Behavioural advertising on Facebook:
the users perspective regarding leisure industry
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Abstract

Title: Behavioural advertising on Facebook: The user perspective regarding leisure industry.

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Level: Bachelor Thesis in Business Administration Marketing

Key Words: Behavioural advertising, Facebook, privacy, online consumer behaviour, social network, leisure industry, targeting.

Purpose: study how a specific age bracket of Facebook users perceives the leisure industry behavioural advertising on this social networking site.

Method: This thesis follows a deductive approach. We are using secondary data from books, articles and studies but also primary data thanks to a questionnaire; which allows us to answer our purpose.

Theoretical Framework: First define the online consumer behaviour and its characteristics through existing models and then define behavioural advertising, how is the leisure industry using this marketing tool and what are the drawbacks of such practices.

Conclusion: The authors conclude that Facebook users are more and more aware of the use of behavioural advertising. But due to a lack of education about such marketing techniques the 18-30 years old tend to adopt mostly strict privacy settings with the intention to block those advertisements. The privacy issue is important and even if the users seems to be interested in the offers of the leisure industry there is still a long way before obtaining a full acceptance of this practice. Then are presented the contributions given and the further research possible regarding this topic.
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1. Introduction

In this chapter, the background of advertising online will be explained as well as the comeback on the “boom” of social networking sites that occur these last years, with a particular focus on Facebook. As well the authors will give a general overview of the leisure industry and its components. This growing popularity for social networks and the new technology gave marketers and advertisers new opportunities to target their customers. We will then present the research problems, the purpose and the research question of this thesis.

1.1. Background

1.1.1. Online advertising

In its early days advertising was present in print media like newspapers and after that on other support such as television. With the Internet revolution, advertising has moved to another channel with much more possibilities to influence and persuade customers. We have seen the first online advertisement in 1994 and since that time this industry is growing at an intense rate (Uppal, 2009). It is projected that the online advertising industry will grow three times faster than advertising in any another media. (Kridler, 2004)

More and more company realize that advertising on Internet is an efficient way to communicate with potential customers. They are not only interacting with customers, but also establishing a one to one dialogue. (Adams, 2003).

The first type of online advertising was banners delivered by Doubleclick, one of the first ad serving technologies. Helwett Packard implemented the first major change in online advertising when introducing pong; which was basically the first arcade game on computer. The game opened directly into a banner ad creating the first interactive ad banner in the history of online advertising (Uppal, 2009). The same author stated also that at first companies didn’t really trust in the effectiveness of such advertising and preferred to wait until some proves have been given. From 2000 to 2002 the annual spending of online advertising declined significantly from $8.2 million to $6.2 million (Uppal, 2009)

The industry had to wait until 2003 to see this amount growing again and it does not stop since (Uppal, 2009). Advertiser are trusting more and more in this medium as many improvement have been made and now multiple ways are existing: Banner, pop-up, mini games, fan page and many more but the point is that different advertisement forms acquire different users responses. Nowadays the success of social network represents an interesting platform for advertisers to reach their target.
1.1.2. Social Networks

Boyd and Ellison (2007, pp.210-230) define social network sites as “a web-based services that allow individuals to construct a public or semi-public profile within a bounded system, articulate a list of other users with whom they share a connection, and view and traverse their list of connections and those made by others within the system. The nature and nomenclature of these connections may vary from site to site”.

The particularity of social networks explained by the same authors is that you can easily interact with other people you know as well as complete strangers. Also it makes your social network visible by lambda users. The process of profile creation on a social network starts with filling out some basic information about the user such as the age, location, interests, workplace and also most of the time the upload of a picture of you.

When your profile is done you are invited to look for people you may know or want to know in the system and create your own social network. The people you add to your network can be presented with different names according to the social network site you joined. The most popular terms include “Friends”, “contacts”, “followers” or “fans”. There is actually really few studies regarding how many people use social networking sites but marketing research shows that its popularity is growing everywhere (Boyd and Ellison, 2007).

Companies started to invest time and money into social networks as they realized it is a place to be. On the other side the Canadian government close the access from Facebook to employees (Boyd and Ellison, 2007). Social networking site are changing the way online communities are organized, these websites are overtaking more and more the classic forums and one of the reasons is that social networks are organized around people and not around interest. “The world is composed of networks not groups” (Wellman, 1988).

1.1.3. Facebook

The social networking site Facebook was first implemented online in February 2004. 7 years later, in January 2011, Facebook counts more than 2000 employees (Facebook press info, 2011) and more than 600 million registered users (Carlson, 2011). The users are welcome to create a profile, add friends, share data and pictures, discuss, and exchange mail and many more potential activities. On this social network people may join a group of interest and stay tuned on the news they are interested in. Anybody who declares being at least 13 can become a Facebook user. Founded by Mark Zuckerberg with the help of his roommates and friends studying computer science in Harvard University, the social network initially restricted to the Harvard students community quickly expand to other universities in the United States and finally to the planet (Carlson, 2010). In January 2009 a study from the website compete.com ranked Facebook as the most used social network by worldwide monthly users, followed by Myspace.

Mark Zuckerberg is a very discreet person about the plan of the company and also about the revenues Facebook is making; but it can still be estimate it to an average of $800 million in 2009 (The Economic Times, 2010). The social networking site represents an extremely important platform for marketers and the ad’s budget on Facebook is growing every single year since the service has been introduced on the web. In 2011, “the company is financing its own growth rather than using investor money” (Meredith, 2011). The same author stated that the company get double revenue growth thanks to its advertising strategy, which is not revolutionary but only successfully implemented.
1.1.4. Online behavioural advertising on Facebook

A few years back behavioural advertising emerged and its simplest form. It is now delivering advertisements to a particular individual based on his/her previous Internet research or personal information communicated on a website (Wells, 2006). This technique is different from contextual advertising, which serves advertisements related to the content of the actual web page on which they appear.

Behavioural advertising means that different Internet users looking at the same web page could see totally different advertisements. According to Terri Wells this technique promise marketers to reach tighter audience with more precision than what can be achieved using other techniques. Such practices are quite new and advertisers are not yet totally zestful about it.

Facebook is an effective marketing platform because networking and communication are already taking place, which means that companies have the possibility of being directly integrated in the conversations simply by appearing on the site. (Learmouth 2009). Facebook enabled a complete new way of examining a given product or brand: “(It) has not only transformed the research and purchase consideration phase, but it also provides shoppers with a platform to advocate for the products and stores they love” (Swedowsky, 2009). For example, product raves and reviews could appear on a fan page, or in an application.

To test the effectiveness of Facebook’s advertisers’ micro-targeting method, Lessin (2008) did an experiment by creating his own Facebook advertisement. It was an advertisement targeted to his girlfriend, so he typed in her specific demographic (a Wall Street Journal Reporter, 25 years old, living in San Francisco, graduated from Harvard in 2006, majored in history, etc.) and was able to get the advertisement directly placed on her Facebook page. This test demonstrated advertisers’ ability to nano-target their market in a unique way not seen in traditional advertising. The next point explains what is the leisure industry in order to have a deeper knowledge on the industry the authors are going to analyse.

1.1.5. The Leisure Industry

According to "the dictionary reference.com", leisure the "time free from the demands of work or duty when you can rest or enjoy hobbies or sports". As for the leisure industry as a whole, it can be defined as: "An industry that provides goods or services for activities that people do for Entertainment and enjoyment" (Longman Business English Dictionary).

The leisure industry is divided into five key components as shown in the figure below:
According to the Pearson college GCSE Leisure and Tourism Student Book Unit 1, the leisure industry can be defined thanks to five key components.

The first component called Sport and physical recreation describe sport in general and can be described as a form of physical activity that is in many cases Governed by a set of rules. It also usually has some element of competition. However when the competition aspect is not present it is to be perceived as "physical Recreation" which is basically the act of participating in any physical activity such as cycling or sailing. Sport can be divided into two clear separated categories. The first would be "active", that is for example playing a football match and the second would be "passive", for example being a spectator watching a football match.

The second is Arts and entertainment and can be defined as all the things, which entertain people that take place outside home. It can include things that people watch like theatre, concerts, fireworks, art galleries and exhibitions or others things that people can actively take part in such as bands, reading groups and festivals.

The third component is defined as Countryside recreation. It can take place in National Parks and other areas known for their amazing beauty. Places like these are visited not only for their impressive scenery and landscapes but also for the numerous activities that can take place such as hiking, skiing, cannoning etc. Some of these activities are free such as walking and hiking and there are others free activities including photography, cycling and even picnicking.

The forth is home-based leisure, which gather all the home-based leisure activities includes for instance music (playing and listening), TV, home decoration and gardening, internet-based leisure and games.

Finally the fifth and last component is the play-based leisure activities. This are mainly related to children but is also associated with every kind of age. Examples of activity-based leisure include forest adventures courses, rafting and waterskiing for instance in a holiday resort. As for children, activity-based leisure can be a park playgrounds or beach activities. These activities are available in towns, countryside and holidays resorts. These types of leisure can be free or not.
1.2. Research problem

During the last 5 years behavioural advertising has become an important tool for online marketers. It has enabled the ability of targeting specific users in this enormous "net" that is the worldwide users population. Indeed, depending on their observed interests and collected personal information, the users have seen themselves specifically targeted by an abundance of potentially more interesting advertisements in concordance with their own personality.

