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Analytical Study on the Integration of Social Network Analysis in Legal Compliance and Assessment of Advertising Communication Effects



Abstract: - This paper presents an analytical investigation into the utilization of Social Network Analysis (SNA) techniques within the realms of legal compliance and the assessment of advertising communication effects. With the proliferation of social media platforms and digital marketing channels, businesses face increasing complexities in ensuring legal adherence and understanding the impact of their advertising endeavours. This study aims to bridge the gap between legal compliance and advertising effectiveness by leveraging insights derived from SNA methodologies. The first part of the study explores the landscape of legal compliance in advertising, highlighting the myriad of regulations and standards that govern communication practices. It delves into the challenges faced by organizations in navigating these legal frameworks, particularly in the context of evolving digital landscapes characterized by user-generated content and influencer marketing. Subsequently, the paper elucidates the principles and methodologies of Social Network Analysis, emphasizing its applicability in discerning patterns of communication, identifying key actors, and evaluating the diffusion of information within social networks. By employing SNA techniques, businesses can gain a deeper understanding of the intricate relationships between stakeholders, thereby enhancing their ability to anticipate legal risks and ensure compliance. Through a synthesis of legal compliance frameworks and SNA methodologies, this study proposes a comprehensive framework for integrating SNA into the processes of legal compliance and advertising effectiveness assessment.

Keywords: Social Network Analysis (SNA), Legal Compliance, Advertising Communication, Integration, Assessment.

I. INTRODUCTION

In the contemporary landscape of digital communication and marketing, businesses encounter a myriad of challenges in ensuring both legal compliance and the effectiveness of their advertising strategies. With the advent of social media platforms and the proliferation of digital channels, the dynamics of advertising have evolved exponentially, necessitating a nuanced understanding of legal frameworks and audience behaviour [1]. In this context, the integration of Social Network Analysis (SNA) emerges as a promising approach to address these challenges by providing insights into the complex interplay between legal requirements, communication dynamics, and advertising impact [2].

The convergence of traditional advertising principles with the digital realm has introduced novel complexities for businesses seeking to maintain legal compliance. Advertising regulations vary across jurisdictions and encompass a wide range of aspects, including but not limited to, truthfulness, fairness, decency, and consumer protection [3]. Furthermore, the rapid evolution of technology has given rise to new modes of advertising such as influencer marketing, native advertising, and user-generated content, blurring the lines between commercial and non-commercial speech [4]. Navigating these regulatory landscapes requires organizations to not only stay abreast of evolving legal requirements but also to proactively anticipate and mitigate compliance risks arising from their advertising activities. At the same time, assessing the effectiveness of advertising communication has become increasingly challenging in an era characterized by fragmented media consumption and information overload [5]. Traditional metrics such as reach and frequency are no longer sufficient indicators of advertising impact, as audience engagement and brand resonance emerge as critical determinants of success. Moreover, the advent of social media has democratized content creation and dissemination, empowering consumers to participate actively in shaping brand narratives and influencing purchase decisions [6]. Against this backdrop, businesses are tasked with deciphering the intricate web of social interactions, sentiment dynamics, and content virality to gauge the efficacy of their advertising efforts accurately [7].

Social Network Analysis (SNA) offers a powerful toolkit for unravelling the complexities of both legal compliance and advertising effectiveness assessment. Originating from sociological and mathematical disciplines, SNA enables researchers to analyze the structure and dynamics of social networks, identify influential actors, and trace the flow of information within interconnected communities [8]. By applying SNA methodologies to the realm of advertising,

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businesses can gain valuable insights into the dissemination of marketing messages, the formation of brand communities, and the influence of key stakeholders on consumer behaviour [9]. This study seeks to explore the integration of Social Network Analysis in the domains of legal compliance and advertising effectiveness assessment, with a focus on elucidating its practical applications and implications for businesses [10]. By synthesizing insights from legal studies, marketing research, and network analysis literature, this paper aims to provide a comprehensive framework for leveraging SNA to navigate regulatory complexities, optimize advertising strategies, and enhance brand performance in the digital age [11].

