

A Comprehensive Literature Review Study of Comparative Effectiveness of Price Information in Advertisement towards Viewer Engagement on Social Media

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ABSTRACT

One of the marketing strategies is to include the price information of the product in the advertisement. While ads without pricing information emphasise brand identity, ads with pricing information build trust. However, the effectiveness of these approaches in social media is still unknown. Therefore, this study compares the effectiveness of digital ads with price information versus ads without price information in generating viewer engagement. This article utilises a literature review approach from previous research to investigate the impact of advertising strategies on consumers in social media. The study's findings suggest that including price information in digital advertisements is more effective at boosting instant engagement. On the other hand, advertisements that omit the price are appropriate for premium brands. Marketers and business owners can utilise the information from this study to create advertising campaigns that align with their target audience's preferences and purchasing behaviours.

Keywords: price information, digital ads, social media, viewer engagement

INTRODUCTION

Social media is becoming more popular as a dominant platform for advertising that allows businesses to connect with their audiences. Among the various strategies used in advertising, the price information of products significantly influences consumer perceptions and consumer behavior (Lii et al., 2023). Studies have shown that including price in advertisements can build trust and facilitate consumer decision-making (Johan et al., 2023). It also allows viewers to evaluate products within their budget and reduces uncertainty of purchase intention (Rao, 2009; Dadghaye et al., 2024). On the other hand, advertisements without prices allow businesses to emphasize the product quality or brand image while encouraging viewers to seek further information, thereby fostering interaction and engagement (Barigozzi et al., 2005; Tsai & Honka, 2020; Dukes & Liu, 2023). This duality raises an essential question: Which approach is more effective in driving viewer engagement on social media between including product pricing information or no price information in digital advertisements?

LITERATURE REVIEW

The Role of Price Information in Digital Advertising

Price information refers to the product price displayed in advertisement posted by businesses on their social media. Studies have shown that including price in advertisements can significantly influence consumer decision-making. For instance, Price and Lichtenstein (2016) found that consumers often prefer transparent pricing, especially in digital advertising, as it provides clarity and helps to evaluate the value of the product or service. In addition, these advertisements with prices provide an immediate value to users by stating the cost upfront. This can attract price-sensitive audience and lead to quick purchase decisions (Yohanes & Megawati, 2024; Suherman, 2024). Moreover, including price in advertisements directly addresses consumers' concerns

about their affordability. According to Gaol et al. (2024), exposing the price of the product in advertisements helps consumers to compare the prices of similar items from different brands to find the best deals. This could increase the competition between brands on which product is more affordable. In a study by Su and Tong (2020), it was found that consumers perceive the products as higher quality when businesses provide detailed price information in their advertisements. This also develops a more positive attitude towards the brand among viewers. According to (Lee, 2014), such advertisements often lead to higher trust among consumers by improving their perception.