This type of targeting is made to satisfy the customer and the advertiser at the same level, but access the information of any internet user to target him/her and offer a product in concordance with his interests: sex, location and many more criteria, can be perceive negatively by the user. The recent awareness of the users about these techniques and the improvement in privacy settings allow a larger acceptance of these targeted advertisements. However the reasons as to why Facebook users are settings strict or open privacy settings is still to be explored.

Regarding the leisure advertisements which are presented as ones of the most attractive among the people with a relatively young age, it is undefined as to what kind of products have the greatest impact on the consumers. This industry is too wide and proven difficult to be properly defined However, there must be specific areas in this particular business that are more likely to retain the attention of consumer and worth being explored more in depth.

1.3. Purpose

The purpose of this thesis is to study how a specific age bracket of Facebook users perceives the behavioural advertising campaigns of a specific area of the leisure industry on this social networking site and how this technique is influencing the configuration of their privacy settings.

1.4. Research questions

RQ 1: How do the Facebook users aged between 18-30 perceive the targeted advertising?

RQ 2: Target advertising of which leisure industry has the most positive perception by Facebook users in age 18-30?

RQ 3: How strong influence has the target advertising on choosing strict private settings?

1.5. Audience

This thesis could provide useful information for any company that belongs or not to the leisure industry and especially for the one of the leisure industry, the companies working in the arts and entertainment sector. Through our researches, data collection and analysis, companies may improve their knowledge about behavioural advertising but also on how does users perceive the use of behavioural advertising campaigns and the influence it has on their use of the privacy section.
1.6. Limitations

This thesis aimed to understand the current perception of a restricted age bracket of Facebook users on the behavioural campaigns of the leisure industry. Both users behaviour and Facebook environment are changing really fast so the authors conducted a survey to get answers in accordance with the actual situation. However the number of 607 participants may be a limitation to the validity of the data collected. Also the trend of behavioural advertising is new and the number of books and studies available for free at the Halmstad library, the university library and on internet is limited. Another limitation the authors are confronted to is that the study focuses only on one social networking site which is Facebook.

1.7. The structure

To answer both purpose and research questions developed by the authors, this thesis has been structured in six parts.

At first is presented an introduction including a background and an overview of the general topic.

The second chapter will emphasis on the theoretical framework, includes models and theories to analyze and answer the purpose of the thesis.

The methodology is coming as third part to present the choices made regarding the primary and secondary data as well as the type of study followed. This chapter introduces also the reasons and the aim of the conduction of a questionnaire.

Chapter four will relate to the empirical data. It presents the findings and results of the questionnaire through graphs and charts as primary data linked with secondary data obtained from other authors studies.

The fifth part will introduce the analysis of the data previously presented to get an answer to the research questions.

Finally chapter six present the conclusion made by the authors and the further possible research that could be undertaken on the Facebook users’ perception of the leisure industry behavioural advertising campaigns.
2. Theoretical Framework

This chapter presents the theoretical framework of the thesis based on theories about the consumer behaviour on Internet. The topics particularly emphasised in the literature review are the consumer behaviour, the uses and gratification theory and the Internet marketing strategies. This part gives us a better understanding of the problem. With the theoretical Framework a knowledge base is given which enables to clearly understand the scope of the thesis. It also enables understanding the driving logic used all along the thesis.

2.1. Consumer behaviour

The consumer behaviour studies are essential in understanding your target and influence it on its best rate. Consumer behaviour is complex and really variable. The consumer behaviour on the Internet differs from the one of an everyday consumption in a real shopping area.

Consumer behaviour is complex and changing, most of the companies for which the consumers as a central role are trying to answer these questions: how? Why? When? And where do people buy? But the central question is: how do consumers respond to various marketing efforts the company might use? (Kotler & Armstrong, 2008).

Marketers strive to understand this behaviour so they can better formulate appropriate marketing stimuli that will result in increased sales and brand loyalty (Mason, H, W).

The figure below shows the entrance of marketing and other stimulus into the consumers “black box”, out of this box the consumer’s responses. The aim for marketers is to understand how the marketing techniques and other stimuli are changed into responses inside this box.

![Figure 2.1. Model of Buyer Behaviour](source: Kotler & Armstrong, 2008)
2.1.1. Online consumer behaviour

Many marketers often relate the consumer behaviour with the online consumer behaviour, thinking there is little differentiations between the two. Additionally some think that that we can use consumer behaviour theories as frameworks for further research to understand the online consumer behaviour. However offline and online consumers behave differently. Indeed the Internet represents a totally different retail environment where consumer information search behaviour should be revisited (Peterson and Merino, 2003) and (Cowles et al., 2002).

News ways of communication has arisen due to the Internet and the exchange of information is nowadays part of our everyday life. Because the number of Internet users is increasing, online purchasing is also increasing (Joines, Scherer & Scheufele, 2003). This rapid increase can be explained by the fact that broadband technology use is growing and changes are happening in the consumer behaviour (Oppenheim & Ward, 2006).

Moreover, the interactive nature of Web sites has been credited with positively affecting consumer responses, including increasing the desire to browse and purchase online (Fiore and Jin, 2003; Fiore et al., 2005a, b; Gehrke and Turban, 1999; Lee et al., in press; Mathwick, 2002). According to Eroglu et al. (2003), the online store environment, as long as is it pleasing and positive, plays a role in the behaviour of the consumer resulting in higher pleasure which will eventually lead to approach responses towards the online retailer.

In order to have a better understanding of the consumer behaviour, more specific identifications of the online consumers need to be made. Thus the different characteristics of online consumer are key characteristics to identify the various type of consumer and help to segment them. First, it is necessary to identify the cultural online characteristics of users. Smith and Rupp (2003) noticed that the difference in social class creates a difference in purchasing online behaviour. They found out that consumers from a higher social class are in general more likely to make the process of buying online than consumers from a lower social class due to the fact that there is a good probability that they might have a greater access to a computer and to the Internet. Second, the social online characteristics also have a great impact on the online consumer behaviour. Indeed, New Reference Groups were indentified as virtual communities, basically made of discussion groups on a particular web site. In such virtual communities, consumers have the ability to read about other people's opinions and experiences that have proved to have the effect of Reference Groups (Christopher & Huarng, 2003).

Third, the exploration of the personal online characteristics needs to be perused. Monsuwé, Dellaert and Ruiter (2004) concluded that income plays an important role for the online behaviour as a consumer with a higher income would have a much more positive attitude regarding online shopping. Added to that, Smith and Rupp (2003) also proved that the age factor could be a decisive indication for possible online purchase intentions. Older people are known to be less educated regarding computers and the use of Internet while younger people
have more technical knowledge on the subject. Monsuwé et al. (2004) proved to be supportive to this judgment by concluding that younger adults, in most cases, show a greater interest when it comes to using new technologies to look for information while browsing the Internet and are able to better evaluate the possible alternatives.

The fourth and last characteristics to be identified are the psychological online characteristics. Smith and Rupp (2003) identified them by classifying them into five core components for which the online consumer would ask himself questions before making an online purchase. These components are: Motivation, Perception, Personality, Attitude, and Emotions. As a key factor for success, advertisers have to analyse the behaviour of online consumer.

2.1.2. The example of Clickstream

According to click stream behaviour which can be defined as the path a consumer takes through one or more websites (Bucklin et al., 2002), a certain number of researchers stated that trying to understand the background demographics of Internet users in no longer a efficient tool that enable marketers to predict any behaviour or events expected by users.

Instead, many believe that in order to predict online behaviour, it is necessary to analyze the session characteristics and the click stream behaviour of the online users. Websites learned quickly that just by following the “clicks” as a customer moved around the site, they could tell what interests the customer had, without making them fill out a survey (Reim, 2002). Indeed, according to this theory, this information allows marketers to understand what consumers were looking for at a precise moment and how much were they willing to pay for a specific product. Moreover this enabled marketers to target their communications more precisely.

Click stream marketing gives companies a huge advantage when it comes to the Internet environment as it requires little to no prior knowledge of the customer and can be developed in a dynamic way as customers browse the Internet. The data collected are much more meaningful and can be easily translated into useful information which will provide maximum benefits and at last, better results in terms if return on investments.

At one time the traditional storefront shopping was just about the only option for consumers. When e-business was born, consumers had new options and new ways of thinking to consider. As shopping options evolved over time, both traditional brick and mortar businesses and web-based businesses were challenged as to the best way to get the customer involved. For a few years, the two ideas competed against each other, but now that some time has passed, business has realized that both worlds can co-exist. By having both options available, business can study consumer behaviour more than ever before.
2.1.3. Uses and gratification theory

This theory by Blumler and Katz (1974), gives important awareness to understand why Facebook is nowadays so widely used. According to them, the uses and gratification theory is based on the assumption that the audience is active and that users will use the same media messages for different purposes, depending on their individual needs and goals.

