

Don't Invade My Personal Space: Facebook's Advertising Dilemma

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ABSTRACT

For many companies, advertising on Facebook seems like the “right” decision. But with decreasing click-through rates and negative consumer perceptions of Facebook advertising, some major corporations are rethinking their social media strategy. The purpose of this paper is to examine role theory, boundary theory, and role segmentation/integration as possible explanations to the negative consumer perceptions surrounding Facebook advertising. Theory suggests that Facebook users expend effort creating and maintaining boundaries around consumer and social roles. By targeting consumers in a social domain, companies advertising on Facebook may actually be exacerbating the problem.

Keywords: Facebook; Advertising; Boundary Theory; Role Boundaries; Role Integration/Segmentation

INTRODUCTION

Facebook is a social networking website that lets users “friend” others, post pictures, update statuses, and “like” brand and company pages. There are approximately one billion users logging on to Facebook each month, with nearly half of those users checking the social media website on a daily basis (Cheng, 2012.) Each of these users can share their thoughts, opinions, activities, preferences, and interests with members of their personal network. With such an extensive reach and so much psychographic and lifestyle data available, advertising on Facebook seems like an important and effective way to spend promotional dollars.

The recent Facebook initial public offering (IPO) sparked considerable debate over the valuation of Facebook by market analysts and investors. Because advertising is Facebook's principal revenue generator, the focus of this debate was on the value of the information collected by Facebook about its nearly one billion users and how marketers could utilize the information to improve advertising effectiveness (Sarno, 2012; Terlep, Vranica, & Raice, 2012). But, with decreasing ad revenue (Terlep, Vranica, & Raice, 2012), click-through rates of only 0.051% (Webtrends, 2011), and four out of five users indicating that they have never bought a product or service based on Facebook advertising (Oreskovic, 2012), many companies are faced with the question, “Is advertising on Facebook worth it?” General Motors no longer thinks so. Just days before the Facebook IPO, General Motors announced its decision to cease all paid advertising on Facebook, supporting its belief that paid Facebook advertisements do not influence consumers' car purchase decisions (Terlep, Vranica, & Raice, 2012). This decision by General Motors has other companies pondering whether the benefits of Facebook advertising investment outweigh its costs. The combination of low click-through rates and the possibility of losing other major corporate accounts represents a conundrum for Facebook. Specifically, Facebook must devise a more effective advertising strategy while retaining and growing its user base. To do so, Facebook must first identify the problems with its existing advertising offerings.

This research investigates the nature of Facebook advertising and the negative user perceptions surrounding it. The purpose of this paper is to introduce role theory, boundary theory, and role segmentation/integration as possible explanations of this phenomenon. First, a brief overview of Facebook advertising is provided. This is followed by an explanation of the theory and its application to advertising on the social media website. By examining roles, boundaries, and role integration/segmentation, this research aims to provide new insight into the negative user perceptions associated with Facebook advertising.

ADVERTISING ON FACEBOOK

Advertising on Facebook first began in August 2006 (Kessler, 2011) and has experienced rapid changes since. At its inception, Facebook advertising primarily consisted of paid-for banner advertisements. It has since evolved to include advertiser opt-out features for ad placement, brand and business pages, classified listings, viral marketing capabilities, improved targeting features, self-service event and page advertising, improved advertising analytics, and location-based promotions (Kessler, 2011). More recently, Facebook introduced “sponsored stories.” These sponsored stories, posted to the right of a user’s news feed, allow advertisers to purchase and re-publish a user’s verbatim comments, “likes,” and “check-ins” at businesses along with the user’s name and photo (Fowler, 2011). Users are not notified if their content has been purchased, and they are unable to opt out of the sponsored stories program. In addition to sponsored stories, Facebook has offered companies the ability to post and present content in a timeline format on their free brand or business page. By doing so, companies can deliver a more comprehensive promotional message and increase audience engagement. If a user “likes” a brand page, corporate content posted on the brand page will appear in the user’s news feed. While brand timeline pages are free, only about 16 percent of the brand’s fans actually see posts about the brand (Raice, 2012; Terlep, Vranica, & Raice, 2012). To improve visibility, the company can pay an advertising fee to ensure that the content is visible to 75% of users who “like” the brand page (Raice, 2012; Terlep, Vranica, & Raice, 2012). These most recent changes (i.e., sponsored stories and brand timelines) go beyond “just advertising” and are designed to blur the lines between advertising content and the social information sought after by Facebook users.