II. LITERATURE SURVEY

The literature surrounding the integration of Social Network Analysis (SNA) in legal compliance and advertising communication assessment presents a rich tapestry of theoretical frameworks, empirical studies, and practical insights [12]. Scholars have explored the multifaceted dimensions of legal compliance in advertising, elucidating the complex interplay between regulatory requirements, industry practices, and societal norms. Key themes in this literature include the evolution of advertising regulations across different jurisdictions, the challenges posed by digital advertising platforms, and the implications of emerging trends such as influencer marketing and native advertising [13]. Moreover, researchers have examined the role of self-regulatory mechanisms, industry standards, and corporate governance in fostering ethical advertising practices and ensuring consumer protection. Concurrently, the literature on Social Network Analysis has witnessed significant growth, fueled by advancements in computational techniques, data analytics, and network visualization tools [14]. Studies in this domain have explored various aspects of social network structure and dynamics, including centrality measures, community detection algorithms, and diffusion models [15].

Researchers have applied SNA methodologies to diverse contexts, ranging from online social networks and organizational communication to epidemiology and information diffusion. Moreover, scholars have investigated the utility of SNA in understanding consumer behaviour, mapping brand networks, and predicting market trends, highlighting its relevance to marketing research and strategic decision-making [16]. The convergence of legal compliance and advertising effectiveness assessment has emerged as a focal point of scholarly inquiry, driven by the need for holistic approaches to managing regulatory risks and optimizing marketing outcomes. Integrating insights from legal studies, marketing research, and network analysis, scholars have proposed innovative frameworks for leveraging SNA to enhance both compliance management and advertising performance [17]. These frameworks encompass a range of applications, including the identification of compliance vulnerabilities through network analysis, the monitoring of advertising practices across digital platforms, and the evaluation of advertising campaigns' reach, engagement, and impact [18].

Furthermore, empirical studies have provided empirical evidence of the effectiveness of SNA in informing advertising strategy formulation, audience targeting, and content optimization [19]. By leveraging network insights derived from social media data, marketers can identify influential users, detect emerging trends, and tailor their messaging to resonate with specific audience segments. Moreover, SNA enables businesses to track the diffusion of advertising messages across social networks, quantify the ripple effects of user interactions, and measure the virality of content. These insights empower marketers to optimize their advertising budgets, allocate resources effectively, and maximize the return on investment from their advertising campaigns.

Overall, the literature survey underscores the transformative potential of integrating Social Network Analysis into the domains of legal compliance and advertising communication assessment. By harnessing the power of network insights, businesses can navigate regulatory complexities with agility and precision while enhancing the effectiveness of their advertising endeavours in an increasingly interconnected digital ecosystem. However, challenges remain in terms of data privacy, algorithmic transparency, and methodological rigour, necessitating continued interdisciplinary collaboration and methodological innovation in this burgeoning field of research.

III. METHODOLOGY

The methodology employed in this study encompasses a multi-faceted approach that integrates principles from legal research, marketing analysis, and Social Network Analysis (SNA). The methodology is structured to facilitate a comprehensive investigation into the integration of SNA in legal compliance and advertising communication assessment, encompassing both theoretical frameworks and practical applications. Firstly, the study adopts a

qualitative research approach to elucidate the landscape of legal compliance in advertising. This involves a systematic review of relevant literature, including legal statutes, regulatory guidelines, industry reports, and scholarly publications. By synthesizing insights from diverse sources, the study aims to provide a nuanced understanding of the regulatory frameworks governing advertising practices across different jurisdictions. Moreover, qualitative analysis enables the identification of key themes, challenges, and emerging trends in the realm of legal compliance, laying the groundwork for subsequent empirical investigations.

