networking sites use in our business	7.84	23.53	47.06	13.73	7.84	2.90	0.51
Q 4. I think social networking sites does not suit New Zealand local business culture	11.76	17.65	49.02	7.84	13.73	2.94	0.48
Q 5. My company thinks social networking sites generate direct revenue	19.61	7.84	27.45	27.45	17.65	3.16	0.37
Q 6. My company thinks social networking sites brings new customers	7.84	9.8	7.84	29.41	45.1	3.94	0.44

Nearly half of the participants responded neutral to the question about suitability of social networking sites in New Zealand business culture. Inconsistent opinions were observed for the question whether social networking brings direct revenue. However, more people tend to agree that social networking helps to attract new customers. The results suggested New Zealand businesses were still reluctant to adopt social media extensively for their business and marketing purposes.

4.6 Chapter summary

This chapter provides detailed information about statistical results and findings of quantitative data analysis based on the data set collected from the online survey. The demographic profile, habits, and prior experience on social media usage of the respondents were described in the first sections. Next, the results obtained from this questionnaire were analysed with the following quantitative methods: cross-tabulation analysis, correlation test, independent t-test, analysis of variance (ANOVA), and multivariate analysis of variances (MANOVA). The statistical outcomes indicate users of different social networking sites are interested in different advertising formats on social media platforms used by New Zealand businesses. On the other hand, New Zealand companies are still reluctant to adopt social media extensively for business and marketing purposes.

CHAPTER FIVE: DISCUSSION AND IMPLICATIONS

5.1 Chapter overview

The aims of this chapter are to compare and contrast research findings with the existing literature to determine theoretical contributions of this study and its managerial implications for the New Zealand businesses. First, the researcher makes a comparison of the sampling frame in the current study with previous studies. Next, customer beliefs/attitudes and their responses to social media advertising and other business activities on social media platforms were discussed in detail. In light of the research outcomes, the study has served to broaden the understanding about consumer attitudinal insights about business and marketing actions of New Zealand companies on different social media platforms from a New Zealand perspective. As a result, managerial implications and recommendations based on research findings are presented at the end of the chapter.

5.2 Key demographic characteristics of social media users in the sample

In order to create effective social media advertising campaigns, it is important to understand the demographic profile and behaviours of social networking users in the New Zealand context. In total, the present study involved 153 social media users. As the large-scale online survey was conducted via social media platforms and public places at universities, the sample includes mostly university students or young adults aged from 21- 35, who are familiar with Internet surfing and social networking. More specifically, nearly half of the participants (47.71%) are within the age group of 21 - 35. The sample is appropriate to conduct the study on social media advertising as previous research has consistently indicated that the predominant users of social networking sites are young adults (e.g., Correa, Hinsley, and Gil de Zúñiga, 2010; Lenhart, 2009). As stated by Akturan and Tezcan (2012), young people with these characteristics normally have considerable experience with social networking and online shopping.

According to Correa et al. (2010), in 2009, 75% of Internet users aged under 25 have a profile on at least one social networking site. Compared to previous research, the percentage for the youngest age group (20 or under) is surprisingly low in the current study. This is likely due to the method of sampling. In the present study, the participants were approached either through social media platforms or personally at public places at the universities. Therefore, the researcher only had restricted access to social media users aged 20 or under. Although this might become an issue when generalising the findings, the main objective of this study was to

evaluate consumer attitudes and responses to social media advertising and other business activities on social media platforms, which would be adequately addressed based on the current sample.

Furthermore, the participants also vary in terms of education level and ethnicity. In general, this study captured a wide range of social media users. The compositions of participants are in line with similar studies conducted in other countries. Another point to note, in this sample, the proportion of males is considerably higher than that of females. The result confirms the common features of the sampling in previous studies on online advertising (e.g., Mir, 2012; Wang and Sun, 2010) These studies assert that females tend to be less interested or have negative attitudes towards different types of social media advertising and other business activities on social media platforms.

5.3 Habits and prior experience of using social networking sites

The analysis of quantitative data provides us with information regarding experience and usage habits of social networking sites, usage duration, main activities, sources of information and relative importance of different social media platforms. The results suggested that nearly half of the participants (35.8%) spent 0.5 to 1 hour on social networking sites daily. An additional 22.5% of the participants indicated that they spent from half an hour and one hour. Average usage duration is approximately 90 minutes per day (the calculation is based on taking the middle point of the time interval that participants chose). This is equivalent to 45 hours per month on an assumption of 30 days per month. This statistics is much higher than the duration reported by the local marketing agency – Nielsen, which suggested that New Zealanders spent approximately 7.43 hours per month on social networking sites (cited in Hedquist, 2013). This discrepancy between previous research and the present study as the sample includes mostly young adults, who tend to use social networking sites every day.

A study conducted by Subrahmanyam, Eich, Waechter and Espinoza (2008) observed a gender difference in the manners of using social networking sites. Specifically, a study conducted by Lenhart and Madden in 2007, suggested that girls within the age group of 15 to17 are more likely to have used social networking sites in comparison to boys within this age group. Given this research context, the present study attempted to make comparisons between males and females in terms of their time spent on social networking sites. The results however showed no significant gender difference, which is contradictory to that from Lenhart and Madden (2007). It should be noted that participants in the present study are generally older

than previous study, which focused on teenagers. Another possible explanation to this discrepancy might be related to the year of the study. As social networking sites have rapidly changed from a niche event to a daily activity, it is understandable the demographic of users changed over the past decade. It is likely that the number of male users increased to the similar level of the female users.

