Generation Y Consumers' Response to Brand Building Activities on Social Media Networks[1]

Najeeda Sha
Kantilal Bhowan

Abstract

This study aims to establish whether Generation Y consumers interact with brands through social media platforms, specifically social networking sites, or if these consumers predominantly use these sites for socialising and/or other purposes. The motive for this study was to establish how social networking sites are used as brand building tools and whether these efforts are received as intended by Generation Y consumers. The influence of marketers' efforts on social networking sites and the effect this has on Generation Y consumers were explored in this study. A focus group discussion session was held with participants of the same age composition as Generation Y (18 to 30 years old) to identify major issues to be incorporated in the survey instrument. Thereafter, a convenience sample comprising 132 respondents in the same age group was requested to complete a self-administered questionnaire.This study identifies four social networking sites that are predominantly used by Generation Y respondents and two distinct market segments, one favourably inclined towards commercial activities on social networking sites, and one that is not quite supportive of such commercial activity.

Keywords: Generation Y consumers, social media, brand building

[1] A previous version of this paper was presented as work in progress at the 23rd Annual Conference of the South African Institute for Management Scientists (SAIMS) held in September 2011.

Introduction

In marketing management literature, like most other specialisations in management discipline subjects, each era spawns new concepts and ideas for exploration. In the current era, the power of social media for marketing purposes is an idea that features prominently. Richard Binhammer from Dell Inc. describes this era as the 'connected era' [where] 'people come online to find and share information as well as connect with each other' (Armono 2009). There are numerous definitions of social media. Ryan and Jones (2009: 152) define social media as: '... the umbrella term for web-based software and services that allow users to come together online and exchange, discuss, communicate and participate in any form of social interaction'.

Amongst the more popular social networking media are: Facebook, YouTube, Flickr, Twitter, Blogs, Vlogs, LinkedIn and MySpace. In response to the growing threat from social networking portals, Google has launched Google+ which links its Google Docs, Gmail, Photos and Calendar portals.

These social media have the capability to connect people rapidly, not only for social engagement but also for other causes such as lobbying for environmental issues or political motives. The political turmoil raging in the Middle East has largely been driven by their population's ability to mobilise protesters through social network channels. Business has little control over the content of input into social media by their consumers and other interest groups. This indicates that social media has the power to create a political mind-set that can depose governments and it can also build a business or destroy its reputation in the marketplace. So it is essential for business to have a good understanding of the many facets about social media, especially consumer attitudes towards and perceptions of social media. Three factors are important considerations for businesses in managing their social network communication strategies according to Odden (2008). The three factors are:

- **The Magnitude of Change**

Odden (2008) indicates that: '… one billion people are now online, a figure that was expected to double by 2011. Every day 500 000 new users come online for the first time. Content is exploding. There was more content on YouTube in 2006 than on the Web in 2000'. As computing power moves to handheld devices such as cellular phones, social media will continue to grow at an exponential rate, thus bringing about a rapid change in lifestyle, particularly for the new generation of consumers.

- **The Value of Personal**

Social media is moving away from 'traditional, rational, objective, institutional' perspective to a more 'subjective, emotive, personalised and human' perspective.

- **Connecting with Customers**

Social networking originally served the human need for belonging; however, it has now expanded to meet wider needs such as political lobbying, information exchange on specific topics and obtaining product information from users of that product. Modern-day cell phones give easy access to social media. According to a USA survey conducted in 2010, '30% of smartphone users accessed various social networks using their cell phones' (Social Networking 2012). Social media give individuals freedom of expression, as marketers and other affected stakeholders have no control over discussions or comments made by participants online.

Social media also gives businesses an opportunity to engage their customers in two-way communications. Word-of-mouth marketing is now much easier for consumers because comments posted on social media networks are accessible to potential consumers everywhere regardless of geographic locality. Communicating with customers in the social media environment requires professional skills, as it is not a mere chat line between people in a social environment. This new development has created a niche for businesses to offer social media marketing services to client firms. The research reported in this article is of importance for businesses that wish to communicate effectively with consumers through social media channels.

Building Brand Equity

The importance of branding has been known to marketers for many decades. With few exceptions, brand building is a normal marketing function embraced by not only large enterprises but even small businesses (Webster & Keller 2004). Traditional channels for brand building include a diverse range of media such as print media, television, the Internet, cinema, billboards, pamphlets, brochures and audio media. However, in the past decade social media has become a new tool for building brand equity.

