

Skepticism of Consumers Depending on their Experience of using Facebook and the Communication Effects of Corporate Social Responsibility Activities

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Abstract

Background/Objectives: This study sets to verify the level of consumer skepticism towards advertising according to user experiences of Facebook and the communication effects of the types of CSR activity. **Methods/Statistical Analysis:** There were 310 research participants, of which 156 had used Facebook and 154 had not. The skepticism levels between the group with high skepticism and the group with low skepticism were distinguished by using the median split method. **Findings:** The three-way interaction effect of exposure to Facebook, skepticism levels of consumers, and types of CSR activity on Aad($F(1,302)=163.13, p<.001$), Ab($F(1,302)=239.85, p<.001$), PI($F(1,302)=216.48, p<.001$) was found to be significant. The results of this study that analyzed consumer skepticism towards advertising based on exposure to Facebook as well as the communication effect of CSR activities. **Improvements/Applications:** Firms that provide information through advertising can establish proper communication strategies when they clearly understand the attributes of Facebook users.

Keywords: Aad, Communication Effects, Corporate Social Responsibility, Facebook, Skepticism

1. Introduction

Facebook was first launched in early 2004 around the Harvard University network, and has since extended its reach to everyone. As one of the social network services (SNS), Facebook is a web service that provides a network for users to interact with their acquaintances as well as a platform for them to record their personal information, photos, music, and video clips. Facebook users create their social networks by requesting others to be their friends. As such, the purpose of using Facebook is to express oneself to others and maintain mutual relations by establishing a network of friends^{1,2}.

There are clear differences in the attributes of users exchanging information via Facebook and those who do not use Facebook³. Essentially, users' skepticism toward advertising depends on their experience with Facebook. Skepticism towards advertising has a critical impact on

the entire advertising industry, and it goes much beyond just mistrust towards advertising. Consumer skepticism toward advertising has a negative influence on the persuasion effect of advertising and a fatal impact on the public's confidence in advertising, which does not bode well with the advertising industry⁴⁻⁶. Research on whether the use of new media reduces or increases skepticism toward advertising may provide a guideline for the persuasion effect.

Corporate social responsibility (CSR) activities using new media are constantly increasing. Firms are proactive in conducting their CSR activities to fulfill their social responsibility as corporate citizens. A firm's enthusiasm towards CSR activities can serve as a means to reduce consumer skepticism toward advertising^{7,8}. CSR activities are increasing because various stakeholders such as civic groups have constant demands and issues pertaining to the implementation of CSR. Unlike in the past, mod-

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ern society demands that firms should comply with legal standards and conduct their social responsibilities in an ethical and enthusiastic manner and as expected of them as members of the society, rather than merely focus on economic and philanthropic responsibilities^{9,10}. The fervent demand for corporate management based on social responsibility will bring positive outcomes to both consumers and firms alike.

2. Background Theory and Hypotheses

2.1 Desire for SNS and Facebook

The rapid increase in the use of SNS reflects the human desire to experience and communicate with different cultures across multiple countries. SNS, represented by Facebook and Twitter, is considered a communication medium that plays a key role in fulfilling the communication needs of individuals as well as in forming and maintaining interpersonal relations.

As people's everyday life expanded from the realistic space to the virtual space, venues for self-exposure shifted from blogs or mini-homepy (mini-homepages) to Facebook, where users provide their personal information. Facebook, like other SNS, is a platform that facilitates social interaction. Facebook users can constantly build relationships, expose their identities, and search for personal information by posting their profiles and using the algorithm provided by the website to find friends¹¹. Facebook is a communication medium wherein users can post personal information via the profile set up in the system, check their friends' personal information, and make new friends. As Facebook is used as a platform to be shared with others, it is receiving attention as an important means of building relationships. Building relationships enables individuals to share information with others and dynamically interact with one another.