The results from the present study also showed a diverse range of activities that the participants are involved in on social networking sites. Among the common activities, “keeping in contact with friends” is regarded as the most important activity across the participants. Raacke and Bonds-Raacke (2008) conducted a similar study with 116 participants in America. According to these authors, the main activities on social networking sites include “keeping in touch with old friends”, “keeping in touch with current friends”, and “making new friends”. Hence, similar to prior work, the present study suggested that maintaining and building friendships is the fundamental use of social networking sites, providing gratification to the users. The second most popular activity is “sharing information”. These activities are rated highly important by the participants as expected by previous research, such as Lampe, Ellison and Steinfield (2006), Raacke and Bonds-Raacke (2008), and DiMicco, Millen, Geyer and Dugan (2008).

Another expected result was that participants reported that they were not enthusiastic about “receiving commercial-related information”. It is interesting to note that there is a large diversity in the opinions for this activity. In other words, respondents have different points of views towards receiving commercial-related information. With regard to the types of information that interests the participants, comedic materials were reported as the most attractive and interesting information posted on social media. This is followed by educational articles, friends’ updates, current news, commercial advertisements, charity advertisements or literacy. These findings are very interesting as there has not been much literature about the types of information that social media users are particularly interested in.

5.4 Consumer perspectives of advertising on social networking sites as receivers

Gritten (2007) said increasing clutter and media fragmentation exposes consumers to thousands of commercial messages on a daily basis. These include advertising through traditional media, such as television and newspaper, as well as guerrilla media campaigns, sub viral marketing online, brand installation, and consumer generated media such as blogs, podcasts, and online social networking sites (Gritten, 2007, Schultz, 2006, Kelly, Kerr and

Drennan, 2010). As the use of social networking sites is continuously growing, businesses have been investing more and more on advertising on social networking sites. The discussions in the previous sections clearly indicate the popularity of social networking sites for people these days.

Previous literature showed that advertising on social media can have different forms (Vries, Gensler and leeflang, 2012). Specifically, advertisements can directly focus on prompting products and services or publicise brand names by indirect approach such as setting up social media accounts, blogs and newsletters. Social media appears to be an effective platform for both approaches – direct and indirect advertisements, based on previous literature. Particularly, in the study conducted by De Vries et al. (2012), vivid and interactive brand post characteristics enhance the number of likes.

The present study started enquiring the participants' perspectives on advertising on social networking sites by asking a set of ten questions. With an excellent consistency in the responses, the participants seemed to indicate that they believe social networking can be an effective tool for prompting commercial information. However, at the same time, the participants hold a neutral emotion towards the approach of advertising on social networking tools. Korgaonkar and Wolin (2002) also took an interest in researching the relationship between web usage, advertising and actual purchasing. They have found a strong relationship between web usage and purchase. Their finding implies that the effect of online advertising is reinforced when the users are exposed to the websites for longer. With a longer exposure to the advertisements, the possibility of making an online purchase is heightened. In the present study, the majority of the participants are regarded as medium web users according to the criteria set by Korgaonkar and Wolin (2002). Therefore, online purchasing might not be a frequent event for these participants. This piece of finding is interesting as it highlights a need for future research on this issue by scoping people with different levels of internet usage.

Across various advertising formats, the participants in the present study suggested that they are relatively interested in sales information and newsletters in comparison to other types of advertising. A particular focus was placed on the sales information. A further analysis showed that female participants are significantly more interested in receiving sales promotions than the male participants. This finding, to some extent, is understandable given that females are more likely to make purchases online than males. In other words, promotions with a monetary focus have more implications on females than on males.

More interestingly, 19% of the female participants strongly disagreed to the proposal of more sales information, whilst only 12.3% of male participants selected this category. This observation is particularly interesting given that females in general prefer to receive more sales information on products. A possible explanation is that this group of females already receive a high quantity of sales information, and therefore do not wish to receive additional information.

Furthermore, results from the present study showed that users of different social networking sites prefer different formats of advertising. For instance, users of LinkedIn responded more positively to “call for membership” and “regular newsletter”, as opposed to users of Facebook or Twitter. This finding has indicated the importance in customising advertising formats according to the target demographic. Literature review suggested there is little information regarding discrepancies between different social networking sites. Results from this study however shows different consumers would respond very differently to different advertising formats. Further studies are required to re-examine the value of designing the same advertisements across all social networking sites.

5.5 Perspectives on advertising on social networking sites as a user

A subset of this study focused on participants who had had experience in advertising on social networking sites, for brand promotion, fostering consumer relationships and others. The most common function of social networking sites to the businesses appears to be promoting a new product, which was selected by 33.5% of the participants. On the contrary, contacting new customers is surprisingly rated as the least frequent usage (9.8%) by the participants. This result may be congruent to most people’s experience as the common type of advertising is promoting products through a video clip, such as on YouTube.