Generation Y Consumers in the 'Connected Era'

Generation Y, also known as Millenials, the Echo Boom Generation and the Net Generation were born between the late 1970s and the 2000s (Tapscott 2009). Around the world, and especially in the more developed countries, this cohort of consumers access their information from much wider sources than their predecessors. According to Goetz and Barger (2008), this is the generation that grew up with Facebook, MySpace, YouTube, instant messaging, cell phones and the Internet. They spend on average 70 hours a week (this is presumably data from the USA) on electronic communication media such as cell phones, iPods and the Internet.

Numerous social networking media cater specifically for Generation Y consumers. Schawbel (2009) indicates that these sites provide content to this generation of consumers that caters for a wide range of interests, such as career development (BrazenCareerist.com), entertainment and dating (MyYearbook.com), college life (thequad.com), volunteering and fundraising (coolpeoplecare.org), student life (Unigo.com) achieving sustainable values (MakeMeSustainable.com), mentoring needs (iMantri.com), and career development (FDCareer.com). The wide range of social networking sites targeted specifically at Generation Y emphasises the fact that this cohort of consumers is actively seeking a digital networking presence. So it is important for business to understand the consumer behaviour drivers for this market.

A Marketing Network (2009) report (cited in Sago 2010) indicates that 18 to 24-year-old Generation Y consumers (in the USA) use Twitter for the following purposes: 85% follow friends, 54% follow celebrities, 29% follow family members and 29% follow companies. This study revealed that just under one third (29%) of those surveyed use this social media vehicle to engage with companies.

Word-of-Mouth in the Online Social Networking Era

Universal McCann (Smith 2009) conducted research amongst 22729 active Internet users, aged 16 to 54, in 38 countries between November 2008 and March 2009. In a global market of 625 million active Internet users, the following statistics are estimated: 82.8% watch video clips online; 71.1% visit a friend's social network page; 62.5% create a profile on a social network; 50.2% upload photos; and, of relevance for this study, 27.6% (i.e. just over one out of four people surveyed) seek opinions on products and brands. It is reasonable to speculate that over the years, more consumers will rely on social media for product information. In the survey, consumers were asked who they would seek an opinion from for brand purchase decisions. The responses as reflected in priority order below shows that social networks play an important role in providing a broad spectrum of consumers with the required product information.

1. A family member
2. A close friend
3. A good contact on a social network
4. A neighbour
5. A store assistant
6. The author of a blog you read regularly

Amongst the countries surveyed in the Universal McCann study by Smith (2009), Internet penetration is lowest in India (7.1%); followed by South Africa (9.4%), while at the other extreme the highest penetration rates are in Norway (86%), Finland (83%) and the Netherlands (82.9%). So South Africa still has much scope for increased Internet penetration before social network sites become significant sources of product information.

In an earlier Universal McCann study, respondents indicated their opinion on the statements about blogging listed below (Smith 2008:25):

1. 56% agreed that 'blogging is a good way to express oneself'.
7. 36% said that they 'think more positively about companies that have blogs'.
8. 33% said that they 'have a favourite blog that they read regularly'.
9. 32% 'trust bloggers' opinions on products and services'.

10. 31% agreed that 'blogging is an important way to socialise with friends'.

This confirms the well-known fact in marketing that word-of-mouth is a very powerful marketing tool that has just been strengthened by the availability of social networks. The era of digital, Internet-based word-of-mouth is now firmly established and can be a silver lining for marketers if managed with care.

Having discussed the wide use of social networking for business and other purposes, the problem statement and research objectives for this study can now be formulated. The focus in this article is on Generation Y consumers' use of social media.

Problem Statement

Generation Y consumers were born during an era when computers were becoming widely available to First World consumers. Over time, less developed countries have also embraced computer technology. The growing middle class generation Y consumers in South Africa can be expected to have access to computers at one or more venues such as places of education, the workplace, Internet cafes and at home. Cell phones are widely used, even in Third World countries by Generation Y consumers to access information, particularly for consumer products that are of relevance to them.

Traditional media will still play a role in marketing for many years to come. The advent of television did not eliminate radio, magazines or newspapers. However, audience and readership patterns do shift over time with each new development, so social media as a communication tool will impact on how people inform themselves about consumer products.

Companies such as Klout and Audi reward their loyal customers with corporate gifts (Marketing Network 2011). Nowadays most companies request a 'like us on your Facebook page' button to be activated by network browsers who visit their websites. These trends suggest that brand building by using social network sites will be an on-going challenge for marketers and a silver lining to escape the recessionary dark clouds still pervading in many countries particularly in the Eurozone region.