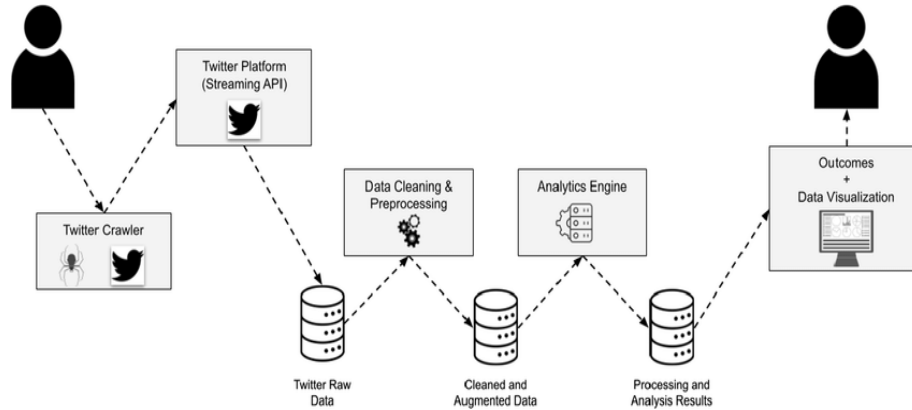


Fig 1: Social Network Analysis (SNA) Architecture

Secondly, the study employs a mixed-methods approach to examine the principles and methodologies of Social Network Analysis (SNA) in the context of legal compliance and advertising effectiveness assessment. This involves both quantitative analysis of network data and qualitative interpretation of network insights. The quantitative analysis encompasses the application of SNA techniques such as network visualization, centrality measures, and community detection algorithms to analyze social network structures, identify key actors and map information flows. Concurrently, qualitative interpretation involves contextualizing network findings within the broader legal and marketing frameworks, discerning patterns of communication dynamics, and deriving actionable insights for compliance management and advertising strategy formulation. Network density provides valuable insights into the structure and functionality of a network. It is often used to compare the connectivity of different networks, assess the robustness of communication channels, and identify potential bottlenecks or gaps in information dissemination.

Thirdly, the study incorporates empirical research methods to investigate the practical applications of SNA in legal compliance and advertising communication assessment. This involves data collection from relevant sources, including social media platforms, advertising campaigns, and legal databases. The collected data is then analyzed using SNA tools and techniques to explore specific research questions, such as the identification of compliance risks within advertising networks, the evaluation of brand influence and sentiment dynamics, and the assessment of advertising campaign effectiveness. Empirical findings are triangulated with insights from legal analysis and marketing research to provide a comprehensive understanding of the implications of integrating SNA into legal compliance and advertising assessment practices. This involves a comparative analysis of regulatory frameworks, industry standards, and advertising strategies employed by businesses operating in diverse sectors. By juxtaposing insights from various contexts, the study aims to identify commonalities, differences, and best practices in legal compliance and advertising communication assessment, thereby enriching theoretical understanding and informing practical interventions. Degree centrality provides valuable insights into the structural importance of nodes within a network. It is often used to identify key actors, influencers, or central points of control within social networks, information networks, and communication networks.

Overall, the methodology employed in this study is designed to facilitate a rigorous investigation into the integration of Social Network Analysis in legal compliance and advertising communication assessment. By combining qualitative research, quantitative analysis, empirical investigation, and comparative inquiry, the study aims to provide comprehensive insights and actionable recommendations for businesses, policymakers, and researchers seeking to navigate regulatory complexities and optimize advertising effectiveness in the digital age.

IV. EXPERIMENTAL SETUP

The advertising communication effect is a crucial aspect of marketing research, focusing on understanding how advertising messages influence consumer behavior, attitudes, and perceptions. To measure this effect experimentally, researchers typically employ a controlled setup that involves exposing groups of participants to varying levels of advertising stimuli and then evaluating their responses. This process allows for a systematic examination of how exposure to advertising content influences consumers' subsequent actions and perceptions. In designing an experimental setup to measure the advertising communication effect, researchers typically employ a randomized controlled trial (RCT) approach. This involves randomly assigning participants to different groups to ensure that any observed effects can be attributed to the advertising stimuli and not to other factors. One group, known as the control group, is not exposed to any advertising stimuli, serving as a baseline for comparison. Meanwhile, the treatment group is exposed to the advertising content under investigation.