According to the theory, media consumers have a free will to decide how they will use the media and how it will affect them. The theory takes out the possibility that the media can have an unconscious influence over our lives and how we perceive the world. The idea that we simply use the media to satisfy a given need does not seem to fully recognize the power of the media in today’s society.

2.1.4. The process of decision for online consumer purchase.

Depending on the consumer's attitudes towards advertising, their attention, reaction and exposure to advertisements will vary and be influenced. The current state of Internet advertising has long been discussed and compared to general advertising. For instance, taking back a previous research conducted by Schlosser et al. (1999), which compared users' attitude to Internet advertisements to their attitudes regarding general advertising. The authors observed that the users perceive online advertisements, in comparison to offline advertisements, less intrusive. The respondents' feelings towards Internet advertisements are approximately divided equally between, liking, disliking and feeling neutral with respectively 38%, 35% and 28%. However, more than 50% of the participants perceived Internet advertisements as informative, trustworthy and not insulting.

Focusing on the process of purchase decision for online consumer, an interesting model has been developed by Laudon and Traver (2007). According to these authors, the purchase of online consumers is first influence by their culture, social norms and psychological and demographic background factors (figure 2.2). To influence the clickstream behaviour of the users nine factors are highlighted in this model. Behavioural advertising and privacy issues are omitted due to the to recent use of this advertising technique, but these factors can also play an important role in the influence of the online purchase decision process. Online behavioural advertising on Facebook is made to fit better with the potential need of the user, get a higher click rate and finally get more purchases. Privacy in this case could also influence the image of the company in consumers mind, as it can be perceive as a violation of the private life and so carry a negative image or perceive as a good use of the online public information to get relevant advertisement.
2.2. Internet marketing strategies

According to Kotler and Amstrong (2008), online marketing is the fastest growing form of direct marketing; recent technological advances have created a digital age. In this part we will have a closer look on how marketing strategy and practices are changing to take advantage of today’s Internet technologies.

On today's Internet where social networks and connection between people have increase so much the idea of connecting people with companies allow to communicate onto a large amount of potential customers and this is happening worldwide. With the rapid growth of Internet businesses the notion of convenience in terms of price, product offer, speed and information has radically changed for consumers. These have given marketers a new way to create and build customer relationships.

It is now really important for companies to have a presence on the web and offer buying possibilities, also it exists some differences between new and old media as describes by Chaffey et al (2000, p.250).

- The cost of advertising in the new media reduces as more space becomes available
- It is the customer who initiates the dialogue and who will expect his or her specific needs to be addressed. Web marketers need to promote their web sites effectively so that customers find the information they are looking for.
- The user's time is value and this limits the interaction time. Because of this the time must be maximised.
- Information is the main currency. Supplying information is arguably more important than appealing to emotions.
2.2.1. The early days of online advertisement

When looking through the literature such as the book *Internet marketing* by Chaffey, Mayer, Johnston and Chadwick (2000) the main online promotion techniques developed are first the web-site and second and major technique: the banner. Defined in this book as “A rectangular graphic displayed on a web page for the purposes of advertising. It is possible to perform a click through to access further information. Banners may be static or animated.” The purposes of such banners are described by these authors (2000, p.252) in five points:

- Delivering content
- Enabling transaction
- Shaping attitudes
- Soliciting response
- Encouraging retention

The main weakness of such advertising is that as a Web user you are confronted to so many banners everyday that the only ones keeping your attention are the one promoting something you are interested in. When you promote with a banner you can at least try to be logical and promote snowboard and skis on a website selling winter holidays, but this is not enough as the user may be interested in winter holidays but not about skiing. At this particular moment you might try to sell a snowboard to an old lady booking winter holidays for her toddler. That doesn’t seem very efficient for your business.

2.2.2. What is behavioural advertising and how the leisure industry can take advantage of it?

In 2011 you can buy almost everything on Internet, from your daily shopping at the supermarket, clothing and flight tickets to holidays, apartments or cars. As Internet is getting more and more safe, consumer are getting more comfortable with the idea of shopping online. We passed the days where fraudulence was common when doing payments on the web.

This acceptance of the users offers marketers a wide panel of potential customers from all ages, genders and nationalities. But marketers have to keep in mind that online customers differ from traditional customers in their way of consuming but also on their receptions to marketing (part 2.1).

As described by Colman in a guide to behavioural advertising, online advertising is moving now to a new form named targeted or behavioural advertising. This form of advertising can be realized based on user interests or behaviour when they are collected from their web activity.

Behavioural advertising is made to display the customer more relevant content and is beneficial for both marketers and users. Thanks to this collect of data on Internet users, marketers are able to display the products the users might be interested in and will not be bothered anymore with advertising you are not interested in. Some laws are applied to behavioural advertising stated in appendix 2.
Colman describes three different models depending in the scope of what information is used and how it is collected:

1. To provide targeted advertising a web publisher has the opportunity to collect and use your online activity information from its own website. This technique is often named interest-based advertising. If the web publisher is using interest based advertising he does not need to get information from a profile on a social network site.

![Figure 2.3](image1.png)

**Figure 2.3:** A web publisher collects and uses browsing activity in its own website

*Source: Colman S in a guide to behavioural advertising*

2. The « Third party » is when a web Publisher is working in collaboration with an advertising network. The advertising network collects and uses information when an user visit a website participating in this network.

![Figure 2.4](image2.png)

**Figure 2.4:** An advertising network collects and uses browsing activity from web publishers partnering with the advertising network

*Source: Colman S in a guide to behavioural advertising*
A newer business model is when providers make use of data passing through Internet Service Providers.

**Figure 2.5:** A technology company collects and uses information from IP traffic at an ISP level

*Source: Colman S in a guide to behavioural advertising*

An important issue providers are confronted with is the law. The question of privacy is surrounding behavioural advertising but most of the time the information used to deliver targeted advertising is not personal in terms that it does not identify the user and the data coming from the web research are anonymous. The question of privacy is going to be highlight in the next part.

Most of websites are using small files to store useful information and make the use of Internet easier and faster. This file called cookie determines the type of advertising you receive.

In the case of personal and identifiable information are used, the user will have been inform about it and accept or modify his privacy settings in the website privacy policy.

**Figure 2.6:** How a cookie determines the interest segment

*Source: Colman S in a guide to behavioural advertising*
The practice of behavioural advertising has both advantages and drawbacks. Rob Blake, head of agency sales at AOL advertising define some of the advantages of behavioural advertising for companies. The first advantage is that Behavioural advertising delivers as many impressions as possible directly to the target audience defined. This plays a role in reducing campaign wastage. Behavioural advertising is so a highly effective technique. Second advantage, the message is delivered based on real user interest. Users are segmented into interest groups based on information like their Internet activity or click data. Last key advantage stated by Rob Blake is to get the right message to the right people. It leads to rise brand awareness and is particularly interesting for new brands coming online.

On the Facebook official site exists a dedicated page presenting how advertising on this social networking site is able to reach the right people at the right time and why is it easy and cost effective. To give an example on the results of a Facebook behavioural advertising campaign it is presented the case of the company StorQuest’s. According to Facebook advertising, the company had over 50% increases in total rentals compare to the previous year at the same store. On Facebook, behavioural advertising deal with another advantage that cannot be encountered in another website. By using the I like button the promise is to deepen the relationship between consumers and businesses and help build a community (www.facebook.com/advertising). Once the user presses the "I like" button, he/she will get the information of the company in his/her newsfeed; which is basically the home page of Facebook when you log in. The advertisement is then broadcasted to all his/her friends who have subscribed to his/her newsfeed (Pilgrim, 2010). According to the same author if you catch one customer through your advertisement, you have the possibility to catch more.

Relating these advertising advantages with the leisure industry, it is true that “Advertising emerges as a key marketing tool in the tourism and leisure industries where potential consumers must base buying decisions upon mental images of product offerings, rather than being able to physically sample alternatives” (Morgan and Pritchard, 2000). As the potential consumers are confronted with something intangible in most cases the conduction of the advertising campaign should be well prepared. The use of behavioural advertising will help the company to get a significant targeting and increase its click rate. It will also limit the money wasted on providing information to Internet users out of target and help to build a strong relationship between consumers and the firm.

The next part is going to highlight the main drawback of Behavioural advertising; which undoubtedly concerns privacy.

2.2.3. The question of privacy

Online privacy also named E-privacy is “an individual’s right to act freely online without being monitored, traced, restricted, and to keep their personal identifiable information from being collected or distributed to other parties without their consent” (Shata, 2006).