There is lack of research on how consumers in general and Generation Y consumers in particular embrace social networking sites for commercial purpose. This study aims to contribute to this knowledge gap by investigating Generation Y's consumer behaviour attributes relating to social network sites by exploring the following five research objectives.
Research Objectives are to establish:

1. the activities Generation Y consumers participate in on social networking sites.
2. if Generation Y consumers are using a diversity or concentration of social networking sites.
3. whether businesses that make use of social networking sites targeted at Generation Y are achieving their desired outcomes.
4. whether Generation Y consumers have shown resistance to or acceptance of brand promotion and business activities on social networking sites.
5. the major brands that Generation Y consumers come across on social networking sites.

Research Methodology

Before the questionnaire could be generated and distributed to the allocated number of respondents, a focus group study was carried out as a primary means to design the questionnaire. Eight respondents constituted the focus group discussion, they were all students from the University of KwaZulu-Natal. Respondents had to fall within the age category of 18–26 years old, the age group that constitutes Generation Y consumers. In addition, it was necessary for respondents to have access to the Internet and also to be users of social networking sites. A structured questionnaire was distributed to 150 potential respondents who constituted a convenience sample for this study. Responses were measured using a five-point Likert scale. In a comparative research, Brad Sago's (2010) study comprised 293 university students in the age group 18–22 years old, who were also required to complete a self-administered questionnaire.

Reliability and Validity

All 150 questionnaires were returned however, 18 questionnaires were eliminated after statistical reliability testing reflected inconsistencies in the responses provided by the respondents. The result from the test yielded an alpha coefficient of 0.773 for related questions in the survey instrument for the remaining 132 completed questionnaires. Only face/content validity was used to test the validity of the questionnaire. Face validity is used to test whether the instrument measures the construct it is designed to measure (Sekaran & Bougie 2010:160).

Empirical Results

Demographics

More than half (54.5%) of the respondents were males, female respondents accounting for 45.5% of the sample. Nearly 94% of respondents were in the age range 18–22, with the remaining 6.1% of respondents in the age range 23–26.

In terms of education, 79.5% of the respondents had a Grade 12 level of education, followed by 17.4% who had a degree. Only 1.5% of the respondents claimed to have ‘other’ educational levels and 1.5% had diplomas.

Usage of Internet and Social Networking Sites

Respondents indicated more than one location for their access to the Internet. The survey revealed that 43.2% of respondents access the Internet from home, 43.2% from university, 39.4% from cell phones, 2.3% from work and 3% from other sources. It was revealed that almost 58% of respondents accessed social networking sites 16 or more times per week, while 21% accessed social networking sites only 1 to 5 times per week. The remaining respondents accessed social networking sites 6 to 10 times (13.5%) and 11 to 15 times (7.5%) per week. Respondents’ activities on social networking sites indicated that 63.6% of respondents use social networking sites for entertainment purposes, while 81.1% of respondents use social networking sites for chatting. It was also found that 31.8% of respondents use social networking sites for finding friends and that 48.5% of respondents use these sites for networking. Furthermore, 65.2% of respondents use social networking sites for maintaining friendships and lastly, 17.4% respondents use social networking sites for keeping current with their favourite brands and companies, while 23.5% of respondents claimed to have actually interacted with companies, suggesting that the remaining 76.5% of respondents do not interact with companies. This information indicates that businesses have to be able to engage with and interact with consumers on social networking sites if they are to win the confidence of their target market.

The second objective of the study was to establish whether Generation Y consumers are using a diversity or a concentration of social networking sites. Table 1 below illustrates that 90.9% of respondents use Mxit, 90.2% of respondents use Facebook and much fewer respondents (22%) use Twitter. MySpace (2.3%) and Flickr (1.5%).

Table 1. Social Networking Sites Used by Respondents (n=132)*

Social networking site	Frequency	% of respondents
Facebook	119	90.2
Twitter	29	22
YouTube	59	44.7
Mxit Myspace Flickr	120 3 2	90.9 2.3 1.5
Others	10	7.6

*Respondents could indicate more than one option

From the results depicted in Table 1, it suggests that Generation Y consumers are using a concentration of social networking sites in South Africa, with Mxit and Facebook featuring prominently, followed to a much lesser extent by YouTube and Twitter.