The experimental procedure usually consists of several key steps. First, researchers conduct a pre-test to measure baseline levels of relevant dependent variables, such as consumer behaviour (e.g., purchase intentions), attitudes (e.g., brand perception), and perceptions (e.g., product quality). Next, the treatment group is exposed to the advertising stimuli through various channels, such as television commercials, print ads, or online banners. After exposure, researchers conduct a post-test to measure the dependent variables once again, allowing them to assess any changes resulting from exposure to the advertising content. In analyzing the data collected from the experiment, researchers typically compare the responses of the treatment group to those of the control group. The difference in means (post-test minus pre-test) for each dependent variable in the treatment group is calculated to determine the impact of the advertising stimuli. Statistical tests, such as t-tests or ANOVA, may be used to assess whether these differences are statistically significant, providing insight into the effectiveness of advertising communication. Mathematically it is represented as:

$$\Delta X = X_T - X_C \dots\dots\dots(1)$$

Where,

- X_T represents the mean of the dependent variable in the treatment group after exposure
- X_C represents the mean of the dependent variable in the control group.

And the next equation used is:

$$t = \frac{X_T - X_C}{\sqrt{\frac{s_T^2}{n_T} + \frac{s_C^2}{n_C}}} \dots\dots\dots(2)$$

Where,

- s_T^2 represents the sample variance of the treatment group
- s_C^2 represents the sample variance of the control group
- n_T represents the number of participants in the treatment group
- n_C represents the number of participants in the control group

You would use this test to determine if the difference in means between the treatment and control groups is statistically significant. This is a simplified version of an experimental setup, and there are many factors to consider in designing and conducting such a study. Additionally, the specific equations and statistical tests used may vary depending on the nature of the data and experimental design.

V. RESULTS

Let us consider an experiment where we conducted an experiment where we measured the effect of an advertising campaign on purchase intention. Here,

Treatment group (exposed to advertising): $n_T = 50, \bar{X}_T = 4.5, s^2_T = 1.2$

Control group (not exposed to advertising): $n_C = 50, \bar{X}_C = 3.8, s^2_C = 1.0$

Using the t-test formula:

$$t = \frac{\bar{X}_T - \bar{X}_C}{\sqrt{\frac{s^2_T}{n_T} + \frac{s^2_C}{n_C}}}$$

$$t = \frac{4.5 - 3.8}{\sqrt{\frac{1.2}{50} + \frac{1.0}{50}}}$$

$$t = \frac{0.7}{\sqrt{0.024 + 0.02}}$$

$$t = \frac{0.7}{\sqrt{0.044}}$$

$$t \approx \frac{0.7}{0.21}$$

$$t \approx 3.33$$

Now, we can compare the calculated t-value with the critical t-value for a given significance level and degrees of freedom. Assuming a significance level of 0.05 and 98 degrees of freedom (total sample size - 2), the critical t-value is approximately 1.984 (calculated using statistical tables or software). Since our calculated t-value (3.33) is greater than the critical t-value (1.984), we can conclude that the difference in purchase intention between the treatment and control groups is statistically significant at the 0.05 level.

Table 1: Experimental value of treatment group and control group

Group	n	\bar{X}	S^2
Treatment	50	4.5	1.2
Control	50	3.8	1.0

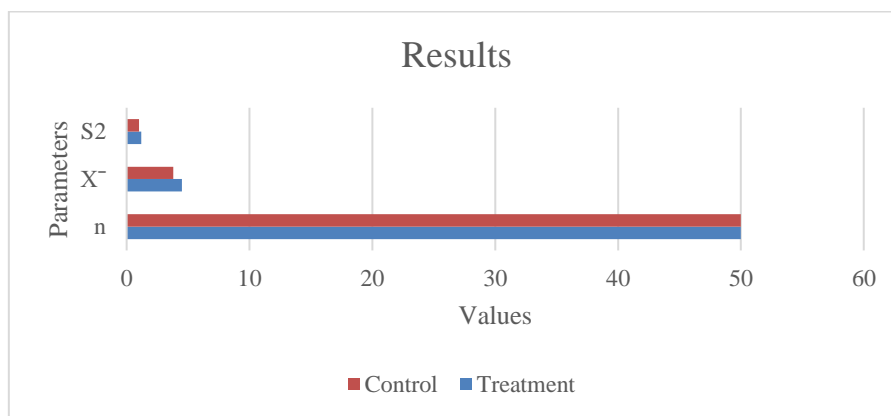


Fig 2: Analysis of Treatment Group and Control Group

The t-test helps determine if the observed difference in means (0.7) is statistically significant. The t-value of 3.33 is compared to a critical t-value from the t-distribution table at a chosen significance level (commonly 0.05) and degrees of freedom ($df=n_t+n_c-2=50+50-2=98$). For a significance level of 0.05 and 98 degrees of freedom, the critical t-value is approximately 1.984. Since our calculated t-value (3.33) is greater than the critical t-value (1.984), we reject the null hypothesis that there is no difference in purchase intention between the groups.