2.2 Consumers and Skepticism Towards Advertising

Since information intended to be delivered to consumers is included in advertisements, consumers who have access to these advertisements decide whether the information is of value or not. However, if advertising messages do not convince consumers that all the information provided by

advertisements is based on facts, these messages lose their credibility^{12,13}. Mistrusting the information provided by advertisements will lead consumers to mistrust advertising arguments, which will ultimately result in them having a negative impression on the advertisers¹⁴. Consumers that are skeptical of advertising assess the motive of the advertiser to persuade consumers, and decide whether the claims made by the advertisement are objective or not. The advertising industry regards skepticism towards advertising as a temporary consumer response, and continues to present consumer preferences in an attractive manner. If there is no communication between consumers and the advertising industry regarding the former's skepticism toward advertising, advertising will lose its place as an essential part of society.

Research on consumers and their skepticism toward advertising is significant for a number of reasons¹⁵. First, such studies may provide guidelines for firms planning marketing communication by clarifying the causes for skepticism towards advertising. Second, in an environment where consumer skepticism toward advertising is increasing, advertisers, the market, and even the entire advertising industry will be made aware of its severity. Skepticism towards advertising is not a simple and temporary phenomenon that may disappear over a period time. This must be regarded at the onset of the influence of advertising. If the onset is negative, the outcome will also be negative. Third, it is necessary to find ways to regain consumer confidence by conducting research on skepticism towards advertising. Consumer confidence is a shortcut to reducing resistance to advertisement and strengthening a firm's presence in the market.

2.3 CSR Activities According to Intentions

The concept of CSR has been consistently discussed in the United States and Europe since the 1950s. Recently, as Korean firms have also begun to perceive the importance of ethical management, social responsibility has become the center of corporate ethics¹⁶⁻¹⁸. The argument that is supported today is that although firms are not separated from society, they will survive only if they build relationships in society and become worthy corporate citizens by looking beyond profits and shareholder rewards^{19,20}. The concept of moral and ethical CSR activities by firms emerged as corporate perspectives limited to economic activities to gain profits were replaced by the modern

view that demands a new understanding according to the changing social environment.

Despite the importance of the types of CSR activities, studies thus far have mostly been focused on the conceptual aspects of social responsibility activities²¹⁻²³. There is a need for a systematic and logical approach to address the types of CSR activities. Therefore, this study focused on measuring communication effects by categorizing the most frequently used types of CSR activity into two types based on prior studies on CSR²⁴⁻²⁶. This provides a utilitarian approach to academic generalization and theoretical foundation by verifying various research findings on CSR activities. Moreover, it provides useful data for those in charge of corporate communication on the types of CSR activities that can serve as effective communication strategies, and provides guidelines for the different types of CSR activities.

Thus, based on prior studies, this study sets the following hypotheses to verify the level of consumer skepticism towards advertising according to user experiences of Facebook and the communication effects of the types of CSR activity, via an experiment.

<Hypothesis 1> Is there a difference in the effects of skepticism levels (high/low) of consumers based on their exposure to Facebook (yes/no) and type of CSR activity (donation/voluntary) on their attitudes towards advertising?

<Hypothesis 2> Is there a difference in the effects of skepticism levels (high/low) of consumers based on their exposure to Facebook (yes/no) and type of CSR activity (donation/voluntary) on their attitudes towards brands?

<Hypothesis 3> Is there a difference in the effect of skepticism levels (high/low) of consumers based on their exposure to Facebook (yes/no) and type of CSR activity (donation/voluntary) on purchase intention?

3. Results

3.1 Research Participants

There were 310 research participants, of which 156 had used Facebook and 154 had not. The skepticism levels between the group with high skepticism and the group with low skepticism were distinguished by using the median split method. The median for the skepticism level was 3.66, and those participants with scores lower than the median level were placed in the group with low skepticism

(N = 156), and those with scores higher than the median level were placed in the group with high skepticism (N = 154).

3.2 Reliability Analysis of Measurement Items

To determine the internal consistency of the measurement items of the constructs used in this study prior to hypothesis testing, reliability was tested using Cronbach's α coefficient. In the social sciences, Cronbach's α coefficients are considered reliable if they are at least .70. In the reliability analysis of the variables measured on a multi-item scale, skepticism (.93), attitude towards advertising (.91), attitude towards brand (.92), and purchase intention (.93) showed a high internal consistency of at least .90. Therefore, the internal consistency of the measurement items used in this study can be considered reliable.