Table 2 below depicts the effect that brand advertising on social networking sites have on consumer behaviour. It was found that the majority of the respondents (78%) agree that some brand advertisements on social networking sites are useful, compared to 4.5% of respondents who disagree with the statement. Table 2 also shows the effect of consumers visiting brand pages on social networking sites; and consequently whether this strengthens the brand image in the mind of the consumer or not. It was found that 74.3% of respondents agreed that the brand's image is strengthened, whereas 11.3% of respondents did not agree with the statement. From these results, it can be deduced that if businesses can encourage consumers to view their brand pages, this will, on balance, lead to the strengthening of the brand image in the consumers' minds.

With regard to advertisement-led purchasing Table 2 shows that after viewing a brand advertisement on a social networking site, 57.6% of respondents did not react by buying the brand. In contrast, 23.5% of respondents indicated that they bought a branded product after viewing its advertisement on a social networking site. A large number (61.4%) of the respondents agreed that visiting a brand's page on a social networking site reinforces brand loyalty. The implication thereof for businesses and their brands is evident. Businesses have to manage their brands with particular care to ensure that target consumers visit these brand pages to reinforce their brand loyalty. This is imperative, as reinforced brand loyalty ensures repeat purchases. It is also very significant for businesses to note that it costs five times more to acquire a new customer than it does to retain an existing one (Payne and Frow1999). Just over half of the respondents (56.1%) indicated that they do not consciously look for brand information on social networking sites, while only 19.7% of respondents claimed to specifically look for brand information on social networking sites.

Table 2. Consumer Reactions to Commercial Activity on Social Networking Sites (%) (n=132)

Variable	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
Usefulness of brand advertisements	29 (22)	74 (56)	23 (17.4)	2 (1.5)	4 (3)

Strengthens brand image	36 (27.3)	62 (47)	19 (14.4)	13 (9.8)	2 (1.5)
Purchased brand products	8 (6.1)	23 (17.4)	25 (18.9)	45 (34.1)	31 (23.5)
Reinforces loyalty	17 (12.9)	64 (48.5)	32 (24.2)	12 (9.1)	7 (5.3)
Brand information	33 (25)	41 (31.1)	32 (24.3)	19 (14.4)	7 (5.3)
Use for commercial purposes	69 (52.3)	39 (29.5)	20 (15.2)	4 (3)	0
Ignore brand advertisements	19 (14.4)	25 (18.9)	28 (21.2)	54 (40.9)	6 (4.5)
Company information distortion	14 (10.6)	39 (29.5)	63 (47.7)	15 (11.5)	1 (0.8)
Trustworthy brand information	7 (5.3)	26 (19.7)	70 (53)	22 (16.7)	2 (5.3)
Invite others to company page	12 (9.1)	40 (30.3)	35 (26.5)	26 (19.7)	19 (14.4)

Table 2 also shows that of the 132 respondents, 81.8% agree with the statement that companies now use social networking sites for commercial purposes. One third (33.3%) of the respondents claim to ignore brand advertisements on social networking sites, whereas 45.4% of respondents said that they pay attention to brand advertisements.

Regarding companies distorting their information pages on social networking sites, data in Table 2 shows that 40.1% of respondents agree with this statement. On the other hand almost half the respondents (47.7%) are unsure of whether companies actually do distort their information pages on social networking sites or not. Businesses have to be more transparent and honest about their brand information as this would remove any doubt from the consumers' minds about the authenticity of the information provided on such company pages.

The above-mentioned point can be further reiterated by looking at the following information in Table 2. The table depicts that 53% of respondents remain unsure about being able to trust brand information that is found on social networking sites. Consequently, as previously highlighted in this article, businesses have to be transparent about any brand information that is available on their brand on social networking pages. Feedback, both positive and negative, should be left posted as users will recognise attempts to mask negative feedback, and this can cause harm to the firm's reputation in the marketplace. Businesses can and should respond to negative feedback in order to defend themselves when necessary. Deleting or editing comments, obstructs a necessary dialogue and compromises the very nature of social media (Goetz & Barger 2008).

The last variable that Table 2 depicts is the willingness of consumers to invite people to join company pages on social networking sites. Survey data revealed that 39.4% of respondents indicated that they would invite others to join company pages, whereas 34.1% of respondents said that they would not do so; and 26.5% of respondents were uncertain as to whether they were willing to invite people to company pages on social networking sites. This information suggests a strong need by businesses to retain the confidence of those who indicate that they are willing to invite others to join company pages on social networking sites.

Emanating from these findings, four key factors that businesses should address, include: driving online advertisement-led purchasing, encouraging consumers to look for brand information on social networking sites, increasing the credibility of brand information on social networking sites and persuading consumers to invite others to their brand pages on social networking sites.