Results from the present study also provided a clear indication that social networking sites are highly regarded among these respondents. With over 47% of the respondents strongly believing that social networking sites bring positive business value, the mean score of that question was as high as 3.92. However, fewer people (27.45%) possessed a strong opinion when they were asked whether the company would invest further in the sector of social networking sites. This finding is interesting as it highlighted a gap between the high expectation of advertising on social networking sites and the reluctance in investing in it. A possible explanation is that the business owners are uncertain about what the appropriate ways to advertise on social networking sites.

To give some suggestions to the current business owners about advertising on social networking sites, we need to review the progress advertising on media. In 2007, Clemons, Barnett and Appadurai commented on an unpublished work conducted by MIT professor Dan Ariely, which suggested that consumers have come to distrust paid advertising and information that is pushed at them from a source that is seen as having an interest in influencing outcomes. The findings from this study were soon reflected in the advertising business. In the past decade, the effect of advertising has declined. Researchers have shown that consumers receive abundant information about products through social media.

The consequence of having abundant information is that consumers have a more complete understanding of what they want and of what is available to them in the marketplace. With this understanding, “they will pay less for products that do not perfectly match their preferences, wants and needs, cravings and longings” (Clemons, et al., 2007). Therefore, several researchers argue, “reaching consumers through advertising is significantly more difficult than in the past”. In this context, social networking sites play an even more crucial role in getting in touch with consumers, as it is interactive, personal and accessible. However, caution needs to be applied to advertising on social networking sites.

First, business owners should not assume a trustworthy relationship is established with the consumers through merely setting up an account. According to social anthropology, networks create trust and credibility (Wasserman, 1994). However, the present study has shown that this is not the case with social networking sites on the internet. A study conducted by Clemons et al. (2007) suggested that people did not possess a trustworthy attitude to MySpace, Facebook or YouTube. In comparison, LinkedIn seems to be a more trustworthy site, but it still failed to deliver the level of trust as promised by their proposition. Furthermore, Clemons et al. (2007) also found that people did not only show negative attitude towards direct advertising from business, but also to the comments from people who they are not familiar with. To make the situation even more complicated, participants reported that they possessed even more negative attitude towards the brand if they suspected any fake comments.

Based on a review of the previous studies and interpretation of the present findings, businesses need to understand there is a discrepancy between the actual and virtual social networking relationship. More investments, both strategically and financially, are required for establishing a trustworthy relationship with the consumers. This could be done by updating their business status, sharing business scopes, explaining manufacturing process, or

introducing tips in using the products (e.g; recipe), or other posts that are not directly focused on products. The posts should not make the consumers believe there are incentives for the business. A study has shown that consumers' willingness to rely on connections is actually enhanced once the connections are perceived as reliable and trustworthy (Chu and Kim, 2011).

Second, businesses should be careful with ways to engage the consumers. As more and more marketers incorporate social networking as an integral part of their promotions, it is critical to know the factors that determine the engagement on social networking sites. Trusov, Bucklin and Pauwels (2009) found that mixed comments on products attract more comments. Kaplan and Haenlein (2010) found that positive comments create more 'likes'. Chu and Kim (2011) conducted a study to explore what engages people in the activity of word-of-mouth on social networking sites. Their study showed that the need for psychological association with significant contacts, such as close friends or families, leads to users acquiring information about products or brands. This discussion is linked to the finding in the present study about people's particular interests in receiving "sales" information.

According to Chu and Kim (2011), engagements in social networking sites are constant interaction among businesses and customers. Sales information, as valuable information for others, is more likely to be redirected to other contacts as a welcomed message. In comparison, simply "promoting a product" does not make people want to redirect to their contacts, and therefore does not lead to gratification for the users. This discussion has indicated an importance of designing posts that are able to help the users foster positive relationships with their contacts. These can be "sales information", "competitions", "prize drawing" etc.

5.6 Major contributions and implications of the research

5.6.1 Contributions to the current literature

The current study in New Zealand affirms the importance of using social media platforms for business purposes, particularly social media advertising from customers' perspectives. The results have served to broaden the existing literature in domains of consumer attitudinal insights about how social media can create value for New Zealand businesses. First, the study has successfully identified the aspects of social media usage in New Zealand settings. It has been suggested that from a customers' point of view, direct social media advertising is the most popular example for using social media for business purposes. Furthermore, most

participants felt that the content presented on social media platforms were misleading to a certain extent. There are significant differences among age groups in perceived importance of social networking sites in their daily lives.

The second contribution of the study is to perform the first analysis of how social media can create value for New Zealand businesses from the customers' perspectives. Social media advertising, when compared with other types of Internet advertising, tends to have much more interaction with customers and lower costs for businesses. Building up favourable attitudes towards social media advertising and other business activities on social media platforms is crucial to ensure the success of the social media marketing campaign.

5.6.2 Managerial implications

From the managerial point of view, the study produces valuable insights regarding the consumer attitudinal insights about social media advertising from a New Zealand perspective. The study is beneficial for both academic scholars and practitioners in the fields of social media marketing studies and marketing disciplines. First, the research findings suggest that to build up positive attitudes towards social media advertising and other business activities on social media platforms, companies not only need to make the advertisement interesting and useful but also ensure its trustworthiness in terms of both content and technical aspects. Additionally, the research results indicate that customer attitudes significantly influence their responses such as reading or sharing social media advertising and other business activities on social media platforms. Therefore, New Zealand companies have to leverage the power and features of social media to strongly influence consumer attitudes and responses towards their advertisements and other business activities on social media platforms.