3.3 Hypothesis Testing of Attitude Towards Advertising

As shown in Table 1, the three-way interaction effect of exposure to Facebook, skepticism levels of consumers, and types of CSR activity on attitudes towards advertising was found to be significant ($F(1,302)=163.13$, $p < .001$). In addition, the interaction effect between exposure to Facebook and types of CSR activity ($F(1,302)=210.20$, $p < .001$), and the skepticism levels of recipients and types of CSR activity ($F(1,302)=83.32$, $p < .001$), as well as the main effect of the variables on attitudes towards advertising was also significant.

Table 1. Results of a three-way interaction effect on the attitudes towards advertising

Source	ss	df	ms	F-value
Facebook exposure (A)	2.16	1	2.16	9.27***
Skepticism level (B)	374.14	1	374.14	1605.85**
CSR activity (C)	4.72	1	4.72	20.25***
(A)×(B)	.90	1	.90	3.87
(A)×(C)	48.97	1	48.97	210.20***
(B)×(C)	19.41	1	19.41	83.32***
(A)×(B)×(C)	38.00	1	38.00	163.13***
Error	70.36	302	.233	

***p < .001, **p < .01, *p < .05

As shown in Table 2, an additional analysis of variance was conducted. The result showed that the group

that used Facebook showed a significant interaction effect between the skepticism levels of consumers and types of CSR activity on attitudes towards advertising ($F(1,150)=362.48$, $p < .001$). That is, the group with high skepticism levels showed a more favorable attitude towards advertising when the CSR activity was conducted voluntarily ($M=2.43$), rather than when it was considered a donation ($M=1.78$), whereas the group with low skepticism levels showed a more favorable attitude towards advertising when CSR was considered more as a donation ($M=5.29$), rather than a voluntary activity ($M=3.54$). The group that had no experience using Facebook also showed a significant interaction effect between skepticism levels of consumers and types of CSR activity on attitudes towards advertising ($F(1,150)=49.2$, $p < .001$). Regardless of skepticism levels, attitudes towards advertising were high when CSR was conducted voluntarily, rather than when it was considered a donation.

Table 2. Interaction effect of skepticism levels based on the exposure to Facebook and CSR activity types on the attitudes towards advertising

Source	ss	df	ms	F-value
skepticism $\times$ CSR activity at facebook(with)	64.51	1	64.51	367.63***
skepticism $\times$ CSR activity at facebook(without)	1.53	1	1.53	4.92*

*** $p < .001$, ** $p < .01$, * $p < .05$

3.4 Hypothesis Testing of Attitude Towards Brand

As shown in Table 3, the three-way interaction effect on the exposure to Facebook, skepticism levels of consumers, and the types of CSR activity on attitudes towards brand was found to be significant ($F(1,302)=239.85$, $p < .001$). In addition, the interaction effect between exposure to Facebook and skepticism levels ($F(1,302)=6.10$, $p < .05$), Facebook exposure and types of CSR activity ($F(1,302)=284.41$, $p < .001$), skepticism level of consumers and types of CSR activity ($F(1,302)=82.13$, $p < .001$), as well as the main effect of the variables on attitudes towards brands, were also significant.

As shown in table 4, an additional analysis of variance was conducted. The result showed that the group that experienced using Facebook showed a signifi-

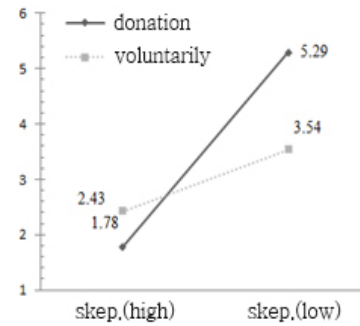


Figure 1. Group with facebook exposure.

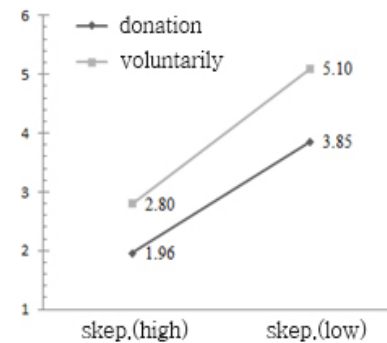


Figure 2. Group without facebook exposure.