In the survey, it was further revealed that the constant advertising of brands on social networking sites creates an awareness of the brand for 32.6% of respondents. For 23.5% of the respondents, constant exposure to brand advertisements creates awareness and an interest in the brand while 17.4% of respondents agree that being exposed to constant brand advertising creates awareness, interest and a desire for the brand.

The majority of respondents (84.9%) indicated that they usually use search engines such as Google or Yahoo to look for information about brands or companies. This suggests that consumers are not looking for information about brands or companies on social networking sites; rather they choose to resort to traditional search engines. This finding suggests an area of interest that businesses should take note of and their future task is therefore to stimulate the search of brand or company information from within their pages on social networking sites. Attitudes towards commercial activities would be of interest to those who manage corporate content of their social networking sites.

Table 3 depicts whether Generation Y consumers show resistance or acceptance of brand promotion and business activities on social networking sites.

Table 3. Attitudes Towards Commercial Activities on Social Networking Sites (%) (n=132)

Variable	Strongly Agree	Agree	Unsure	Disagree	Strongly Disagree
Commercial activity is annoying	21 (15.9)	40 (30.3)	33 (25)	32 (24.2)	6 (4.5)
Invasion of privacy	10 (7.6)	16 (12.1)	50 (37.9)	44 (33.3)	11 (8.3)

The above table indicates that 46.2% of respondents agree that they find any commercial activity on social networking sites annoying, while 25% of respondents remain unsure towards this statement. Table 3 also depicts that 41.6% of respondents disagree that commercial activities on social networking sites are an invasion of privacy. This information is another indicator that a large portion (41.6%) of the generation Y respondents in this study are not averse to commercial activity on social networking sites.

An objective of this study was also to ascertain the major brands that Generation Y consumers come across on social networking sites. It was found that 30.3% of respondents recalled five brand advertisements from social networking sites, 16.7% of respondents recalled three; 9.8% recalled one, 9.8% recalled two and 14.4% recalled four. In addition, the remainder of respondents (18.9%) did not recall any brand advertisements from social networking sites. Brand names that were recalled originated from clothing, food, beverages, alcohol, cellphone network providers, satellite television providers, banks, computer brands, retail stores, sportswear, magazines, beauty products and other miscellaneous products and services. The most common brand that was recalled was Nike (n=47), followed by DSTV (n=23) and Guess and Adidas in joint third place (n=15). Overall brand recall from social networking sites was very low amongst the survey respondents.

Brand recall would be a function of the amount of time spent on social networking sites. Survey data reflects that 35.6% of respondents spend less than five hours a week using social networking sites, 25.8% of respondents spend six to 10 hours, 18.9% spend 11 to 20 hours, 6.8% spend 21 to 30 hours and 12.9% spend more than 30 hours per week.

Significantly for marketing purposes, 22.7% of respondents concur that constant advertising of brands on social networking sites creates awareness, interest, desire and leads to purchasing (action) the brand (AIDA effect) in Marketing. So advertising on social networking sites does seem to lead to actual purchases of the products. On the other end of the spectrum, 3.8% of respondents indicated that brands that are constantly advertised to them on social networking sites have no impact on them.

Factor Analysis

Factor analysis identifies the structure of a set of variables, and provides a process for data reduction (Hair *et al.* 1998). In this study factor analysis was conducted to establish the variables that affect consumer responses towards brands on social networking sites. For the purpose of this research study, the perceptions of consumers of the presence of brands on social networking sites and how this affects consumer behaviour were examined to understand if the factors can be grouped; and to reduce the variables to a smaller number. The Kaiser Meyer Olkin (KMO) measure was used to assess the effectiveness of factor analysis for the survey data, which produced a result of 0.706, indicating a moderately high degree of correlation amongst the variables.

The Principal Components method of factor analysis was used to extract the factors. Only Eigenvalues greater than 1 are considered significant for interpretation purposes (Hair *et al.* 1998; Kinnear & Taylor 1991).