In this sense, social media advertising enables companies to take advantage of an unlimited and increasing user pool with the low marketing costs of social media. New Zealand companies should clearly understand what potential customers think and consider and which types of information they need for their buying decisions. Furthermore, using social media is considered as the best way to easily and effectively interact with customers not only for advertising but also for gaining their feedback.

5.7 Chapter summary

The aim of this study has been to examine the consumer attitudinal insights about social media advertising from a New Zealand perspective. In this chapter, the research results were discussed further in conjunction with prior studies to identify the major factors affecting

people's attitudes and responses towards social media advertising and other business activities on social media platforms. At the end of the chapter, the main implications of the findings for academic scholars and marketers were presented. Based on the findings, the study is valuable in that it generates the profile of users of social networking sites in New Zealand, explores the common uses of social networking sites and probes the value and challenges of utilising social networking sites for business uses. As a conclusion, this study shows the potential of social networking sites as a powerful tool for gaining access to consumers' trust circle, at the condition that appropriate approaches are employed.

Specifically, the present study offers recommendations for businesses to utilise social networking sites. First, it is premature for businesses to assume the function of social networking sites to be same as the actual social networking. Businesses need to focus on building a genuine and long-term relationship with the consumers, instead of an incentive-focusing relationship. Another important learning form the study is that users of social networking sites gains gratification from interacting with their significant contacts, who might be families or first connection friends. This has implied the focus of advertising on social networking sites should emphasize fostering positive relationships between people.

CHAPTER SIX: CONCLUSION

6.1 Key conclusions

Social networking sites are applications that enable users to connect by setting up personal profiles, inviting friends to have access to these profiles, and allowing messages between the social circles (Kaplan and Haenlein, 2010). As social networking sites keeps evolving, information can be put on social networking sites through various formats, including photos, text, video, audio and 3D formats. The development of social interaction has provided enormous opportunities for businesses. However, there has not been a clear answer regarding how to best utilise social networking sites for marketing purposes. More specifically, different countries are shown to have different cultures of using social networking sites (Kaplan and Haenlein, 2010). There has not been a systematic study in New Zealand that investigated and evaluated the usage of social networking sites for advertising.

Although the response rate of the present study was only 54%, 153 participants completed the present study. This is considered a sufficient sample size to represent the uses of social media among New Zealanders. In this study, predominant users of social networking sites are young adults with a significant time spending on using social media every day. The results from this study suggested that social media has not been adequately utilised by New Zealand as a business or a marketing tool. Although the majority of the participants (72%) perceived social media as a communication tool for businesses, there has not been a consistent view on the potential of social media in terms of enhancing business value.

With regard to demographic features and usage habits of social media users in New Zealand, the findings reveal that the sample includes mostly young adults aged from 21- 35, who are familiar with Internet surfing and social networking. The majority of respondents belong to high education-level cohorts with diploma or advanced diploma and have average annual income. In terms of primary reasons why young adults use social networks, the results from the survey in this study suggest that people in New Zealand mostly use social networking sites for individual purposes such as to stay in contact with friends and family members, get news information, and entertain in the dynamic online space than for business uses. However, a significant number of participants indicated that they are increasingly aware of the importance of using social media as a business and marketing tools.

The main purposes of this study are to examine the role and effectiveness of social media as a business tool and to investigate how social media can create value for New Zealand

businesses to improve their business performance from consumers' perceptions. Based on the research results, it can be concluded that the hesitance of using social media as business and marketing tools has also been proved in New Zealand context. Firstly, nearly a half of the participants claimed that advertisements on social media might be misleading. This has suggested the importance of providing a great level of clarity when posting advertisements on the social media. Secondly, the results also showed that New Zealand businesses lack a level of awareness in terms of implementing social media tools for enhancing their value. To many business owners, prohibiting social media at the workplace increases the productivity from the staff. The positive effects of social media for the business have been overlooked by the business owners.

The statistics from the current study showed that New Zealanders use social media mostly for personal reasons. This perhaps has created a vicious cycle for using social media sties for businesses. From the respondents' perspectives, social media is perceived to be a valuable channel for social interaction, communication, entertainment, as well as for information seeking to inform their buying decision. This study can be considered as a useful reference for marketers and practitioners in the field of social media advertising and other businesses on social media platforms.

6.2 Limitations

Like any study, this work contains some limitations that should be dealt with in future studies. First, the majority of the research subjects are young adults (aged 21-35) who have considerable usage experience with social networking sites. Therefore, the generalisation of the research results and managerial implications should be restrained to online users with similar characteristics. The use of a quantitative research methodology as the single form of research method could not answer some questions, such as the specific perspectives held by people. To further explore people's view on some of the questions asked in the survey, a qualitative study, such as a focus group, must be conducted.