Cohen (2012) describes a study conducted by Insight Strategy Group which indicates that consumers have mixed feelings about companies marketing to them on social media websites. In this study, 58 percent of respondents describe social media marketing as “invasive;” 60 percent characterize social media brand communication as “annoying;” and 64 percent of respondents “hate” receiving targeted messages on their social media profile. On the other hand, 53 percent of respondents in this same study believe that a brand must have a Facebook page to remain relevant; 54 percent appreciate when a brand has a Facebook page or other social media presence; and 58 percent followed brands on Facebook to receive special promotions and deals. This study reveals the complex nature of corporate communication on social media. Consumers tend to have negative perceptions of being targeted on social media websites, but they understand the importance of social media brand communications and enjoy the benefits of special offers (Cohen 2012).

With brand pages and associated brand posts, consumers choose whether or not they “like” or follow a brand page, and by doing so, they receive special offers, promotions, and communications about the brand. Negative consumer perceptions regarding social media marketing seem to be associated with companies targeting consumers and “invading” users’ social media profiles with advertising, sponsored stories, or other forms of paid-for communication. This is commonly done without the user’s permission. The problem with these findings is that a large majority of Facebook revenue comes from paid advertising, not free brand pages. Based on Cohen (2012), Facebook has a decision to make—improve and increase paid-for advertising or find other sources of revenue. To improve paid-for advertising on the social media website, Facebook administrators must aim to understand why consumers have an aversion to their current advertising offering. In the next section, role theory, boundary theory, and role integration/segmentation are introduced as possible explanations of this phenomenon.

THEORETICAL BACKGROUND

Roles are “sets of behavioral expectations associated with given positions in the social structure” (Ebaugh, 1988, p. 18). According to Ashforth, Kreiner, and Fugate (2000), “Roles tend to be bounded in both space and time—that is, they are more relevant in certain physical locations and at certain times of the day and week” (p. 474). It is common for individuals to assume more than one role, and individuals often assume multiple roles simultaneously. Roles are accompanied by a set of expected behaviors, and these behavioral expectations often produce a strong association between roles and identities. A role identity can be defined as “the goals, values, beliefs, norms, interaction styles, and time horizons that are typically associated with a role” (Ashforth, 2001, p. 6)—in other words, the type of person (character and personality) that an individual occupying the role should be.

According to boundary theory (Michaelsen & Johnson, 1997; Nippert-Eng, 1996a, 1996b; Zerubavel, 1991), individuals create boundaries or “mental fences” to establish order and simplify life. These boundaries serve as partitions separating one aspect of life from another. By creating and maintaining boundaries, individuals create domains (i.e., areas, locations, or slices of reality) that become meaningful to them (Ashforth, Kreiner, & Fugate 2000).

Individuals assuming multiple roles often construct and maintain role boundaries. Role boundaries can best be described as “whatever delimits the parameter—and thereby the scope—of a role” (Ashforth, Kreiner, & Fugate 2000, p. 474; Ashforth, 2001, p. 5). According to Ashforth (2001), “A role’s boundaries facilitate the articulation of a role identity by circumscribing the domain of the role—by demarking what activities belong to the role and what belongs to other roles” (p. 6). By constructing and maintaining role boundaries, individuals juggling multiple roles introduce order and simplicity into their day-to-day lives by separating each role and its associated behavior.