Table 4. Total Variance Explained

Component	**Initial Eigenvalues**		
	Total	**% of variance**	**Cumulative %**
1	2.897	26.340	26.340
2	1.521	13.823	40.163
3	1.207	10.969	51.132
4	1.036	9.421	**60.553**
5	0.993	9.025	69.577
6	0.813	7.387	76.965
7	0.657	5.970	82.934
8	0.579	5.267	88.201
9	0.545	4.956	93.157
10	0.482	4.378	97.535
11	0.271	2.465	100.000

Extraction method: Principal Component Analysis

Table 4 reflects 11 factors and their relevant percentage of variance explained. Four factors with Eigenvalues greater than 1 represent 60.553% of the variance explained. Factor 1 accounts for most of the variance with 26.340% of variance explained and thereafter the following 10 factors increase the total variance explained by a very small percentage. Table 5 which follows is based on factor rotation. For the purpose of comparison, Varimax and Quartimax rotation have been used and will be interpreted and discussed jointly. Naming factors was based primarily on the subjective opinion of the researcher as advocated in the literature (e.g. Aaker *et al.* 2001).

Table 5. Interpretation of Extracted Factors

Variable Attribute	Varimax	Quartimax
Factor 1: Brand value		
Strength of brand image increases	0.847	0.850
Reinforced brand loyalty	0.794	0.802
Usefulness of brand adverts	0.719	0.717
Willingness to invite people to join company (networking) pages	0.582	0.596
Factor 2: Resistance to commercial activity		
Commercial activity is annoying	0.621	0.609
I do not search for brand information	0.848	0.853
I ignore brand adverts	0.641	0.618
Factor 3: Privacy		
Commercial activities are an invasion of privacy	0.788	0.777
Factor 4: Information		
Companies' commercial purposes	0.532	0.531
Brand information can be trusted	-0.471	-0.462
Companies distort information	0.746	0.745

Factor 1: Brand Value

Factor 1 explains 26.34% of the variance, which accounts for most of the variance. Three out of the four variables under Factor 1 have values above 0.7, which indicates moderately high degrees of correlation and depicts that the commercial value of brands to the consumers is particularly significant as it affects their perception of the brand image and usefulness of brand advertisements. This then leads to an increased willingness to invite others to the relevant company's networking pages.

Factor 2: Resistance to Commercial Activity

Factor 2 accounts for 13.823% of the variance. All three variables under Factor 2 have values above 0.6, which indicates a moderate degree of underlying correlations. It can be deduced that if respondents find any commercial activity by companies on social networking sites to be annoying, then they will also not look for brand information on these sites. In addition respondents will also ignore brand advertisements on social networking sites.

Factor 3: Privacy

Factor 3 explains 10.969% of the variance. Factor 3 has a single variable with a value above 0.7, which indicates a high score for this factor. This suggests that some consumers could perceive commercial activities on social networking sites to be an invasion of privacy. Furthermore, it can be deduced that if respondents perceive commercial activities to be an invasion of privacy, they are less inclined to interact with companies on social networking sites, and will also be negative towards companies using social networking sites for commercial purposes.

Factor 4: Information

Factor 4 accounts for 9.421% of the variance. It can be inferred that if respondents believe that companies distort the information on their brand pages on social networking sites, then they are less likely to trust such brand information.

Market Segments

Cluster analysis was conducted to establish if different market segments exist amongst the survey respondents. For the purpose of this research study 131 cases were reorganised into homogeneous subgroups. Table 6 which follows below indicates that the cases can be processed into two clusters. Cluster centre scores were weighted on a five-point rating scale, where 1=strongly agree and 5= strongly disagree.

Table 6. Final Cluster Centres (n=131)

1=Strongly Agree, 2=Agree, 3=Unsure, 4=Disagree, 5=Strongly Disagree	Cluster	
	1 (n=47)	2 (n=84)
Strengthened brand image	2.72	1.77
Increased brand loyalty	3.04	2.13
Brand adverts on social networking sites are useful	2.49	1.85
I invite people to company pages	3.79	2.57
I do not search for brand information	1.87	2.76
Companies use social networking sites for commercial purposes	1.81	1.61
I ignore brand adverts	1.94	3.63
Companies distort brand information	2.55	2.65
Brand information can be trusted	2.94	2.99
Commercial activity is annoying	1.87	3.18
Consumer privacy is invaded	2.81	3.46

Table 6 shows that in this study 84 (64%) out of 131 respondents are more accepting of statements approving commercial activities on social networking sites while disagreeing with negative statements about commercial social networking sites.

Cluster 1 respondents displayed a tendency to be more resistant towards commercial activities on social networking sites. For example, for the statements ‘I do not search for brand information’ and ‘Commercial activity is annoying’ cluster 1 respondents have cluster centre scores of 1.87 each, demonstrating their agreement with the statements and displaying their resistance to commercial activities on social networking sites.