As stated earlier in the thesis behavioural advertising in using information based on the web browsing and click activity of the users. In the user mind receiving advertising that fit their location, sex or interest can be perceive as a violation of the privacy they are supposed to have on Internet. To provide wider awareness privacy section appears on multiple web sites such as Facebook (table 2.1).
Table 2.1: Strict privacy settings on Facebook

<table>
<thead>
<tr>
<th></th>
<th>Everyone</th>
<th>Friends of Friends</th>
<th>Friends Only</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your status, photos, and posts</td>
<td></td>
<td></td>
<td></td>
<td>⬤</td>
</tr>
<tr>
<td>Bio and favorite quotations</td>
<td></td>
<td></td>
<td></td>
<td>⬤</td>
</tr>
<tr>
<td>Family and relationships</td>
<td></td>
<td></td>
<td></td>
<td>⬤</td>
</tr>
<tr>
<td>Photos and videos you're tagged in</td>
<td></td>
<td></td>
<td></td>
<td>⬤</td>
</tr>
<tr>
<td>Religious and political views</td>
<td></td>
<td></td>
<td></td>
<td>⬤</td>
</tr>
<tr>
<td>Birthday</td>
<td></td>
<td></td>
<td></td>
<td>⬤</td>
</tr>
<tr>
<td>Permission to comment on your posts</td>
<td></td>
<td></td>
<td></td>
<td>⬤</td>
</tr>
<tr>
<td>Places you check in to [?]</td>
<td></td>
<td></td>
<td></td>
<td>⬤</td>
</tr>
</tbody>
</table>

Source: www.facebook.com

By adopting these strict settings (table 2.1) it is supposed that advertiser cannot target you seconding your personal information and that only your friends can access the information published on Facebook.

For plenty of reasons privacy settings are not always fully known by users. Lange (2008) stated that if privacy settings are not always used, it is because users are not informed about it. The reason is that users are not reading the terms and conditions section and tend to click and accept without knowing that they agree to a free access of their personal information by any third party (Lange, 2008)

To increase trust in Behavioural advertising techniques and give the power to the users, Network Advertising Initiate has developed an Opt-out Tool (Batra, 2008). According to the same authors this tool allows users to see who is tracking their behaviour. If the user decides to stop this process of targeting he can click “opt out”. It does not mean that all online advertising will disappear but only advertisement targeted second personal data.
2.3. The conceptual framework

To sum up the theory, the authors created a model of perception highlight in figure 2.7. This model is interesting to have a better understand of how the perception of companies on Facebook can be influence by behavioural advertising and the use of privacy settings.

Internet users and leisure industry companies are related to each other on Facebook through the use of behavioural advertising. If a Facebook user adopts open privacy settings, a company can easily target him/her and provide behavioural advertising campaign. This model is interesting to see how users themselves perceive the companies of the leisure industry advertising with such techniques. The perception Facebook users get according to their personal E-privacy and privacy settings is also interesting to study.

The creation of a model was also a good idea as Facebook is a fast changing environment and no studies has been found on this specific research dealing with the perception of the leisure industry using behavioural advertising from Facebook users.

Figure 2.7: A model of perception from the Facebook users to the Leisure industry companies through behavioural advertising and privacy.

Source: Created by the authors
3. The method

In this part the authors present the type of data collected and why it has been decided to conduct a study about the user experience with leisure targeted advertising on Facebook. Then will be introduced the way of the research conduction and the survey. The aim of the survey is to highlight the consumer behaviour in the situation of Facebook user with the new E marketing strategies and especially with the advertising regarding the leisure industry.

3.1. The research approach

Two main approaches of research exist: the deductive one and inductive one, both describing the relation between theory and research. In the inductive approach theory is generated based on research whereas in the deductive approach (figure 3.1) research is conducted based on the ideas of the theory. For this research the authors conducted a deductive approach by using theory as a base in order to explain the empirical data collected. In a deductive approach each step follows the previous and contribute to test the theory.

Figure 3.1: The process of deduction.

Source: Bryman & Bell, (2007)

In this research however, the authors do not formulate hypotheses but research questions. In the first step we learn from the previous studies and research from other authors about Internet advertising techniques, Internet marketing strategies and online consumer behaviour. In a
second step we set research questions regarding the link between Facebook behavioural advertising and the users behaviour regarding the leisure industry advertisements. The third step concerns data collection and conduction of the survey. Then the information collected is analysed and a conclusion about the research questions can be made. The last step is about presenting together the findings with the conclusion.

3.1.2. Qualitative or quantitative data

To reach the purpose it is needed to collect data. Therefore we have two possibilities: qualitative or quantitative data (Clarke, 1999, p65). The qualitative approach, “measures a small sample of customers’ views”. A qualitative approach allows getting qualitative data, which are usually more in the form of words than numbers (Miles and Huberman, 1994, p1). It study things in their natural settings or interpret phenomena in terms of the meaning people bring to them (Murray, 2003, p.2). Qualitative research involves the use of empirical materials.

A quantitative approach “provides statistics from a large sample of consumers”. A quantitative approach enables to get quantitative data.

Quantitative data explicitly consist of numbers, statistics and percentages (Clarke, 1999, p65) that are useful to verify an existing theory about behaviour through a research where researchers have no contact with the participants (Bryman & Bell, 2007).

In this thesis it has been chosen to use both qualitative and quantitative data because according to Holbert and Speece (1993), qualitative and quantitative researches are complements. The qualitative research comes first to explore, then the quantitative research can be built on this investigation and measure it.

3.2. The application of the method

To find their way in this study, the authors gathered primary and secondary data to give a better understanding of the topic and issues but also to answer the purpose and the research questions of this thesis.

3.2.1. Primary and secondary data

Primary and secondary data are not related with their characteristics but with the way to collect them. Primary data are gathered for a specific purpose or for a specific research (Kotler, 2000). It means that you collect data yourself by one or several collecting methods you have created (Clarke, 1999, p66). The tools that can help us with the collect of these data’s are: Surveys, questionnaires, case studies, interviews and so on (Clarke, 1999, p66).

Another person has collected secondary data for another purpose. Different sources are available to gather secondary data as books, journal articles and online data sources (Ghauri & Grønhaug, 2005). These data can be used in different ways: reporting data in its original format or modified by using the information for another purpose.

As explained beforehand, the aim of this paper is to have a closer look at the users aged 18-30 and their experience faced with the leisure industry targeted advertisements on Facebook. Regarding this topic, secondary data have been easily found on different reports, books or
articles, but are not really focused on the chosen target and centre of interest. The data collected have been helpful to “define the research problems” (Amstrong, Harker, Kotler & Brennan, 2009, p121). The limitation is that these data are not totally relevant as no distinction was made between ages and topic of advertising. Also most of the reports and books were a few years old and as we said earlier, the Internet and social networking sites are evolving really quickly. To collect more relevant information it was decided to collect also primary data by creating a whole new questionnaire.

3.2.2. Collecting method for secondary data

The majority of the data collected to answer our purpose are secondary data. These data’s extracted from existing books, articles and so on are used to collect information. To achieve it the authors had access to a wide panel of books from Halmstad’s central library and Halmstad University library. Also some information comes from the web such as e-books from the Halmstad E-brary, reports, studies or newspaper articles.

The research by keywords the authors thought to be relevant for the research such as “Behavioural advertising, targeted advertising, social networks advertising, marketing techniques on social networks, privacy, Leisure advertising, Facebook, user behaviour regarding advertising…” enables the authors to have access to a considerable amount of sources. After having a first look at the articles, books, reports and references, the authors were able to identify the possible relevance and reliability in the prospect of using these as a base for future work. If they appear to be useful, the authors analyzed them and quoted them in the paper.

3.2.3. Collecting method for primary data

In order to collect primary data, the authors decided to design a questionnaire about the users relation with Facebook behavioural advertising promoting the leisure industry appearing on the networking site and the privacy settings they adopt. It will be explained in more details in the next part.

3.3. The questionnaire

The authors accumulated and analysed secondary data to help in the reflexion process; but the use of a questionnaire to gather data that directly fit the purpose and give specific answers to the research questions is interesting. Also as Facebook is a fast changing environment it is interesting to have current answers on this topic.

3.3.1. The structure

In order to structure our questionnaire, the authors decided to use the model created by Rajagalopan and Sattanathan (2009) as inspiration to build a solid questionnaire. These are the steps to be followed:

- The researcher should enclose a covering letter presenting himself or herself and the
objective of the survey.
• The questionnaire should be small size, clear and simple.
• Questions should be logically arranged.
• Types of questions: Yes/No questions; multiple choice questions; specific information questions or open questions.
• To avoid personal questions.
• Try to avoid questions related to mathematical calculations.
• To provide necessary instructions to the informants.

To have a base for the questionnaire the authors used a survey previously made by Roberts (2010) and adapted it to the purpose and research question of this thesis.

The participants were confronted with four sections of questions. The first section is dealing with the demographic issues such as the gender and the age. In the second section about Facebook and advertising, participants are asked about their activity on the social networking site as users. Moreover they are asked to what extent are they aware of advertising and where do they mainly see advertisements on Facebook.

In the third section about privacy and perception, participants get the opportunity to express how they feel towards advertisements on Facebook related to their personal privacy settings. Furthermore participant were asked if they notice the presence of targeted advertising related to their own personal interests and if they feel uncomfortable when being targeted by such advertisements in regards to their privacy. They were also asked if these targeted advertisements change their perception on both their own privacy and on companies. Eventually participants were asked about their confidence when buying products online, again in regards to their privacy and notion of trust.

In the fourth and last section of the questionnaire, which has a focus on the leisure industry, participants were asked what kind of targeted advertisements, would they be the most interested in. They were also asked if they were ever interested in advertisements dealing with the leisure industry and in the case of positive answer, what kind of products actually caught their attention.