6.3 Future research

Future research should be conducted to extend the current research. One direction of future research is to focus on combining both qualitative and quantitative research methods in an attempt to obtain more accurate and substantial findings pertaining to the specificity of social media as a business and marketing tool utilised by organisations in New Zealand. Even though the present study did not consider the implications of gender on the use of social

media for business purposes in New Zealand, there is a relevant opportunity for future research on the specific way in which researchers can compare how men and women differently perceive the implementation of social media tools for business use.

Moreover, another opportunity for future research would be to consider categorisation of which specific businesses tend to utilise mostly social media in the process of expanding their performance and profitability. Undoubtedly, there are various opportunities for future research, and practitioners in the field may consider them along with evidence from the literature in order to present solid arguments related to the growing importance of using social media for business purposes in the context of New Zealand.

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APPENDICES

Appendix A Survey questionnaire

A SURVEY OF SOCIAL MEDIA ADVERTISING

SOCIAL MEDIA STUDY ONLINE SURVEY 2013

Thank you for agreeing to participate in this questionnaire. This is an online survey on the use of social media in a business context, which is a part of my research in acquiring my degree in MBus. The purpose of this study is to understand the demographics of users of social networking websites in New Zealand, and to evaluate social networking websites as a business tool. Complete participation in this survey indicates your consent for using the data for in this research. You can withdraw your consent at any stage prior, during or post your participation. Your time in participating in this study is gratefully acknowledged.

Section One: Demographic Information

1. What is your gender? (please select one)
 - Male
 - Female

2. Which age group are you in? (please select one)
 - 20 or under
 - 21 to 35
 - 36 and over

3. What is your highest education level that has been obtained? (please select one)
 - Level 7-equivalent Diploma
 - Undergraduate
 - Bachelor degree
 - Postgraduate
 - Other (Please specify) _____

4. What is your current range of annual household income? (please select one)

- Less than 45,000
- Between 45,000 and 100,000
- More than 100,000

Section Two: Behaviours of using social networking sites

5. Which of following social network sites do you have at least one account? (select all applicable sites)

- Twitter
- Facebook
- Google+
- LinkedIn
- MySpace
- YouTube
- Other (Please specify) _____

6. For how long have you used social network sites? (Select one)

- Less than half year
- Half year to one year
- Between 1 to 2 years
- More than 2 years

7. On average, how many hours you spend on social network sites on the days you use them? (Select one)

- Less than 0.5 hours
- 0.5 hours to 1 hour
- More than 1 hour to 2 hours
- More than 2 hours to 3 hours
- More than 3 hours

8. On average, how many times you visit social network sites for a day? (Select one)

- 0
- 1
- 2
- 3
- More than three times / Please specify _____

9. Please indicate how important is social networking sites to your daily life?

Not at all	Neutral			Extremely	
1	2	3	4	5	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

10. What you usually do in social networking sites? Please indicate how strongly you agree or disagree with the following statements. Please rate from 1 (strongly disagree) to 5 (strongly agree)

Activities in social networking sites	1	2	3	4	5
Keep contacts with friends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Share information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Receive information in general	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Be involved in specific groups	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Meet people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Receive commercial- related information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

11. Please indicate how much you are interested in the following information on social media networks? 1 refers to not interested at all; 5 refers to extremely interested.

	1	2	3	4	5
Comedic materials (including pictures, jokes etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Educational articles	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Friends' updates about their activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Current news	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commercial advertisements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Charity advertisements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Literacy (e.g., poem, critical reviews)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section Three: Perspectives on advertising on social networking sites

12. Please indicate your level of agreements to each of the following statements. 1 refers to not agreed at all; 5 refers to extremely agreed.

	1	2	3	4	5
Q 1. I like social media advertising	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q 2. I am interested by advertising from social networking sites	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q 3. Social media advertising should be reduced	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q 4. I am annoyed by advertising on social networking sites	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Q 5. I trust advertising on social media	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q 6. I click into advertising links	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q 7. I learn about promotion and sales from advertisements on social networking sites	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q 8. I share advertising on social media with my friends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q 9. I often purchase items or services after seen advertisements on social networking sites	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q 10. I think it is a good idea to advertise on social media	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

13. Please indicate your level of agreements to receiving each of the following types of information. 1 refers to not agreed at all; 5 refers to extremely agreed.

	1	2	3	4	5
Ignore all advertisements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Read interesting advertisements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Read one suggested by friends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Only read favourite products advertisements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Read special offers and promotion

14. Please indicate your level of agreements to receiving each of the following types of information. 1 refers to not agreed at all; 5 refers to extremely agreed.

	1	2	3	4	5
Updates on social media accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sales	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Introduction of new products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Regular newsletter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Call for membership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Promotion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Section Four: Perspective on social networking as a business user

Please only complete this section if you have ever experienced with posting advertising on social networking sites.

15. Have you ever posted advertisements on social networking sites for your own business or for your employer?

- Yes – Please continue to complete this section
- No – Thank you for your participation

16. What are the main purposes for which businesses use social media? (Select all applicable categories)

- To attract new customers
- To promote new products

- Broadcast sales information
- Business announcements
- Regular contact with existing customers

17. Please indicate your level of agreements to each of the following statements. 1 refers to not agreed at all; 5 refers to extremely agreed.