Fig. 1. Tealive digital advertisement from Instagram with price information



Source: Tealive Instagram

Fig. 2. Tealive digital advertisement from Instagram without price information

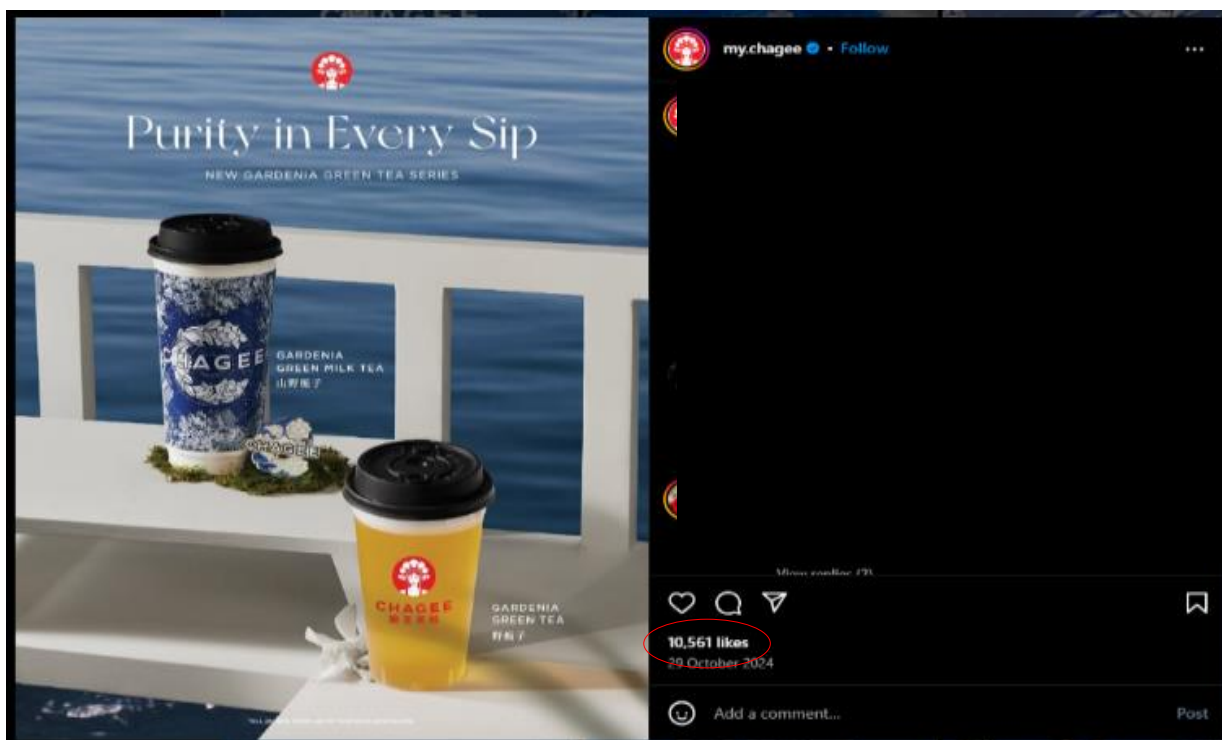


Source: Tealive Instagram

Tealive is one of the fastest growing beverage franchises in Malaysia with 344,000 followers on Instagram. Pictures and videos are frequently posted on Instagram around 5 posts per day. Figure 1 shows that a digital advertisement posted from Tealive’s Instagram that included price information received 15,590 likes meanwhile Figure 2 shows that an advertisement without price information only had 12,295 likes. As stated by Anastasia et al. (2017), advertisements with price information can create a sense of relevance that urges users to engage with the content and like the post.

However, Love and Okada (2015) found that advertisements without price information are more effective in premium segments, where consumers are seeking for the quality rather than the cost of the product. Knutson et al. (2017) also found that including price information in advertisements might deter consumers, especially in high-end product categories where exclusivity is an important selling point. Digital advertisements without the price of the products shown focus on creating a value-driven narrative, emotional appeals and brand identity (Koçyiğit, 2019). On social media platforms, where users are often looking for quick visual impressions, including price in advertisements may risk appearing too transactional, making it feel more like a sales pitch (Deighton & Kornfeld, 2019). Additionally, some businesses exclude price information from their advertisement to create a sense of curiosity and engagement among customers (Thöne, 2017).

Fig. 3. Chagee digital advertisement from Instagram without price information



Source: Chagee Instagram

Another fast-growing beverage brand on social media is Chagee with 182,000 followers on Instagram. One of the posts with 2 drinks shown without any price information received 10,561 likes. According to Kim et al. (2024), businesses are choosing to omit price information in advertisements in order to maintain favourable brand attitudes and purchase intentions. Exclude price information can also create a competitive environment between other brands where consumers are attracted by the value proposition of the product and not just the cost (Pepall & Richards, 2021). This suggests that the role of price information in the digital advertisement is complex and vary depending on product category, brand identity and consumer perception.

Engagement Metrics in Social Media Advertising

Engagement metrics such as likes, comments, shares, and click-through rates (CTR) are fundamental to evaluate the effectiveness of social media advertisements. According to Smith and Chaffey (2020), CTR is one of the most widely used metrics to measure user interaction with online ads, as it indicates the extent to which

an ad prompts action. On social media such as Instagram, Facebook and X, likes and comments serve as indicators of how well an ad resonates with users, while shares often signal higher engagement and potential for virality (Johnson & Liu, 2018). Studies by Rosli et al. (2024) emphasize the importance of understanding social media metrics, as they significantly influence consumer purchase intentions. Furthermore, these metrics help marketers improve their visibility and interaction on the platform (Vignisdóttir, 2017). The presentation of price information can significantly alter these metrics, depending on the target audience's preferences and purchase intention.

Moderating Factors

While pricing information is a significant element in consumer decision-making, it does not operate independently. Environmental factors such as brand and social media influence the effectiveness of price information in digital advertisements (Ridwan et al., 2024). The way price is presented in social media advertisements could influence consumer behaviour. Some research suggests that consumers are more inclined to engage with advertisements that provide clear price information. Several studies have found that attractive price information displays lead to higher purchase decisions (Auf et al., 2018; Ridwan et al., 2024). Furthermore, displaying prices with comparisons to original prices and discounts or promotions can influence consumers' perception (Johan et al., 2023). According to Kostov (2020), consumers are also influenced by psychological techniques such as charm pricing when things are displayed at RM9.99 instead of RM10. The quality of product information combined with price improves consumers' buying intentions. Effective product information educates consumers and builds trust between brands and consumers (Wiedmann & Walten, 2022). Consumers are willing to pay for a high-quality product. The outcomes of these various price presentation tactics are essential to understand their impact on the performance of social media advertisements.

DISCUSSION

The literature suggests that the decision to include the price of the products in the advertisement should be determined by the audience's preferences and the campaign objectives. While including price information in advertisements promotes transparency and trust, advertisements without price information can increase brand reputation and emotional connection. Advertisers should utilise data analysis to identify their target audience and customise their strategies effectively.

CONCLUSIONS

This study highlights the need to adapt marketing methods through digital advertisement to audience preferences and market demands. There are benefits to both approaches of including price information and no price information in advertisements. By evaluating these comparative results, businesses can improve viewer engagement and optimize their social media marketing strategies. From this research, it appears that providing price information can help consumers determine whether the product being shown is within their budget. Additionally, trust is one of the most important factors between consumers and brands, which can be developed through price information in advertisements. However, future studies should conduct experimental research to verify these findings and explore the evolving trends in social media advertising. Besides, various factors influence consumers' decision to purchase a product. All of these factors must be carefully compared to identify the most effective one. Even when a brand excludes price information in its advertisement, it can still effectively reach consumers by focusing product quality and brand image. Hence, further research in this area is necessary.

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