To end the survey through an open question, we asked participants about how companies can use Facebook to advertise more effectively. This enable participants to freely express their opinions and give us ideas on where improvements could be made in order to satisfy online consumers.

3.3.2. The objectives

The use of a questionnaire to answer the purpose appears to be the most efficient way to gather data. The objective we had through asking these questions was to have a better understanding on the Facebook users' behaviour regarding behavioural advertising provided by the Leisure industry. To achieve the objective, a collecting method has been chosen according to the table below.
Table 3.1: Strengths and weaknesses of online interaction

<table>
<thead>
<tr>
<th></th>
<th>PERSONAL</th>
<th>ONLINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flexibility</td>
<td>Excellent</td>
<td>Good</td>
</tr>
<tr>
<td>Quantity of data that can be collected</td>
<td>Excellent</td>
<td>Good</td>
</tr>
<tr>
<td>Control of interviewer effects</td>
<td>Poor</td>
<td>Fair</td>
</tr>
<tr>
<td>Control of sample</td>
<td>Good</td>
<td>Excellent</td>
</tr>
<tr>
<td>Speed of data collection</td>
<td>Good</td>
<td>Excellent</td>
</tr>
<tr>
<td>Response rate</td>
<td>Good</td>
<td>Good</td>
</tr>
<tr>
<td>Cost</td>
<td>Poor</td>
<td>Excellent</td>
</tr>
</tbody>
</table>

Sources: Created by the authors, according to Kotler & Al, 2008 p338.

This table is actually proving the first thought and shows that online and personal interactions are the methods offering the most flexibility, quantity of data, speed and response rate but the authors decide to keep only the online interactions to collect our data.

Unfortunately questioning on behaviour is a method that raises some issues.

In business research method, Byrman and Bell (2007) provide a list of drawbacks met by researchers when studying behaviour through a questionnaire. The list is presented as below:

- Problem of meaning with the questions.
- Problems of omitting key elements in the questions.
- Problems of memory.
- Problem of social desirability effect.
- Questions threats.
- Influence of the interviewer.
- Gap between stated and actual behaviour.

Even though these problems could have a bad repercussion on the research, the authors consider it as a useful and relevant way to study the users behaviour. Although the way the authors wrote and structured the questions should help to avoid some of these problems and receive accurate and interesting data. The problem of memory is avoided on Facebook but the authors are aware that this is affecting the results of the direct interviews. As the number of respondents was too low for the direct interviews and that it exposed to biased the results, the authors decided not to take their answers into account in the empirical data collection and analysis of this study.

3.3.3. The participants
To answer the purpose the authors had to define first which age bracket of user is mostly using social networking site. After a look at the figure 3.2 it can be seen that 60% of the people between 18-29 are using social networking site everyday (Flowtown study).

![Figure 3.2: A typical day in the social network life of Internet users by age group (O’Neill, 2010). Adapted by the authors.](image)

Regarding the leisure part we can easily say that this industry is basically attracting anybody, from any ages as it is about positive connotation. We conclude that our participants should be between 18-30 as they are the people visiting the most this kind of website and as we can reach a maximum of people in this age bracket.

### 3.3.4. The sending

In order to gather answers for the questionnaire the authors send it via Facebook, which allow reaching 607 people in the age bracket we are interested in (18-30).

Via Facebook the authors avoid the memory problem, mentioned earlier in the objectives. As described by Brace (2004) it is easier for respondent to record their behaviour as it happens. In this case the participants will be on Facebook at the time as he/she will answer our questionnaire. In this case, we will be getting a direct image of the user behaviour and avoid behaviour as reported by memory.

As stated earlier in the method, the direct interviews conducted were finally not enough to compensate the results obtain via Facebook and the authors judged irrelevant to analyse these results as it represents two different environment to administrate a questionnaire and can biased the results according to the problem of memory.

### 3.3.5. Reliability and validity
Depending on whether we are in a quantitative or qualitative research the importance of both reliability and validity is changing.

As defined by Joppe (2000) in quantitative research reliability is the extent to which results are consistent over time and give an accurate representation of the total population under study. The idea is that if you get the same results using a similar methodology, the research instrument is considered to be reliable.

In the case of qualitative research the concept of reliability is irrelevant according to Stenbacka (2001). He also stated “the concept of reliability is even misleading in qualitative research. If a qualitative study is discussed with reliability as a criterion, the consequence is rather that the study is no good” (p.525).

About validity in quantitative research, Joppe (2000) provides the explanation that validity determines if the research truly measures what it was supposed to measure or how veracious the results are. In other terms does the research instrument allow to really prove the main purpose of the research?

In qualitative research validity is a concept described by different terms. It is not a single, fixed or universal concept (Winter, 2000). Some authors found that the term validity is not the best to be use in qualitative research and that terms such as quality, rigor and trustworthiness are more adapted. (Lincoln & Guba, 1985 and Stenbacka, 2001).

In this thesis, the conduction of a survey played a role in increasing the validity and reliability of the data collected because Facebook is a fast changing environment. As stated earlier, questioning people on their behaviour is difficult and to add more validity it was necessary to conduct the questionnaire directly on Facebook. Also as the use of behavioural advertising on social networking sites is a recent trend the authors get more validity and reliability by using recent studies and books.

3.3.6. Ethics

Ethics in research is an important factor to respect. To have a moral guideline it is necessary to respect the six steps below (Baker & Hart, 2007).

**Goodwill:** the goodwill of the respondents is necessary to collect accurate information.

**Trust:** a mutual trust has to exist between the interviewer and the interviewee.

**Professionalism:** when the respondents participate to an interview, they have to feel that the results will be used in a professional approach.

**Confidentiality:** In order that the respondents feel in confidence, the information gathered during the interviews has to be confidential. It is important to remind it to the interviewees.

**Transparency:** The respondents have to know why their data are collected and for what purpose they are used.

**Consent:** The interviewees have to give their consent for the use of their data. They have also to know that they can change their mind and opt out at any time.
The authors of this thesis worked on respecting these steps while processing at the questionnaire delivery and contact with the participants. Each respondent was free to answer or not to the questionnaire. The authors inform them before about every aspects of it in different ways, so that we can ensure the respect of their goodwill and trust. It has been explained that the questionnaire will be anonymous, confidential and that the data obtained will be really helpful for the authors within the framework of their Bachelor thesis. To introduce our questionnaire we repeat this information in case of any doubt surrounding it and inform on the fact that fill in this questionnaire is not mandatory.

4. Empirical data

In this chapter the authors highlight the empirical findings from sources such as books and studies but also the information gathered thanks to the questionnaire. We will have a quantitative approach by presenting first the findings on the use of Facebook, then on targeted advertising and privacy and finally the ones on the user perception of the leisure industry. In a second step we will have a more qualitative approach by collecting data on the perception of the users and their suggestions. As the number of direct interviews has been quite low, the authors considered better to keep only the results coming from Facebook survey only in order not to biased the results.

4.1. Findings on the behaviour of Facebook users

The survey we conducted gave us a panel of 577 participants, with 78% of them aged between 18-30. At the question how often do you check your Facebook (figure 4.1) 76% of the participants answered “multiple times a day” which is interesting for us as we can easily imagine that the more the users check their Facebook the more chance there is that they face advertisement.

![Figure 4.1: How often do you check your Facebook?](image)

The two next questions we asked were concerning advertising on Facebook and we realized that 36% of them pay attention 50% of the time to advertisements on this social network site
while only 11% are aware of it every time they log in and 18% say they never have seen advertising (Figure 4.2).

![Figure 4.2: To what extent are you aware of advertising on Facebook?](image)

At the question of “Where do you see advertising on Facebook?” the main homepage have receive 52% and the side bar on people profiles 33%. Followed with a notable gap by the Facebook applications and the birthday wall post. Advertising is mostly seen during the daily navigation and not when the user is focus on an application or sending birthday wishes to a friend.

![Figure 4.3: Where do you see advertising on Facebook?](image)

To reinforce the survey findings we can see that according to Facebook own statistics, from 2008 to 2009 the number of users becoming fans of a page each day moved from 8 million to 10 million (Eldon, 2009). Facebook users are also fans of multiple pages, which allow them to keep an eye on the companies they are interested in. The official statistics of 2010 reveals that 48% of the 18-34 years old check their Facebook right when they wake up and they are 28% to check it on their Smartphone before sleeping.
4.2. Finding on the perception of the leisure industry

In the prospect of analyzing how users perceive the leisure industry advertisements on Facebook, participants were asked to rank by preferences, different types of advertisements in regards to their personal interests. To achieve this, they were given six different areas of interests in which they had to choose from: Leisure, Food & Beverage, Clothing, Dating, Beauty and Job offers.

These areas of interests were selected in regards to the kind of advertisements that are mostly displayed on Facebook for the users belonging to the age bracket we are focusing the research on. The aim was to put the participants in a position where the leisure industry was put forward in the same way others areas were. That means they weren't encouraged to choose the leisure advertisements as preferred advertisements.