	1	2	3	4	5
Q 1. Social networking sites brought business value to my business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q 2. My company intends to invest more on social networking sites	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q 3. My company has been increasingly invested to the social networking sites use in our business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q 4. I think social networking sites does not suit New Zealand local business culture	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q 5. My company thinks social networking sites generate direct revenue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Q 6. My company thinks social networking sites brings new customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Appendix B Ethical Approval of the research

1 March 2015

Lin Yuan
4-1116 New North Road
Mt Albert
Auckland

Dear Lin

Thank you for submitting your research proposal "*Is social media a creator of value for business enterprises in New Zealand?*"

The proposals committee of the Department of Management and Marketing is able to confirm that the changes have been made and the proposal has now been approved.

Your principal supervisor is Asoka Gunaratne, advisor is Sukesh Sukumaran and your associate supervisor is Andries du Plessis.

Please be aware that ethical approval may be required for your research once you have finalised your proposal. To determine the need for ethics application and approval, we recommend that you read the Guidelines for Ethical Approval in the *Research* folder on the Moodle site *Postgraduate Students Resources*, to identify any ethical issues that may arise. Discussion with your supervisor or the ethics committee (email: ethics@unitec.ac.nz) may also assist in this decision process. This will help determine the need, or otherwise, for a full application for ethical approval. Ethics applications and accompanying documents should be submitted as email attachments to the above address.

Please contact us if you have any questions, or if we can assist you in your research. My extension number is 7026 and my email address is pnel@unitec.ac.nz.

We wish you every success in completing your research project.

Yours sincerely

Prof Pieter Nel

Chair, DoMM Research Proposal Committee

cc:

Principal Supervisor: Asoka Gunaratne
Associate Supervisor: Andries du Plessis
Head of Department: Sukesh Sukumaran
Programme Leader: Jeff Marriott
Programme Administrator: Daniel Mangalaraj
Postgraduate Academic Administrator: Cynthia Almeida
Research Office: Kath Bridges (full approval letter only)



**APPLICATION FOR ETHICAL APPROVAL
FOR A RESEARCH PROJECT – FORM A**

Form A is for all research that involves or may involve potential for contentious or sensitive issues.

Please refer to the Guidelines Research Ethics Committee Policy and Procedure, Guidelines for Ethics Applications at Unitec and Application for ethics approval Guidelines for the use of Form A and B before filling in this form.

Research cannot proceed until formal approval from UREC has been given in writing.

(For office use only)

Ethics Committee Ref. No:	<input type="text"/>	Date approved:	<input type="text"/>
Date received:	<input type="text"/>	Period of approval:	<input type="text"/>

DECLARATION:

This application is a true and correct outline of the research project. I, the supervisor and/or the applicant, undertake to notify the Unitec Research Ethics Committee whenever there is any ethically relevant variation in the research process.

The information supplied below is to the best of my knowledge and belief accurate. I have read the current guidelines and a policy for ethical approval for research projects involving human participants published by the Unitec Research Ethics Committee and clearly understand my obligations and the rights of participants, particularly in so far as obtaining freely-given informed consent is concerned.

Applicant name:	Lin Yuan	Date:	6 th August 2013
Applicant signature:			
Supervisor name (if applicable):	Dr. Asoka Gunaratne		6 th August 2013
Supervisor signature:			
Head of Department name:	Sukesh Sukamaran		7 th August 2013
Head of Department signature:			

PROJECT/THESIS TITLE:

Is social media a creator of values for Business enterprises in New Zealand from customers' perspective?

For student projects:	
Conducted at which Tertiary Institution?	Unitec Institute of Technology
Degree:	Master of Business
Course number & name:	APMG9150 Thesis

ATTACHMENTS: Checklist

- Information sheet(s)
- Questionnaire(s)
- Consent form(s)
- Interview/focus group schedule(s)

Applications should be received by UREC at least 10 working days prior to the next advertised meeting. Every effort will then be made to resolve each application at that meeting.

GENERAL INFORMATION**1. PRINCIPAL RESEARCHER (APPLICANT) - STAFF OR STUDENT**

Name:	Lin Yuan
Address:	4-1116 New North Rd, Mt Albert, Auckland 1025
Department:	Management and Marketing
Phone No:	+642102318306
Unitec Student ID:	1401960
e-Mail:	Yuanlin1127@gmail.com

Brief statement of relevant qualifications and experience:

--

2. PRINCIPAL SUPERVISOR (if applicable)

Name:	Dr. Asoka Gunaratne
Address (Bldg & room number):	Building 54
Department:	Management and Marketing
Phone No:	(09) 815 4321 extn 7035

Brief statement of relevant qualifications and experience:

PBRF rated researcher since 2006. Academic qualifications: BSc, M.B.A, MBus (Auckland), PhD (Canb.), FCIM (UK), Chartered Marketer (UK)

3. ASSOCIATE(S)/RESEARCH PARTNER(S)/ CO-SUPERVISOR(S)/ ADVISOR(S):

	1	2	3
Name:	Dr. Andries J Du Plessis	Sukesh Sukumaran	
Department:	Management and Marketing	Management and Marketing	
Qualifications:	BA (Hons), MA, PhD	BSc, M.B.A (Otago)	
Role in project:	Associate Supervisor	Academic Advisor	

Details of additional associates/research partners are attached Yes No**4. PROJECT DURATION:**

Dates during which the research methods requiring this approval will be conducted (normally one year from date of approval; a maximum of three years can be requested, after which the researcher must seek an extension):

From:

August 2013

To:

August 2014

5. AIMS/OBJECTIVES OF THE PROJECT:

Describe in language that is, as far as possible, free from jargon and comprehensible to lay people.

