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Stand out or get lost

An analysis of social media advertising
effectiveness

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Declaration

I declare that this thesis presents work carried out by myself and does not incorporate, without acknowledgment, any material previously submitted for a degree or diploma in any university. To the best of my knowledge, it does not contain any materials previously published or written by another person except where due reference is made in the text, and all substantive contributions by others to the work presented, including jointly authored publications, are clearly acknowledged.

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Abstract

The rapid rise of social media has reshaped digital marketing, allowing unprecedented cross-communication between organisations and consumers (Kaplan & Haenlein, 2010; Mangold & Faulds, 2009). Social media advertising investment now exceeds spending on other digital and non-digital media and is projected to reach \$220Bn (USD) in 2024 (Statista, 2024b). Given these financial stakes, *understanding how to maximise social media advertising effectiveness* is essential. Many marketing scholars and practitioners link social media advertising success to customer interaction, such as likes, comments, and shares (e.g., Dolan et al., 2019; Gayomali, 2014; Lee et al., 2013). They argue that consumer engagement fosters active relationships with brands, leading to positive responses (Brodie et al., 2013; Dessart et al., 2015). These assumptions have led to underdeveloped research into how social media ads develop consumer brand memories (Knoll, 2016; Voorveld, 2019). Even without active engagement, exposure to ads can embed brand-related information in consumer memory, impacting purchasing propensities by increasing the likelihood of consumer brand recall during decision-making (Romaniuk, 2013; Vaughan et al., 2021). However, for an ad to influence memory, it must first capture consumer attention and be memorable (advertising memorability) and then facilitate correct brand recall (brand memorability; Newstead & Romaniuk, 2010). Unfortunately, only 6% of social media ad exposures achieve both, implying that over 90% of the \$220 billion spent could be ineffective (Nelson-Field et al., 2013).

To address these issues, this thesis rectifies the lack of research into developing consumer memories via social media advertising, focusing on *Distinctive Assets* – i.e., visual branding elements like logos, fonts, colours and taglines associated with brands in memory (Fiocchi & Esfahani, 2023). Distinctive Assets can improve brand visibility and memory encoding (Hartnett, Romaniuk, et al., 2016; Romaniuk, 2018), yet robust empirical guidelines are currently missing for incorporating them effectively into social media advertisements. This thesis also aims to provide guidelines for designing social media ads to enhance visual branding prominence and brand memorability. The untested *counterprogramming* theory within visual branding research posits that branding elements perform better when they contrast with the surrounding advertisement (Romaniuk, 2018). Accordingly, this thesis investigates two types of counterprogramming in social media ads: i) placing text-based branding elements, like the brand name or tagline, in image ads (counterprogramming Type A), and ii) using image-based branding elements, like the logo, in text ads (counterprogramming Type B). In more detail, the thesis contends that both counterprogramming types improve advertising and brand memorability, especially for consumers less likely to notice ads, such as brand non-users, category light users, and social media light users.

To test these hypotheses, the thesis presents an online experiment conducted with N=1,202 Australian respondents via an online survey. Participants were randomly assigned to one of six groups and viewed static social media advertisements from eight brands featuring images or text with the brand name, logo or tagline. The ads appeared in a simulated Instagram feed, which respondents were instructed to explore with time enforcement and attention checks. Following this, respondents completed a distractor task and then viewed de-branded versions of the ads. The survey finally measured advertising recognition, brand recall, and brand recognition alongside participants' brand, category, and social media usage data. The key findings were as follows.

Finding 1 – In static social media ads, counterprogramming increases brand memorability for the brand name by 10% and for the tagline by 12% but reduces it by 5% for the logo, with no effect on ad memorability.

Finding 2 – In static social media ads, counterprogramming has a greater impact on brand memorability for non-users, light category users, and light social media users.

Finding 3 – Image static social media ads lead to 9% higher ad recognition than text static social media ads.

Finding 4 – Image static social media ads result in 8% higher brand recall and 5% higher brand recognition than static text social media ads.

Finding 5 – In static social media ads, the logo and tagline achieve similar brand recall and recognition as the brand name.

Overall, this thesis makes a significant contribution to advertising, visual branding, and social media research – three areas of study that it combines and expands, addressing inherent issues. The thesis also yields serious practical value. Above all, revealing that counterprogramming in image social media ads using the brand name or tagline enhances brand memorability, particularly with non-brand and light-category users, emphasises the importance for marketers to design ads with prominent visual branding (Romaniuk, 2009; Williams et al., 2022). Marketers of smaller brands should pay special attention to these findings since smaller brands primarily expand their consumer base by converting non-brand users (Dawes et al., 2022; Hossain et al., 2023; Trinh et al., 2023).

Future research into counterprogramming should replicate and extend these findings by examining a broader range of Distinctive Assets and advertising formats, including video ads. Additionally, testing within real social media feeds and using smaller brands could improve the generalisability of results. Exploring the impact of other creative elements, such as spokespeople or product demonstrations and ads that blend text and images, would also further enrich this area of research.