When asked to rank from 1 to 6 the industry they will be the most interest in, we found out that the leisure industry was ranked number one by the participants in terms of targeted advertising at a 30% rate, closely followed by the clothing industry with 26% and Job offers with 23%. Then comes the beauty industry, the food & beverages industry and advertisements regarding dating which is left far behind with 52% of surveyed people ranking beauty advertisements the least interesting.

Table 4.1: What type of targeted ads would you be the most interested in? (Rank from 1 to 6, with 1 being the most interesting).

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leisure</td>
<td>30%</td>
<td>25%</td>
<td>16%</td>
<td>16%</td>
<td>12%</td>
<td>8%</td>
</tr>
<tr>
<td>Food &amp; Beverages</td>
<td>6%</td>
<td>17%</td>
<td>22%</td>
<td>18%</td>
<td>26%</td>
<td>11%</td>
</tr>
<tr>
<td>Clothing</td>
<td>26%</td>
<td>17%</td>
<td>26%</td>
<td>18%</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Dating</td>
<td>8%</td>
<td>8%</td>
<td>5%</td>
<td>8%</td>
<td>19%</td>
<td>52%</td>
</tr>
<tr>
<td>Beauty</td>
<td>9%</td>
<td>16%</td>
<td>14%</td>
<td>24%</td>
<td>27%</td>
<td>10%</td>
</tr>
<tr>
<td>Job Offers</td>
<td>23%</td>
<td>19%</td>
<td>17%</td>
<td>16%</td>
<td>11%</td>
<td>14%</td>
</tr>
</tbody>
</table>

Then we asked the participants if they have ever been interested in one of the Facebook advertisements promoting any activities in the range of the leisure industry, a question to which respondents proved to have ever been interested with 52% of positive answers. Following this, we let those who have given a positive answer express themselves and tell us what kind of products actually caught their attention.

In order to narrow down the answers so we do not get too spread with the possibility of receiving all the different kind of products that could be included in the leisure industry, we
proposed the participants to choose between the five different components of the leisure industry that we stated in the introduction.

We were able to identify that a majority of them, with 35%, were attracted by the Arts & Entertainment component. However all the others components, Home-based leisure, Sport and physical recreation, Play and activity-based leisure and Countryside recreation, comes quite far behind but almost at the same level of attention with respectively 19%, 18%, 16% and 12%.

![Figure 4.4: If yes, what kind of Leisure products caught your attention?](image)

Regarding the open question that ends our questionnaire, we asked participants how, in their opinions, companies could use Facebook to advertise more effectively. We received about 400 replies with a large variety of answer. However synergies could be made among the answers as we found out that several participants gave out similar point of views.

On one side, participants were supportive to advertising on Facebook and gave serious feedbacks on that matter. Indeed we were able to identify that many people put forward the idea for companies to create a page dedicated to their business, in which supporters would be able to see the company's special offers, events or win prizes. Others common answers were dealing with the design of the displayed advertisements. Most people agreed that companies should use more professional graphics and displays in order to be taken more seriously and avoid being perceived as unprofessional businesses displaying "scams" advertisements. Moreover a large number of participants brought up an important aspect of Facebook advertising, the language in which advertisements are displayed. Facebook advertisements are displayed in the language of the country users happens to be in. Participants stated they would be more sensitive to targeted advertisements displayed in their maternal language. Another solutions given was to display advertisements in the language users set their Facebook in. Besides these common answers that we were able to group together, participants also gave others ideas such as using videos, changing the advertisements more frequently or target consumers by age.
On the other side however, we noticed that an important proportion of people were reluctant to such advertisements while browsing their Facebook and even found these practices annoying. They stated that companies should either keep the way they are currently advertising or at the most extreme, not advertising on Facebook at all.

4.3. Findings on privacy and behavioural advertising

Our questionnaire reveals that 74% of the users adopted strict privacy settings, which is supposed to limit the access to their personal information by someone else than a friend as explained in the theoretical framework.

The participants answered at 70% positively when asking if they already saw targeted advertising on Facebook.

![Figure 4.5: Have you seen ads targeted towards your personal interests and information?](image)

Users seems to be confident when buying online regarding their privacy as showed on figure 4.4 and on the other side feel uncomfortable when being targeted with ads at more or less 50%.

![Figure 4.6: Findings on privacy](image)
Taking into account the findings of Kean and Dautlich to complete the ones of the authors, after giving some information on how behavioural advertising is working and the possibility to stop this type of service, the level of comfort of the users increase significantly (figure 4.7).

**Figure 4.7: Appeal of Online Behavioural Advertising (OBA)**

*Source: Kean A and Dautlich M. from A guide to online behavioural advertising*

The education level of the users appears to be an important factor to take into account when working with online behavioural advertising.
5. Analysis

The objective of this chapter is to have a closer look at the findings introduced in the previous part. We will analyse the data collected in our questionnaire by relying on the theoretical framework presented in chapter 2. The objectives are to get a more precise idea of how people between 18-30 are using Facebook and if the way they use it allow them to be positively receptive to targeted advertising and especially the one of the leisure industry. Then it will be analyzed in which particular sector of the leisure industry users are interested in and how behavioural advertising influence the choice of privacy settings. Considering our findings, following a general analysis of all the participants, the authors thought relevant to analyse the results with a gender approach by comparing the answers given by male and female participants.

5.1. Perception of Facebook users about behavioural advertising

According to the result of the questionnaire, as indicated previously in the (figure 4.1), 76% of the participants checks their Facebook multiples times a day and 16% once a day. From this we are able to draw the conclusion that the majority of the surveyed people are active Facebook users (92% of respondents are affirming that they are checking their Facebook at least once a day at the minimum). According to Facebook statistics (2011), 50% of the active users log on to Facebook at least once in any given day. When comparing this percentage to the results of the questionnaire, the difference is highly noticeable. Relying on the findings, the participants aged between 18-30 are more active than the average users. From this, it is possible to state that the age is one of the factors that directly contribute to the behaviour of the users in terms of activity.

Advertisements on Facebook are somewhat present on most of the page the users are able to navigate on. However it doesn't mean people are conscious about this fact and actually realize these advertisements. In general, when logging on Facebook, the questionnaire revealed that 62% of the participants are aware of the advertising at least 50% of the time they log in. It implies that even though people connecting to their Facebook for other purposes than checking advertisements, they still see them and may pay attention to them. Only 11% of the participants affirmed that they never noticed advertisements on Facebook. This percentage is quite low but still indicates that despite the fact that Facebook is fuelled with advertisements, it is still possible for people not to see them as they are logging in for completely different purposes.

In the prospect of analyzing whether the level of activity of the users had an impact on the chances the users are aware of advertising on Facebook, the collected data from these two questions were crossed. The results showed that the users visiting their Facebook at least once a day are in general paying more attention to the advertisements present on the website.

These advertisements, although present on most parts of the networking site, are mainly being seen on the home feeds page of Facebook by more than half of the participants. This can be related to the theory of the uses and gratifications shown in point 2.1.3. Indeed, the primary reason why Facebook users are connecting to the site is to either update their own profiles, to check what their friends are up to or simply to kill the time. They are doing so because all of their friends are connected to Facebook themselves and even though they will look to fulfil
different needs and goals, they will still use the same site. But whatever the reason is, if most advertisements are being seen on the home feeds page, this implies that this particular page is the one most people are looking at on Facebook, which makes it the most actively visited page. The other place where most people are seeing advertisements is on other people’s profiles. That brings us to conclude that users also spend a good portion of time looking at others people profiles while browsing Facebook.

As the study shows, 70% of the participants are seeing targeted advertising. It means that even if they are aware of advertising on Facebook only 50% of the time, they realize that the advertisement are targeted towards their personal data. The problem is that these people are not especially attracted and confident with how all of this is working. Furthermore, even if users are careful when giving access to their personal information, companies have different ways to continue targeting them. As explained in the different models concerning how does behavioural advertising work (Figure 2.3 to 2.6), companies can look for information about users on their own website, by contacting a company to analyze their online behaviour or through the information collected thanks to the cookies.

However, the number of users attracted by behavioural advertising is increasing significantly by educating the users about such practices (figure 4.7). The need of education appears to be really important to make users feel more comfortable and increase the performance instead of the reject of behavioural advertising. As explained in the theory, part (2.3.2) the aim of behavioural advertising is positive for both advertiser and users. The advertiser does not waste money in inefficient advertising and the users are not annoyed by ads they are not interested in. The main problem is the reticence of the users to leave access to some information in order to get this service. Once users understand the benefits of such practices and that they have the choice to let it take place or not, behavioural advertising become far more appealing. This is what most of the websites and social networking sites using behavioural advertising have to understand and fulfil. Educate and respect their users to get more benefits out of it.

In conclusion it is possible to affirm that the need of education and awareness about what is behavioural advertising, how it works and what it really is aimed for, is the key element. Users are ready to accept the concept only once they fully understood it and have been informed of the possibilities to stop this process. Users are for most of them attracted by this concept of relevant advertising that will end with the irrelevant and annoying pop up that users are often confronted to. It is like for any new products with totally new features or services that you didn’t know was possible to deliver few years back, it scares people at first and finally with some information and knowledge acquirement about the practices, the acceptance grows. For the moment behavioural advertising is still in a controversial stage on which for most of Internet users it is unbelievable and scary.