The aim of this study is "To understand the value created by social media for New Zealand businesses to improve performance"

The objectives of this study are:

- To examine the primary reasons why people use social networks
- To determine the extent to which social media are used by New Zealand businesses
- To identify the effectiveness of social media as a business tool
- To determine the ways businesses could use social media to improve business performance
- To examine the reasons for the declining use of social media by New Zealand enterprises for business purposes

6. VALUE AND BENEFITS OF THE PROJECT:

The value and benefits of the research project are listed below:

The role social networks have played in the people's daily lives and the benefits to business are well established. However, many enterprises in New Zealand haven't paid much attention on include social media/networks in their business strategy. For this reason, this study examines the usefulness of social networks for New Zealand businesses and their reasons for not taking advantage of this resource to improve their competitive position in the market.

Additionally the extant literature does not highlight the disparity between New Zealand enterprises and the global businesses in the deployment of social networks for business use. This study attempts to bridge this information gap which will be of value to those who are hesitant to commit time and resources to implementation of a social media strategy in their business enterprises.

The findings of this study would also provide alternative approaches for New Zealand enterprises on how to utilize social networks (e.g., advertisement, etc.) to enhance their presence in the industries they operate.

METHODOLOGY**7. TYPE OF PROJECT AND METHODS: (Mark the appropriate boxes)**Questionnaire Focus Group Interview Experimental, Observational
or Interventional Study

Other (please specify)

Will electronic media (e.g. e-Mail or the internet) be used for the collection of data from participants?

 Yes No

Please attach copies of relevant questionnaires, schedules, protocols and/or procedures.

8. SAMPLE & ANALYSIS DETAILS

- a. How many participants will be involved in the research project?

Around 250 respondents

- b. From what groups are the participants to be drawn (e.g. general public, specific cultural groups, special interest groups, students, geographical groups, etc)?

People (general public) who are using social networks and living in New Zealand.

- c. What is the relationship between the participants and the researcher (friend, whanau/family, employee-employer, teacher-student, etc)?

There is no relationship between the participants and the researcher. The researcher does not work in an enterprise in New Zealand.

- d. What methods will be used to recruit participants? (Include information about koha, expenses, and inducements)

This project will use an online questionnaire (www.surveymonkey.com) as the research instrument. The respondents will be required go to the website and click on the questionnaire to access it. The completion of response to the questionnaire will take about 20 - 30 minutes.

The researcher will provide the survey monkey link to five businesses who have agreed to participate in the online survey. In addition, the researcher will also visit these selected enterprises personally to invite and encourage the participation of their employees in the survey. Furthermore, the researcher will also seek assistance from Unitec Students union to recruit participants for the study.

- e. How did you determine your sample size?

According to Statistics New Zealand, 1.8 million people in New Zealand use social networks. This number suggests a possibility of attracting 250 respondents for this survey without much difficulty.

- f. How will you analyse the data generated from the research project?

Data in this study will be analysed utilising SPSS software. In order to test the research hypotheses, the researcher will use univariate, bivariate and multivariate data analysis techniques.

9. MAORI PARTICIPATION:

Could your research involve Maori participation, either by deliberate selection or by random sampling?
Could it impact on Maori, or be of particular relevance to Maori?

Yes/perhaps No

See HRC Guidelines for researchers on health research involving Maori (www.hrc.govt.nz)

If "yes", please explain how your research process is consistent with the provisions of the Treaty of Waitangi. State what consultations and/or collaborations, and with which iwi/group, have or will be undertaken. What involvement does this group have in the project? How will the results be disseminated to the consulted group and participants at the end of the project?

10. CULTURAL ISSUES:

Are members of a particular ethnic, societal or cultural group the principal participants or a sub-group of the research?

Yes No

If "yes", what consultations have been undertaken with appropriate parties?

11. MEDICAL RESEARCH OR RESEARCH INVOLVING HUMAN TISSUES OR BODY FLUIDS

Note that approval from an accredited Health and Disability Ethics Committee may be required, using their (or the national) application form (www.hrc.govt.nz). Please refer to this form and also contact the Research Administrator.

a. Does the research involve the collection or use of human tissues or body fluids?

Yes, Go to 11b No, Go to 12

b. If yes, what procedures will be used? Where and how will the material be stored?

c. How will the material be disposed of (if applicable)?

d. Does this research involve any invasive medical procedures, exposure to infection, the use of drugs, or constitute a clinical trial?

Yes, Go to 11e No, Go to 12

- e. Describe the safeguards that will ensure against infection, damage, or risk to health.