With the existence of role boundaries comes the challenge of transitioning between roles. Flexibility and permeability are two characteristics of role boundaries that influence role transition (Ashforth, Kreiner, & Fugate, 2000; Ashforth, 2001). Flexibility describes the pliability of the role boundary in time and space (Hall & Richter, 1988). Flexible role boundaries are those in which the role can be enacted in different domains (locations) and at different times of the day or night. Inflexible role boundaries limit individuals in terms of time and space. Permeability is the extent to which an individual can be physically located in one role’s domain and psychologically or behaviorally involved in a different role (Pleck, 1977; Richter, 1992). Permeable role boundaries allow individuals to enact one role in a different role’s domain, whereas impermeable role boundaries do not.

For individuals occupying multiple roles, these roles are arranged on a continuum from high role segmentation to high role integration (Ashforth, Kreiner, & Fugate, 2000; Ashforth, 2001). It is important to note that complete role segmentation or role integration is rare. It is much more likely for roles be positioned somewhere along the continuum, with a combination of segmenting and integrating behaviors (Ashforth, Kreiner, & Fugate, 2000). Individuals are more likely to segment roles when high contrast exists between role identities and when role boundaries are inflexible and impermeable (Ashforth, Kreiner, & Fugate, 2000; Ashforth, 2001). Role integration is likely to occur when there is low contrast between role identities and when role boundaries are flexible and permeable (Ashforth, Kreiner, & Fugate, 2000; Ashforth, 2001).

The segmentation/integration decision is not often a conscious or purposeful one for an individual. In fact, the decision is sometimes determined by other people, institutions (e.g., work, school), or the environment in which the roles are enacted. While the segmentation/integration decision is often uncontrollable, individuals can control the maintenance of role boundaries and the transition between roles. Ashforth, Kreiner, & Fugate (2000) explain this best with the following:

As roles become more segmented, proportionately more effort is focused on the transition work of boundary crossing—that is, on between-role dynamics. Conversely, as roles become more integrated, more effort is focused on the boundary work of boundary creation and maintenance—that is, on within-role dynamics. (p. 482)

So, those with segmented roles often expend effort crossing boundaries, and those with integrated roles spend effort creating some separation between roles. These concepts of boundary maintenance and role transition are most relevant to a discussion of social roles, consumer roles, and Facebook advertising. The following section provides an application of this theory as it relates to Facebook advertising.

THEORY APPLICATION: THE FACEBOOK DILEMMA

It is common for individuals to assume multiple roles, and Facebook users are no exception. Regardless of the number of roles a Facebook user accepts, every user (at some time or another) adopts both a social role and a consumer role. These two roles are most salient to a discussion of Facebook advertising.

To build a social network, Facebook users connect with friends, family members, classmates, co-workers, and other acquaintances. Users primarily log on to the social media website to engage in behaviors associated with

their social role. Most individuals use Facebook to learn new information about members in their social network or to share their own information. This information often includes status updates, comments, pictures, articles, “check-ins,” and current online behavior (e.g., music choices, polls, games, and other online applications). By interacting with others and sharing information online, Facebook users are actively engaged in behaviors associated with and expected of those enacting a social role.

In addition to social roles, Facebook users also occupy consumer roles. According to Ward (1974), “Consumer role enactment may be said to occur during the physical act of purchasing, or consumer role [*sic*] can refer to the set of physical and mental activities specifically involved in purchase decisions—shopping, talking to others about products and brands, and weighing purchase criteria” (p. 3). Facebook activity pertaining to the consumer role is best characterized as the latter. The consumer role has also been further described as consisting of three entities: the decision maker, the buyer, and the consumer (Chandler & Heinzerling, 1998). Regardless of the type of consumer role one assumes, businesses advertising on Facebook are hoping to appeal to all three entities.

Neither the social role nor the consumer role is associated with a strong role identity, given that there is no model character or personality that an individual in either role becomes or aspires to be. In fact, it is common for those enacting social roles and consumer roles to differ in terms of their personality, values, norms, beliefs, and time perceptions. When examined together, the social role and the consumer role have low levels of role contrast, since sizeable feature differences do not exist between an individual engaged in each role.