Table 3. Results of a three-way interaction effect on the attitudes towards brand

source	ss	df	ms	F-value
Facebook exposure (A)	2.75	1	2.75	12.95***
Skepticism level (B)	363.76	1	363.76	1710.64***
CSR activity (C)	2.53	1	2.53	11.89**
(A) $\times$ (B)	1.29	1	1.29	6.10*
(A) $\times$ (C)	60.48	1	60.48	284.41***
(B) $\times$ (C)	17.46	1	17.46	82.13***
(A) $\times$ (B) $\times$ (C)	51.00	1	51.00	239.85***
error	64.22	302	.213	

*** $p < .001$, ** $p < .01$, * $p < .05$

Table 4. Interaction effect of skepticism levels based on the exposure to Facebook and CSR activity types on the attitudes towards brand

source	ss	df	ms	F-value
skepticism $\times$ CSR activity at facebook(with)	56.25	1	56.26	362.48***
skepticism $\times$ CSR activity at facebook(without)	4.35	1	4.35	17.41***

cant interaction effect between skepticism levels of consumers and types of CSR activity on attitudes towards brands ($F(1,150)=362.48$, $p < .001$). That is, the group with high skepticism levels showed a more favorable attitude towards advertising when the CSR activity was voluntary ($M=2.40$), rather than a donation ($M=1.82$), whereas the group with low skepticism levels showed a more favorable attitude towards brands when CSR was considered a donation ($M=5.40$), rather than a voluntary activity ($M=3.41$). The group that had no experience of using Facebook also showed a significant interaction effect between skepticism levels of consumers and types of CSR activity on attitudes towards brands ($F(1,150)=17.41$, $p < .001$). Regardless of skepticism levels, attitudes towards brands were high when the CSR was voluntary, rather than a donation.

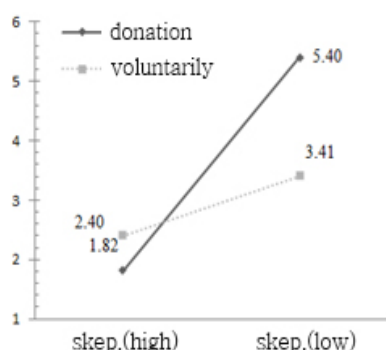


Figure 3. Group with facebook exposure.

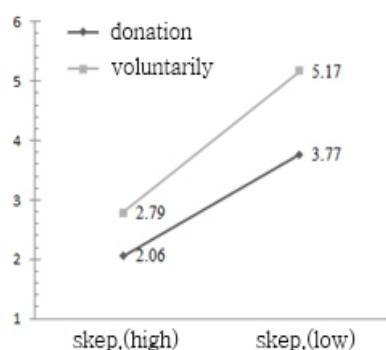


Figure 4. Group without facebook exposure.

3.5 Hypothesis Testing of Purchase Intention

As shown in Table 5, the three-way interaction effect among the exposure to Facebook, skepticism levels of consumers, and types of CSR activity on purchase intention was found to be significant ($F(1,302)=216.48$, $p < .001$).

In addition, the interaction effect between the exposure to Facebook and types of CSR activity ($F(1,302)=222.23$, $p < .001$), skepticism levels of consumers and types of CSR activity ($F(1,302)=64.20$, $p < .001$), as well as the main effect of the variables on purchase intention was also significant.

Table 5. Results of a three-way interaction effect on the attitudes towards purchase intention

source	ss	df	ms	F-value
Facebook exposure (A)	2.62	1	2.62	10.85**
Skepticism level (B)	404.92	1	404.92	1671.39***
CSR activity (C)	4.26	1	4.26	17.61***
(A)×(B)	.01	1	.01	.01
(A)×(C)	53.84	1	53.84	222.23***
(B)×(C)	15.55	1	15.55	64.20***
(A)×(B)×(C)	52.44	1	52.44	216.48***
error	73.16	302		

*** $p < .001$, ** $p < .01$, * $p < .05$

As shown in table 6, an additional analysis of variance was conducted. The result showed that the group that was exposed to Facebook showed a significant interaction effect between the skepticism levels of consumers and the types of CSR activity on purchase intention ($F(1,150)=306.62$, $p < .001$). That is, the group with high skepticism levels showed higher purchase intention when CSR was considered a voluntary activity ($M=2.45$), rather than a donation ($M=1.77$), whereas the group with low skepticism levels showed higher purchase intention, when CSR was considered a donation ($M=5.33$) rather than a voluntary activity ($M=3.46$). The group that had no exposure to Facebook also showed a significant interaction effect between the skepticism levels of consumers and the type of CSR activity on purchase intention ($F(1,150)=19.32$, $p < .05$). Regardless of skepticism levels, purchase intention was high when CSR was considered a voluntarily activity, rather than a donation.