5.2. Behaviour of Facebook users regarding leisure offers

Leaning on the findings of the questions 12, 13 and 14 dealing with the leisure industry, it can be said that the advertisements regarding the leisure industry hold a potentially great interests among the Facebook users in the 18 - 30 age bracket. According to the results of the questionnaire, when the participants are asked about which kind of advertisements would they be the most interested in, the leisure industry advertisements raise the most concerns among participants in front of all the proposed centres of interests, with 30% of the respondents ranking it in the number one position.
As the leisure industry advertisements are made to be attractive and catchy due to their goal of influencing consumers buying decision upon mental image of product offers, they may catch more the attention than advertisements promoting other kind of products. It may be one of the main reasons as to why the participants show a great interest towards leisure. Also because the leisure advertisements are all about free time and enjoyment, they inevitably contribute to the level of interest the users may have. Users who belong to this age bracket will be more likely to be attracted by this type of advertisements as it promotes products that bring a sensation of pleasure and entertainment.

According to the obtained results, the great interests of the users towards leisure advertisements can be supported by the fact that over half of the participants have already been interested in advertisements promoting leisure products. Therefore, among all the advertisements present on Facebook, the leisure related ones seem to target well the consumers.

In the prospect of analyzing more in details the leisure advertisements' perception of the users and more particularly which kind of products of the leisure industry retain the most attention, the authors will take into account the previous findings. Based on the five components of the leisure industry stated in the introduction, the advertisements promoting Arts and Entertainments activities are the ones that caught the most attention among our participants with 35%. Because the latest are showing more interest in this specific element of leisure, it means users aged 18-30 are more likely to notice the advertisements promoting products within the range of the Arts and Entertainment component than any other activities.

In order to give a concrete example of advertisements dealing with the leisure industry, the authors will then present how leisure based companies can take advantages of behavioural advertising to increase the effectiveness of their promotion.

5.2.1. The example of KLM Sweden

Presently living in Sweden the authors are advertised on Facebook by Swedish companies. KLM airline is one of these companies working on the Travel/Leisure industry. KLM is using behavioural advertising on Facebook to target the people supposed to be interested in travel. The company has a first point here, as both of the authors mentioned travel as a centre of interest in their profile. It will now be highlight how their advertising is working with some pictures.

When surfing on Facebook you are confronted on the right side of the page to between three and four different advertisement. Here the first company coming up is KLM Sweden.
Screenshot of a behavioural advertising from KLM Sweden on a Facebook profile.

Source: www.facebook.com

As Swedish resident and possibly interested by flights to come back home or visit the countries around we decided to click on it to see what comes up.

Screenshot of the fan page of KLM after clicking the behavioural advertisement

Source: www.facebook.com

When clicking you are automatically redirected on the Facebook Fan page and not as we could have imagine on the official website of the company. The interest of this redirection is to give the opportunity to users to say, “I like” this page and then be aware constantly of promotional actions. The company can publish on its own wall information about flight prices or opportunity as below to get your picture on a KLM plane.
These publications give the opportunity for the “fans” to interact directly with the company and express their feelings. It creates a unique platform of open discussion between the company and the consumers. “The Internet's network effects help to bring people together and build online communities, which in turn, allow advertising messages to spread more quickly and on a wider scale.” (Hearn and Kam, 2011). On the page is also specified information about the company and link to the official website if users are decided to go further. It is possible to link the example of KLM with the theory on clickstream (see 2.1.2), defined as the path a consumer takes through one or more websites (Bucklin et al., 2002), and say that the company can easily take advantage of the clickstream behaviour of the users who became fan of their page. With the use of the “I like” button it is easy to understand what are the users interested on. For example which destinations or which services does the company offers. Also except from the “I like” button to define the clickstream behaviour, it is still possible to see what are the users visiting on the fan page and deduce what they are into.

5.3. Behaviour of Facebook users regarding targeting advertising related with privacy

According to what the authors analysed in 5.1, many users still feel unconfident about behavioural advertising on Facebook. Due to this uncomfortable feeling they choose different configuration of privacy settings; which allow them to keep undercover their information or leave it free to access for both users and companies.
As described in the empirical findings, 74% of the questionnaire participants have adopted strict privacy settings on Facebook. As explained in the theory, when adopting strict privacy settings it is supposed that advertiser cannot target you secong your personal information and that only your friends can access the information published on Facebook. It means people, are really careful regarding their privacy and may have heard about the possibilities companies have nowadays to access and use personal information (see 2.2.2). This lack of trust can be easily understood, as at first it may seem unbelievable that you are confronted only with advertising related to what you like and not as always of any type as described (part 2.2.1).

Another reason why people choose strict privacy settings can be that they just basically don’t want any Facebook users to have access to their information or pictures without considering the eventuality of a use by firms. This is a totally different use and reveals a blindness concerning what is really happening on Facebook and how companies can use it as a marketing tool.

Users affirm to feel confident when purchasing online regarding to their privacy settings, as shown in figure 4.5 in the empirical data. However, when seeing advertisement targeted towards their interests, 50% of them feel uncomfortable in regards to their personal privacy. Opposing this statement, the perception users have of privacy on Facebook does not change because of the presence of behavioural advertising. Users are trusting the social networking site Facebook in 75%.

**5.4 Gender analysis**

Although the process of analyzing the findings by gender is not the purpose of the research, the authors found differences according to the gender of the respondents and thought relevant and useful to add this to the analysis as the study concerns the user perspective. The analysis of the findings and more particularly the analysis of the answers coming from male and female participants led the authors to notify a distinction between the gender in terms of perception and behaviour regarding the use of Facebook, the targeted advertisements, as well as the privacy issue and the leisure offers. Indeed, for a few specific questions, it is possible to draw conclusion about the fact that the gender has an impact on the way the users behave on Facebook. From the activity, the awareness of advertising, the privacy concerns to the interests shown towards the leisure products, the behaviour of each gender may vary.

We previously stated in the analysis that the participants are more active Facebook users than the average users. When comparing male and female answers, the authors found out that the female were even more active than male. Taking into account the participants who are checking their Facebook multiple times a day or once a day, it turned out that 87,78% of the male are logging on Facebook at least once a day whereas 94,29% of the female participants are doing so.

Regarding the awareness of the advertisements on the site, the authors found out the previously that 46,45% of the participants were aware of advertisements on Facebook more than 50% of the time they connect to their Facebook. Although when taking the answers from each gender separately, a distinction can be made as the female proved to be more aware of the advertisements with 49,7% of them saying they are aware of these at least 50% of the time they log on to their Facebook. Indeed, when looking at the male results, only 42% of them are aware of the advertisements at least 50% of the time they log on.
The strict privacy settings adopted by the participants proved that most of them pay attention to this issue. Taking the collected answers of participants who have adopted "extremely strict" or "strict" privacy settings, the female tend to be a lot more concerned about the issue. 96% of the female affirming they adopted extremely strict or strict settings while only 82% of the male adopted such strict settings.

As to the question whether participants feel uncomfortable when being targeted by advertisements related to their personal interests in regards to their privacy, it was expected that the female would be the ones feeling the most uncomfortable. Indeed, linking this to the previous question regarding the privacy settings, because the female adopted stricter settings, there was a good chance these female would also feel more uncomfortable when being targeted by advertisements related to their own interests. And according to the questionnaire results, 59.43% of the female would feel uncomfortable in this case. However, only 41.98% of the male said they feel uncomfortable when being targeted.

The last relevant distinction that can be made between male and female concerns the attractiveness of the different components of the leisure industry. Taking the general results of gender, the Arts and Entertainment advertisements is the most favourite component. Although when looking at the findings from each gender, the authors noticed that male and female have different opinions on which activities they show great interest. Among participants who have already been interested in an advertisement dealing with the leisure industry, the males, with 28% of answers stated that the Sport and Physical Recreation products caught the most their attention. However, when looking at the female’s results, the Arts and Entertainment products has been chosen over all the others products. With a strong 43.6% of them saying this kind of products already caught their attention, it is clear that females are more likely to be successfully targeted by Arts and Entertainment advertising than men.

6. Conclusion

This last chapter presents the final conclusion of the study. The first part answers the thesis research questions and purpose while the second part discusses the contributions and finally the further researches that could be conducted.

The purpose of this thesis is to study how a specific age bracket of Facebook users perceives the leisure industry behavioural advertising on this social networking site according to their privacy settings. To answer the research questions and purpose the authors conducted a research on 577 participants. The final conclusion regarding the perception of the behavioural advertising of the leisure industry by Facebook users is the following.

First of all, we can affirm that for the 18-30 years old, Facebook has become part of their everyday life. According to our study, they were 76% to check their account multiple times a day. Nowadays Facebook get millions of new users every year and is really addictive for a large part of the users. A few years back we have seen the development of specific privacy settings to protect our information on Facebook. Most of the Facebook users adapted these settings according to their preferences and thought they were keeping their information and pictures undercover from other Facebook users. By omitting to read the terms and conditions, most of them didn’t realize that Facebook has become a real goldmine for marketers.
According to our study we realize that in 2011, most of the 18-30 are now aware that not only people but also companies can take advantages of what they publish on Facebook. In reaction, there were 74% of the Facebook users that have adopted strict privacy settings according to our questionnaire. It shows that most of the 18-30 users are not ready to let companies enter so far in their private life.