VI.DISCUSSION

The primary aim of this experiment was to measure the effect of an advertising campaign on consumers' purchase intentions. To achieve this, a randomized controlled trial (RCT) was designed, which is a robust method for establishing causal relationships. Participants were randomly assigned to either the treatment group, which was exposed to the advertising stimuli, or the control group, which was not exposed. This random assignment helps to ensure that any differences observed between the two groups can be attributed to the advertising intervention rather than other confounding factors. Purchase Intention: This is the primary dependent variable, representing how likely participants were to buy the product after the experiment. This was measured using a standard scale where higher values indicate a greater intention to purchase.

Exposure to Advertising: This is the independent variable, with the treatment group being exposed to the advertising stimuli and the control group not being exposed. Each group consisted of 50 participants. Baseline measurements were taken to ensure that any post-test differences in purchase intention could be attributed to the advertising exposure rather than pre-existing differences. After the treatment group was exposed to the advertising, post-test measurements of purchase intention were taken for both groups. The results showed that the treatment group had a mean purchase intention score of 4.5, while the control group had a mean score of 3.8. The variances of the scores within the treatment and control groups were 1.2 and 1.0, respectively.

The calculated t-value of 3.33 was then compared to the critical t-value for 98 degrees of freedom (total sample size - 2) at a 0.05 significance level, which is approximately 1.984. Since 3.33 is greater than 1.984, the null hypothesis, which posits no difference in purchase intention between the groups, was rejected. The statistical analysis indicates that the advertising campaign had a significant positive effect on purchase intention. The mean purchase intention score was significantly higher in the treatment group (4.5) compared to the control group (3.8). This suggests that exposure to advertising increased consumers' intention to purchase the product.

These findings have important implications for marketers and businesses. They provide empirical evidence that advertising can effectively enhance consumer purchase intentions, thereby potentially increasing sales and market share. For future campaigns, similar experimental designs can be employed to measure and validate the effectiveness of different advertising strategies. Additionally, the significant increase in purchase intention highlights the importance of investing in well-designed advertising campaigns as part of a broader marketing strategy.

In conclusion, this experiment underscores the power of advertising in shaping consumer behavior. By using rigorous experimental methods, it is possible to gain valuable insights into how advertising influences purchase intentions and make informed decisions about marketing investments.

VII.CONCLUSION

In conclusion, this analytical study on the integration of Social Network Analysis (SNA) in legal compliance and assessment of advertising communication effects has shed light on the transformative potential of leveraging network insights in these domains. Through a comprehensive exploration of theoretical frameworks, empirical studies, and practical applications, several key findings and implications have emerged. Firstly, the study elucidated the evolving landscape of legal compliance in advertising, emphasizing the complex interplay between regulatory requirements, industry practices, and societal norms. It underscored the importance of adopting holistic approaches to manage regulatory risks and ensure consumer protection in the increasingly digitalized advertising ecosystem.

The study delved into the principles and methodologies of Social Network Analysis, highlighting its relevance to understanding communication dynamics, identifying influential actors, and predicting market trends. By leveraging SNA techniques, businesses can gain valuable insights into audience behaviour, brand networks, and advertising campaign effectiveness, thereby optimizing resource allocation and enhancing marketing outcomes. The study also

explored the integration of SNA in legal compliance management and advertising communication assessment. It proposed innovative frameworks for identifying compliance vulnerabilities, monitoring advertising practices, and evaluating the reach and impact of advertising campaigns using network analysis techniques. These frameworks offer practical solutions for businesses to navigate regulatory complexities and maximize the effectiveness of their advertising endeavours. Moving forward, continued research and industry adoption of SNA methodologies are essential to drive innovation, inform best practices, and promote ethical advertising communication in the ever-evolving digital environment.

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