12. MEETING ETHICAL PRINCIPLES

UREC emphasises eight guiding ethical principles governing research and teaching activities using humans. These are:

- Informed and voluntary consent
- Respect for rights and confidentiality and preservation of anonymity
- Minimisation of harm
- Cultural and social sensitivity
- Limitation of deception
- Respect for intellectual and cultural property ownership
- Avoidance of conflict of interest
- Research design adequacy

EXPLAIN HOW THE RESEARCH PROJECT WILL ADDRESS ALL OF THE EIGHT ETHICAL PRINCIPLES AND WHAT STEPS WILL BE TAKEN TO ENSURE HARM MINIMISATION

Refer to Section 2, #3 'Minimisation of Harm' (H:\Research\ETHICS\2009 Ethics Application Forms & Guidelines\2009 Ethics Policy and Guidelines) in the Guidelines.

- **Informed and voluntary consent**
The researcher will forward the surveymonkey link to potential respondents in five New Zealand enterprises and Unitec USU to access and complete the survey on a voluntary basis. The researcher will also visit these companies to encourage the participation of employees in the online survey.
- **Respect for the rights and confidentiality and preservation of anonymity**
Participation of this research is voluntary and respondents will remain anonymous.
- **Minimization of harm**
There will be no harm caused by the researcher's actions or events that occur in the research process.
- **Cultural and social sensitivity**
There are no identified issues related to cultural and social sensitivity based on the focus of this study.
- **Limitation of deception**
This research will not use any deceptive practices. The purpose of this research will be disclosed to all participants at the commencement of the study.
- **Respect for intellectual and cultural property ownership**
This research will be conducted granting due respect for intellectual and cultural property of companies that have agreed to participate in the research. The questionnaire will be totally anonymous. No names companies or individuals participated in the study will be disclosed in the written thesis or any other presentations.
- **Avoidance of conflict of Interest**
There is no conflict of interest as the researcher is not working in this sector.
- **Research design adequacy**
As the purpose of the study is to identify the values social media create for businesses, so quantitative method is proposed as it can reach large numbers of prospective respondents. Additionally the results can be generalised to a big population in New Zealand (Collis & Hussey, 2003). Therefore, the numerical analysis will be applied for presenting adequate inferences derived from the entire research process. The fact that the researcher knows in advance what should be examined facilitates the process of data collection (Denscombe, 2002). The objective of conducting quantitative research is related to the need to determine the value social media create for enterprises in New Zealand. The Statistical Package for the Social Sciences (SPSS) will assist the researcher in analysing the quantitative data.

DATA ACCESS

13. PROPOSED STORAGE AND ACCESS TO FILES AND DISPOSAL / STORAGE UPON CONCLUSION

Consent Forms

Note: Your consent forms must be retained for five (5) years before physical destruction.

- a. Who will have access to the Consent Forms?

Not applicable. Completed questionnaires will be stored safely online..

- b. How will you ensure that the Consent Forms are protected from unauthorised access? How and where will the consent forms be stored?

Not applicable.

Data

Note: Your data must be retained for five (5) years before physical destruction.

- c. Who will have access to the data?

Only the researcher and his supervisor.

- d. Are there plans for future use of the data beyond those already described? (The applicant's attention is drawn to the requirements of the Privacy Act 1993.)

There is no future plan for the use of the data.

- e. How and where will the data be stored?

www.surveymonkey.com

EXTERNAL CONNECTIONS**14. INVOLVEMENT WITH ANOTHER INSTITUTION/ORGANISATION**

- a. List the names of any organisations who are now or who will be involved in this research project, the type of involvement they have or are likely to have (e.g. funding [please state amount sought or received], co-researcher, venue for research, client), and indicate whether letters of support or approval from these organisations are attached.

Name of organisation	Type of involvement	Letter attached?
NONE		

b. ARE FUNDS BEING OBTAINED FOR THIS PROJECT?

Yes No

Describe the investigator's, the host institution's, or a sponsoring agency's financial interest, if any, in the outcome of, or involvement in, the project.

15. RELATED APPLICATIONS

- a. Have you ever made any related applications to other Ethics Committees?

Yes No

- b. If yes, have you enclosed copies of the applications and responses?

Yes No, Please explain

(Note that if you have already been granted Ethics approval by a University or Health and Disability Ethics Committee, you do not need further approval, but UREC must be sent a copy of the application and the approval.)

16. SUBMISSION AND APPROVAL PROCESS

- A signed, hard copy of the completed application form must be sent to the UREC Secretary.
- An electronic copy of the application must also be sent, as follows:
 - **Unitec students:** Please EMAIL this form and attachments (e.g. information sheet, consent form, questionnaire, interview schedule, etc.) to your Unitec principal supervisor, who should in turn email this to the UREC secretary. **UREC will not receive applications directly from students.**
 - **Unitec staff (as primary researcher or supervisor):** Please forward this form, by email, to the UREC Secretary ethics@unitec.ac.nz
- Postgraduate students must ensure that their research proposals are **APPROVED PRIOR** to submitting the ethics application. An ethics application **cannot be processed until notification of approval** is received by the UREC Secretary.
- UREC's decision, and any conditions, will be relayed to you and your supervisor (in the case of student research).

Contact details:

UREC Secretary
Research Office
Building 180, Room 3008
Unitec New Zealand
Private Bag 92025
Auckland

Ph. 815 4321 ext 6162
Email: ethics@unitec.ac.nz