Cluster 2 respondents, on the contrary, displayed tendencies of being more supportive of commercial activities on social networking sites. For example, for the statements ‘I do not search for brand information’ and ‘Commercial activity is annoying’, cluster 2 respondents have cluster centre scores of 2.76 and 3.18 respectively. This demonstrates their disagreement with the statements and displays their acceptance of commercial activities on social networking sites. This finding can be related to research results tabulated in Marketing Network report (2009) which reflected that 29% of Generation Y consumers follow companies on Twitter. Furthermore, in the McCann Universal study conducted by Smith (2009), where it was revealed that consumers in general (sample aged 16 to 54 – not all Generation Y consumers) use 'A good contact on a Social Network' for product information, is also in support of the finding that a segment of consumer market, Generation Y and other market segments, are not averse to commercial activity on social networking sites.

It should also be noted that some statements elicited similar responses from both cluster 1 and cluster 2 respondents. A larger and scientific random sample might have differentiated these statements more sharply into either cluster.

The above analysis suggests that there are at least two distinct market segments amongst Generation Y social media users.

Conclusion and Recommendations

All objectives set for this study were achieved. Overall, this research has revealed that Generation Y respondents who participated in this study participate in a range of activities on social networking sites using a concentration of a few social networking sites. The research findings showed that the social networking sites that are used predominantly are Mxit and Facebook, followed by YouTube and Twitter. The findings of this study also revealed that many respondents were quite accepting of commercial activities on social networking sites and there is some evidence to suggest that businesses are achieving their desired outcomes.

It was also established that the majority of the respondents generally do not view commercial activities on social networking sites as annoying or as an invasion of privacy. Furthermore, one key aim of this study was to find the brands that Generation Y consumers come across on social networking sites. The most common brand that was recalled by respondents was Nike, followed by DSTV and then Guess and Adidas jointly.

Despite recessionary conditions lingering in many economies around the world, social networking media could provide marketers with a silver lining for sustainable growth amongst Generation Y consumers and possibly other demographic segments of their consumer markets.

Recommendations for Marketers

The importance of revealing the social networking sites that are predominantly used by Generation Y consumers is significant for marketers and businesses alike. The research findings highlight the social networking sites that businesses are recommended to focus on, if they are to reach their target markets and achieve their desired outcomes, whether these be building brand image, reinforcing brand loyalty, encouraging brand purchasing or even persuading Generation Y consumers to invite others to their firm's brand pages on social networking sites. Given that it was found that respondents were generally (but not completely) willing to accept commercial activities on social networking sites, three key factors were raised that business marketers need to address with regard to social networking sites: 1) driving online advertisement-led purchasing, 2) encouraging consumers to look for brand information on social networking sites and 3) increasing the credibility of brand information on social networking sites.

Furthermore, research findings suggest that if respondents find brand advertisements on social networking sites to be useful, this will strengthen their perception of the brand image as well as their brand loyalty. This then leads to an increased willingness to invite others to such brand or company pages. Therefore marketers must ensure that their brand advertisements that are targeted at Generation Y consumers are both relevant and appealing. In addition, findings from the research study suggests that if respondents find any commercial activity by companies on social networking sites to be annoying, then they will ignore brand advertisements on these sites. Business marketers are thus obliged to make sure that whatever commercial activities they participate in on social networking sites do not annoy their target markets. What annoys this consumer market should be established through market research.

Research findings also showed that some respondents perceive commercial activities to be an invasion of privacy, so they are less inclined to interact with companies on social networking sites, and will also be negative towards companies using social networking sites for commercial purposes. Businesses that target Generation Y consumers too aggressively are likely to meet with adverse consumer response.

Furthermore, the research revealed that some respondents believe that companies distort information about their brands on social networking sites, so they are less likely to trust such brand information. Therefore, businesses need to be transparent and honest with regard to any information that appears on their brand pages that are targeted at Generation Y consumers on social networking sites.

A key finding of this study confirmed that respondents could be separated into two distinct clusters. One cluster of respondents seem more accepting of commercial activities on social networking sites, while another cluster of respondents appear not to be so inclined. These results suggest that it would be most beneficial for marketers to find consumers that accept commercial activity on social networking sites, and specifically target their marketing efforts at these consumers, in order to achieve commercial success.

Recommendations for Future Studies

Treadaway and Smith (2010) suggest five broad themes that will define social media and social marketing for years to come. These themes can also be considered as possible areas of research for future research studies.

Theme 1: The need to share information.