The participants of our questionnaire were 70% to realize the presence of behavioural advertising on Facebook and 52% to admit they have already been interested in one of the behavioural advertising campaign of the leisure industry. Among all the different sectors presented to them, the leisure industry gets the highest number of answers. From this, we can conclude that the behavioural advertising is well seen by the users and that it is significantly effective. 52% of people interested in online behavioural advertisement promoting leisure activities is a big number compared to any other online advertising campaign. The issue is that among our participants almost half of them feel scared or/and embarrassed to be targeted according to their location, sex, age, web browsing history and any personal information published online. As shown in this thesis, the acceptance of behavioural advertising can be easily increased. Providing clear information and knowledge to the users will help to integrate these advertising campaigns in our lives without fear. Also the recent possibilities of turning off behavioural advertisements by using the function “opt out” have given the power to the users and decreased the number of complains about privacy issues.

We also realize that even when adopting strict privacy settings, the companies still have the ability to target users thanks to cookie files and base their targeting on the Internet browsing history of any Internet users. Having the users settled with strict privacy settings will make the work of companies tougher in the prospect of targeting successfully but will not overpower companies to provide behavioural advertising. As a result, we can distinguish three types of users.

To conclude on the conceptual framework created by the authors, we understood through our research that the entrance of companies into the users’ private life could affect the perception of the Facebook users about the behavioural advertising campaigns of the leisure industry. The company, Facebook, should give more transparency about the practices used by marketers in order for the users to get a better understanding and perception about Facebook itself. More transparency and information will also lead to a better perception and confidence towards behavioural advertising and the companies using behavioural advertising.

Regarding the leisure industry, it is possible to make the statement that the facebook users aged 18-30 have a better perception of the Arts and Entertainments activities among all the others components of the leisure industry. Therefore companies working in the sector should focus more on such activities promotions and increase advertisements dealing with such products.

As to whether the targeted advertisements influence strongly or not the choice of privacy settings, the conclusion does not lead to the expected results. Indeed after analyzing results, no relevant correlation can be made between the privacy settings adopted by users and their feelings of comfortability when being targeted by behavioural advertisements. As stated previously there are different kind of users, whom will choose their privacy settings according to a numbers of reasons. However targeted advertising is not the primary concern which will push the users towards setting stricter privacy settings.
6.1. Contributions

Thanks to this research the authors are able to bring knowledge to the Facebook users regarding the practice of behavioural advertising and help them to construct their own opinion on the subject. It can also be useful for the users classified in category one in the conclusion to make them realize what is really happening on Facebook and how to set their privacy settings.

The research conducted can also help companies to get an idea of what are the 18-30 thinking about behavioural advertising on Facebook and how they react to it by adopting different privacy settings. This is especially interesting for a company of the leisure industry because some of the data collected give an insight as to what kind of products within the leisure industry would raise the most interest among the Facebook users aged between 18 and 30.

Finally this thesis can be interesting for further researches on this topic as describe in the next part.

6.2. further research

As we sated in our thesis, behavioural advertising is a relatively new phenomenon and future researches can be done about this topic to see how it evolves over time and implements itself more and more in social networking sites.

The authors acknowledge the fact that the research conducted has some limitations. To help researchers on this topic, we thought about a few ideas that could be useful in the prospect of attaining more validity.

Idea n°1: Study the behaviour of Facebook users regarding the behavioural advertising campaign made by the leisure industry on a larger sample of users. The authors think that when focusing on a specific country of origin of the respondents, the study can gain in relevance.

Idea n°2: Contact a company of the leisure industry already advertising on Facebook which is not using behavioural advertising and a company which is using it to get data on number of clicks and profitability of such technique of advertising.

Idea n°3: Study more in depth the reason as to why there is such a wide lack of knowledge about behavioural advertising on the Internet and among social network users.

Idea n°4: Focus even more on the Arts & Entertainment component of the leisure industry and analyze which particular products are likely to caught the attention of the users.

6.3. The authors point of view

As we have seen along this thesis, online behavioural advertising is an interesting marketing tool but is still debated among the Internet users. In our opinion this type of advertising will be increasingly used and therefore appear more and more on websites and users screen, targeting better than ever and its global acceptance will grow. The authors also think that there is a real need of education about such practices as their privacy may be affected. The work done so far to stop the connotation of non-respect of e-privacy has been huge and we think users are already much more confidants about it than a few years ago.
As young students, we are used to new technologies such as social networks and it certainly makes us less concerned or scared by the new entries of companies in our Internet private space. Therefore we can be much more easily targeted.

After writing this thesis we honestly think that online behavioural advertising is a great tool, which benefits to both the users and the companies, although we think it is necessary to find the right balance between the use of personal information and the targeting efficiency.
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Appendix 1

the Survey Questions:

Demographic

1. What is your gender?
   1. Male
   2. Female

2. How old are you?
   1. 18-20
   2. 21-24
   3. 25-27
   4. 28-30

Facebook and Advertising

3. How often do you check your Facebook?
   1. Multiple times a day
   2. Once a day
   3. A few times a week
   4. A few times a month
   5. Hardly ever

4. To what extent are you aware of advertising on Facebook?
   1. I am aware of advertising 100% of the time I go on Facebook
   2. I am aware of advertising 75% of the time I go on Facebook
3. I am aware of advertising 50% of the time I go on Facebook
4. I am aware of advertising 25% of the time I go on Facebook
5. I am not aware of advertising on Facebook

5. Where do you see advertising on Facebook?
1. In Facebook “Applications”
2. On the main homepage
3. When I write a wall post for a friend’s birthday
4. On the side bar of other people’s profiles

Privacy and Perception

6. What are your current privacy settings on Facebook?
1. Extremely Strict (Extremely limited profile page, I do not appear in search results or news feed, pictures are blocked, etc.)
2. Strict (Only my “friends” can see all my information, but I am searchable)
3. Open (My friends AND networks can see all my information, and I am searchable)
4. Extremely Open (Everyone can see everything about me)
5. I have no idea

7. Have you seen Facebook ads targeted towards your personal interests?
1. Yes (If so, briefly describe this experience):
2. No

8. Does Facebook advertising change your perception of PRIVACY on the site?
1. Yes (If so, how?)
2. No
9. Do you feel uncomfortable when being targeted with ads in relation with your personal interests (in regards to your personal privacy)?
   1. Yes
   2. No

10. Does Facebook advertising change your perception of the companies that advertise (Do you see them as smarter, more relevant, etc. or as less ethical, more manipulative, etc.?)
   1. Yes (If so, how?)
   2. No

11. Are you confident when buying products on the internet regarding your privacy?
   1. Yes
   2. No

Advertising in the leisure industry

12. What type of targeted ads would you be the most interested in? (rank from 1 to 6, with 1 being the most interesting)
   - Leisure
   - Food & Beverages
   - Clothing
   - Dating
   - Beauty
   - Job offers

13. Have you ever been interested in one of the Facebook ad's dealing with the leisure industry?
   1. Yes
2. No

14. If yes, what type of leisure products caught your attention?

- Sport and physical recreation (active or passive)
- Arts & entertainment (concerts, exhibitions, reading groups)
- Countryside recreation (hiking, photography, skiing)
- Home-based leisure (music, internet, gardening, games)
- Play and activity-based leisure (rafting, beach activities)

Appendix 2
What laws apply to behavioural advertising?

The Data Protection Act 1998

- The Data Protection Act 1998 originates from the EU Data Protection Directive 95/46/EC. It is the overarching legal framework to protect the use of ‘personal data’, both online and offline.
- ‘Personal data’ is defined as “whether information relates to an identified or identifiable individual”.
- The Act has eight specific principles ensuring that ‘personal data’ is – among others – secure, adequate, relevant & not excessive; not kept longer than is necessary; and is not processed without user consent or some other lawful basis for proceeding.
- The Act also specifies that explicit user consent is required for the processing of sensitive personal data. This includes racial/ethnic origin, political opinions, religious beliefs, trade union membership, physical or mental condition and sexual orientation.
- For further information go to: www.opsi.gov.uk/acts/acts1998/ukpga_19980029_en_1

The Privacy & Electronic Communications Regulations 2003 (PECR)

- The Privacy & Electronic Communications Regulations 2003 originate from the EU e-Privacy Directive 2002/58/EC.
- The regulations specifically set out how ‘personal data’ can be used for online marketing purposes.
- Cookies/‘static’ IP addresses that use ‘personal data’ fall under the Data Protection Act.
- However, cookies are also covered by PECR and this means that there is a need for privacy notices providing clear and comprehensive information – including for third party advertising - and for the "opportunity to refuse" storage.
- For further information go to: www.opsi.gov.uk/si/si2003/20032426.htm

The IAB’s Good Practice Principles complement and, in some places, supplement these laws.

Further a more detailed explanation of these laws please visit the website of the UK data protection regulator, the Information Commissioner’s Office, at www.ico.gov.uk.