4. Discussion and Conclusion

Facebook is used to build and maintain social relations. Facebook, which maintains and expands relationships based on existing networks, enables users to share more information, expose themselves to the virtual space, and

Table 6. Interaction effect of skepticism levels based on the exposure to Facebook and CSR activity types on the attitudes towards purchase intention

source	ss	df	ms	F-value
skepticism × CSR activity at facebook(with)	62.98	1	62.98	306.62***
skepticism × CSR activity at facebook(without)	5.40	1	5.40	19.32***

***p < .001, **p < .01, *p < .05

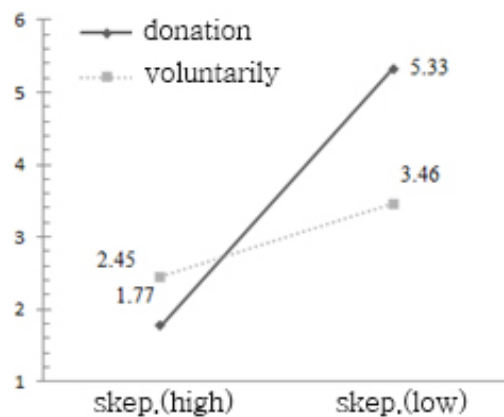


Figure 5. Group with facebook exposure.

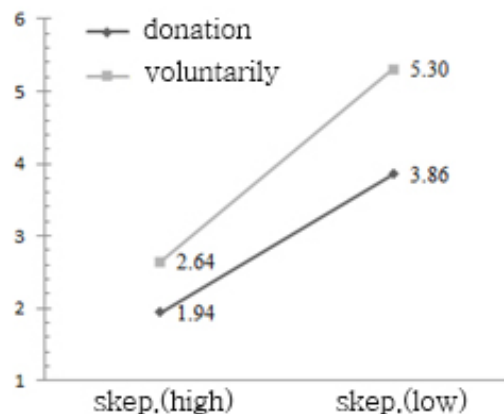


Figure 6. Group without facebook exposure.

confirm their identities. Adjusting easily to new media is based on self-confidence, and thus, there is no risk in data analysis. The objective judgment of information suggests that self-defense efforts are active, which leads to high skepticism towards advertising. This is because skepticism towards advertising is a fundamental cause for

reduced advertising influence, and thus provides significant implications for many consumers who use Facebook as a source of acquiring information. Firms that provide information through advertising can establish proper communication strategies when they clearly understand the attributes of Facebook users. Formal social contribution activities of firms are negatively viewed by Facebook users who are not negligent of information assessment. Sincere social contribution activities of firms may reduce skepticism towards advertising and vitalize the advertising industry in general. Therefore, the results of this study that analyzed consumer skepticism towards advertising based on exposure to Facebook as well as the communication effect of CSR activities are as follows.

The results of analyzing attitudes towards advertising showed that exposure to Facebook, skepticism levels of consumers, and types of CSR activity individually affected attitudes towards advertising. Moreover, there was an interaction effect among the factors. These results imply that firms must implement segmented strategies for each target recipient to promote more positive attitudes towards advertising.

The results of analyzing attitudes towards brands showed that exposure to Facebook, skepticism levels of consumers, and types of CSR activity individually affected attitudes towards brands. Moreover, there was an interaction effect among the factors. These results prove that like attitude towards advertising, firms must implement segmented strategies for each target consumer to obtain a more positive attitude towards a brand.

The results of analyzing purchase intention showed that exposure to Facebook, skepticism levels of consumers, and types of CSR activity individually affected purchase intention. Moreover, there was an interaction effect among the factors. These results consequently imply that firms must implement segmented strategies for each target consumer in order to increase purchase intention.

5. Acknowledgment

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