Theme 2: Immediacy is here to stay.

Theme 3: Everyone is a source of information, and everyone is biased.

Theme 4: Noise level.

Theme 5: Melding of worlds.

In addition to factor and cluster analysis, discriminant analysis of data should also be undertaken in future studies to identify the strength of variables that separate different market segments in the commercial social network media category. This study can be simulated on a broader sample nationally and globally and should also include older groups of consumers.

Finally, as stated earlier, it is necessary for business to know what aspects of their commercial activity on social networking sites annoys Generation Y consumers, and consumers in other market segments. Likewise, it is also important to establish what aspects of commercial content is appreciated by Generation Y consumers and consumers in general. There is considerable scope for further research in social network marketing.

Limitations of the Study

The exploratory data collected for this research was based on verbal responses collected from a single focus group study. During this research, respondents were only given verbal and written reference to social networking sites, and were not presented with any visual cues and/or physical interaction with either brands or social networking sites during the collection of data. Consequently, one cannot be certain about what respondents had in mind when responses were provided. The number of respondents used in this study was only 132 and not necessarily representative of the entire population. The geographic distribution of the study was also confined, as responses were obtained from a convenience sample of Generation Y consumers in Durban only. The use of a non-probability sampling technique used for this study does not enable one to generalise the results to a wider market segment of Generation Y consumers. Despite these limitations, there was some data generated in this study that was in the same direction as other research studies; e.g. Smith (2009) – McCann Universal study.

References

Aaker DA, V Kumar and GS Day 2001. *Marketing Research*. *7th Edition.* New York: John Wiley and Sons Ltd.

Armono D 2009. Social Media Marketing and B2B: A Conversation with Dell's Richard Binhammer. *Digital Capitalism*. Available Online at: http://digitalcapitalism.com/2009/01/social mediamarketing.

Goetz J & C Barger 2008. Harnessing the Media Revolution to Engage the Youth Market. *Journal of Integrated Marketing Communications* 26-32.

Hair JF Jr, RE Anderson, RL Tatham and WC Black 1998. *Factor Analysis in Multivariate Data Analysis*. *5th Edition.* New York: Prentice Hall.

Kinnear T and J Taylor 1991. *Marketing Research: An Applied Approach*. New York: McGraw-Hill.

Marketing Network 2011. Companies use Facebook Fan Page VIP Benefits to Attract the Most Active Social Networkers. (July 2011) Available Online at: http://marketingnetwork.ie/?p=1325.

Odden L 2008. Dell Social Media Interview with Richard Binhammer. *TopRank*. Available online at: http://www.toprankblog.com/2008/12/ dell-social-media-interview.

Payne A & P Frow 1999. Developing a Segmented Service Strategy: Improving Measurement in Relationship Marketing. *Journal of Marketing Management* 15,8: 797 - 818.

Ryan D and C Jones 2009. *Understanding Digital Marketing.* Philadelphia, PA: Kogan Page Limited.

Sago B 2010. The Influence of Social Media Message Sources on Millennial Generation Consumers. *International Journal of Integrated Marketing Communications* Fall: 7 - 18.

Sekaran U & R Bougie 2010.*Research Methods for Business: A Skill Building Approach. 5th Edition.* New York: John Wiley and Sons Ltd.

Smith T 2008. *Power to the People – Social Media Tracker Wave 3*. Universal McCann Research Study. Available online at: www.slideshare.net/webrazz/universal-mcccann-wave-3.

Smith T 2009. *Power to the People – Social Media Tracker Wave 4*. Universal McCann. Available at: www.slideshare.net/olivier.../universal-mccann-wave-4.

Schawbel D 2009. The Top 10 Social Networks for Generation-Y. Available at: http://mashable.com/2009/01/30/generation-y-social-networks/.

Social Networking. 2012. What is Social Networking? Available at: www. whatissocialnetworking.com.

Tapscott D 2009. *Grown up Digital: How the Net Generation is Changing your World*. New York: McGraw Hill

Treadaway C & M Smith 2010. *Facebook Marketing: An Hour a Day*. Indiana: Wiley Publishing..

Webster FE Jr & KL Keller 2004. A Roadmap for Branding in Industrial Markets. *Brand Management* 11,5: 388 - 402.

Najeeda Sha
School of Management, IT and Governance
University of KwaZulu-Natal
Westville Campus
South Africa

Kantilal Bhowan
School of Management, IT and Governance
University of KwaZulu-Natal
Westville Campus
South Africa
bhowan@ukzn.ac.za