Similar to others occupying multiple roles, Facebook users logged on to the social media website surround their social and consumer roles with role boundaries. Consistent with boundary theory, these role boundaries serve to order and simplify the online environment and to separate behaviors associated with the social role from behaviors associated with the consumer role. This boundary creation renders Facebook a social domain, since users primarily log on to the social media website to socialize with others—a behavior expected of and associated with the social role. This is not necessarily the case with other websites like Twitter or Google. With Twitter, users are seeking news, product, and brand information (Ochman, 2012), while users often turn to Google with defined purchase intentions (Cheng, 2012). Thus, consumer and social role boundaries and the categorization of Facebook as a social domain are two possible explanations why targeted advertising is so poorly received by Facebook users.

Social role boundaries and consumer role boundaries are flexible, since both roles can be enacted in any location and at any time of day or night. While this has always been the case for social roles, the flexibility of consumer role boundaries can be attributed to the proliferation of online shopping via computers, tablets, and mobile devices. In addition, the boundaries surrounding social roles and consumer roles are also permeable; that is, individuals can be located in one role’s domain, but actively engaged in a different role. Consumers often combine shopping and socializing on trips to brick-and-mortar stores, and it is also customary for an individual in a consumer role at a brick-and-mortar store location to transition to a social role when encountering a friend or acquaintance. The same is true on Facebook. Facebook posts from users touting recent purchases or seeking recommendations or advice from their social networks are becoming more widespread. As a result, it is quite common for a Facebook user engaged in a social role on the social media website to transition to a consumer role when reading information about products/services recommended by friends. It is important to note that these Facebook behaviors are initiated by the consumer and most closely resemble word-of-mouth communications.

So, if social roles and consumer roles are characterized as having low contrasting role identities, flexibility, and permeability, does that mean that these two roles will become more integrated for Facebook users? Theory suggests that higher role integration is likely. However, according to Ashforth, Kreiner, and Fugate (2000), “High integration decreases the magnitude of change [between roles] but increases role blurring, fostering the challenge of creating and maintaining role boundaries” (p. 486). With higher levels of role integration, individuals devote effort to the creation and maintenance role boundaries (Ashforth, Kreiner, & Fugate, 2000). Because social and consumer roles are integrated in so many other domains, Facebook users are likely to expend more effort creating and maintaining boundaries to separate their social and consumer roles while on the social media website. Since Facebook is an electronic or virtual domain, users are afforded more control regarding whether role boundaries are invaded or sustained. With this control, users work to establish and preserve boundaries around their social role while on Facebook, with the aim of keeping their consumer role and its associated behaviors separate.

This could explain some of the negative perceptions about Facebook advertising. Users that consider Facebook advertising “annoying” and “intrusive” (Cohen, 2012) may do so because companies are invading their social domain with targeted, paid-for, corporate communications. Those that “hate” receiving targeted messages on their social media profiles (Cohen, 2012) could be experiencing frustration. It is likely that these users are devoting effort to the creation and maintenance of boundaries around their social role, only to have advertisers break through these boundaries with promotional content. This is not the case with brand timeline pages. With brand pages, Facebook users can decide whether or not to “like” a brand page. By doing so, users are choosing to allow brand content into their personal profile and news feed. Offering Facebook users control over what content permeates their role boundaries seems to result in more positive user perceptions.

CONCLUSION

The recent Facebook IPO will bring with it many changes for the social media website. Many of these changes will affect the future of Facebook advertising. Some changes, such as logout page advertisements and advertisements on mobile devices have already been implemented (Wasserman, 2012; Raice, 2012). Others including homepage sponsors and the direct access of user data by advertisers (Lee, 2012) are merely speculative. What many can agree on is an increase in the number of banner advertisements, advertisements appearing in news feeds, and advertisements on mobile devices (Lee, 2012; Sarno, 2012; Wasserman, 2012).

Many of these changes, particularly those that affect a user’s news feed, profile, and mobile devices, should be considered with caution. These spaces are considered part of a user’s social domain and should be respected as such. Any infringement on role boundaries established and maintained by Facebook users will likely exacerbate the negative perceptions of Facebook advertising. Facebook management should focus on redesigning its advertising options so that they are profitable, effective, and less invasive to the social role boundaries established by users.

AUTHOR INFORMATION

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