The Role of Social Media on Advertising: A Research on Effectiveness of Facebook Advertising on Enhancing Brand Image

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ABSTRACT

This research is based on Social media advertising which is one of the newest marketing topics. Marketers try to find out the best possible way to advertise their product and services in order to build relationship with customers and gain momentum to viral word of mouth marketing in social media.

Social media advertising is a new version of corporate advertising which has been adopted as new techniques by many companies. Both two way communication and customized advertising are factors which maximize the effect of brand trust on customer's perceptions. The purpose of this study is research the primary of the actions of those companies who simultaneously engage and advertise on social media channels such as Facebook in order to create sales and enhancing brand image and gain momentum to purchase intention.

This research is base on the result of survey users who engage in Facebook.com regularly. In order to collect data for the research 100 e-questionnaires distributed to users at facebook.com in different countries.

The results have shown that Facebook by taking two leverages as WOM and viral marketing could enhance the brand image and brand equity respectively which increase purchase intention of consumers.

Keywords: Facebook, Social media, advertising, Brand image, viral marketing.

ÖZ

Bu araştırma yeni pazarlama konularından biri olan sosyal medya reklamcılığına dayanmaktadır.Pazarlamacılılar muşteriler ile ilişki kurmak ve sosyal medya ağız pazarlamanı kazanmak için ürünlerinin ve hizmetlerinin pazarlanmasında en iyi yolu bulmaya çalışırlar ve sosyal medya aracılığıyla pazarlama amacına ulaşılar.

Sosyal medya reklamcılığı birçok şirket tarafından yeni teknik olarak kabul edilmiştir. Her ıki yön iletişim ve özelleştirilmiş reklam muşteri beklentisi üzerindeki marka güven etkisini arttıran faktörlerdir. Bu çalışmanın amacı o şirketlerin ilk adımlarını araştırmaktır ki özelikle facebook gibi sosyal medya kanallarıyla uğraşıp reklam hazırlarlar ve dolayıla marka imajını ve satışlarını artmayı elde erler.

Bu araştırma düzenli olarak facebookla ilgilenen kullanıcıların üzerindeki incelenmeye dayanmaktadır . Araştırmaya bilgi toplamak amacıyla değişik ülkelerden 100 adet e-anket facebook kullanıcılara dağtıldı. Sonuçlar bunu gösterir ki facebook WOM ve viral pazarlamayı kullanarak marka görseli ve değerini yükseltir ki bu da müşterilerin satın alma niyetini arttırır.

Anahtar Kelimeler: Facebook, sosyal medya, reklam, marka imajı, viral pazarlama.

This thesis is dedicated to my mother,

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Milad Dehghani

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INTRODUCTION

1.1.Background of study

Information Technology's advancements are revolutionizing every business and firms. In the late 2000s world witnessed the phenomenon where online networks became the bridge for global interactions through "sharing" and "following". Within the past few years, the phenomenon of social media on the internet has detonated into the main stream. Further, this online information and data within Social media networking Web sites (SNW) have begun to be used for purposes beyond its intended use (Statistic2011).   In the following decade with the growth of Web 2.0 technologies and rising online communications, communities moved to begin its largest engagement of interactions through social media such as forums, wikis, blogs, twitter social networking websites like Facebook, MySpace, video hosting sites like YouTube (Wirts et al, 2010). Social media has quickly changed today's marketing approach, and given the marketer connection between other consumers with new possibilities and opportunities to increase brand awareness for consumers. (ComScore Media Metrix, 2006).

 Companies and services have began their researches and investigations towards the usage and efficiency of these digital communications web sites (Johns and Perrot, 2008) these tools of interactive communications which goes beyond marketing and services and supported by many to "go social" with the aim of solving problems of

how companies and services can be flowed without stopping on a Friday afternoon and closing the firm (Ryan Cohn 2010). Promoting even small firms and business by using the social media such as Facebook is one of the cheaper solutions than risk spending a lot of expenses on advertisement in other non-virtual media. Social media provides numerous venues for consumers to share their views, preferences, or experiences with others about brand, as well as opportunities for make decision based on other consumer's decisions. It is allowed people to share their ideas (e.g. Twitter), or form connection (e.g., Linkedin), are some of the most powerful ever devise. They can be linked together easily and spread their favorite brand by sharing pictures, videos, blog. (Waker, 2006). It has created opportunities for consumers as well as marketers who have made demands for new brands to help of comments and observation posted by others on the social media (Chell & Baines, 2000).

In recent years many managers began to understand the social media as a mean to engage with a series of interactive communications with their current customers and forging new relationships with new customers as well. Forming new communities is also acknowledged as gateways to get feedbacks, solving problems and understand new solutions with real time customer interactivity. These social networking tools always been a subject of several researches and investigations to understand the impact on identity, privacy, social capital, youth culture, and education (Reston, VAR: comscore.com. 2007).

Extension of word of mouth on social media provides remarkable power of information for new market where each one of consumers can influence the conversations with another in cyberspace (Nail & Jim, 2005). Customer satisfaction

always described as having active interactions between clients and therefore their engagements will define the satisfaction. There is another method to advertise on the Net that Rowley (2001) recommended that companies would be better to create recommendation mechanism, in this condition customers can connect with each other and thus creates a successful brand image.

Inspired by the power of social media to engage users in virtual relationships, companies and services began seeking ways to immerse into "people's internet "and learn to leverage the "likes," "shares and "comments" for profit making (Andriole, 2010; Culnan et al., 2010). Nowadays it's common for every business to create a Facebook or twitter account to create and bring their clients and customers closer, observers speculate that its interactive nature is more than suitable to support relationships between companies and their consumers (Nair,2009). Services are much different than selling or promoting products, the social media can be used to announce new services, guidelines on how to use these services and advertising.

This paper addresses the role of social media specially Facebook in enhancing brand image by advertising mechanism. The goal is to offer insights on why companies and services should consider the use of social media as a marketing tool to motivate customers.

1.2. Significance of the study

With the passing years it's evident that people are moving towards the usage of social networks as their bases communicate interaction. Reviewing the advertisement, sharing pages and news in social web sites most of the firms are prioritizing the use of these networks.

This research is important in the sense of finding in which direction dialogue or conversations between consumers and companies have long been an important part of advertising. Now, with the rise of Web 2.0 and social media, these conversations can involve more participants, across more channels and locations, and more instantaneously than before.

The varieties of tools on social media like Facebook provide an opportunity for companies to engage with consumers through multi-way communication on social media channels and allow consumers to communicate with representatives of the brand and with each other. It is important to that companies know how the use of social media advertising as communication strategy impact positively or negatively on consumer's perceptions. Indeed, consumers are using social media to research product and services before doing business with them. Further research is needed to extend this understanding of the role of contextual factors in the virtual communication process and the impact of social media advertising. This study will hopefully generate some interest and discussions on the issue and will also serve as a basis for further research on this subject.

1.3. Scope of study

The scope of this study is very wide because there are so many companies which are being involved in it now and will be involved in the future. This was citation briefing earlier, as the current companies that may be dealing with moving into social media are by far not the only ones that are affected or will be affected in the future. Another reason that scope of the study is so broad is that it can be develop to include those

that are not yet connecting to social media advertising but will be in the future.   **1.4.**

Problem statement

- To what extent can social media advertising be used to create a multi-way dialogue between users and brands?

- How can Facebook advertising induce an initial set of user to adopt the new brand?

- How effective does the Facebook advertising to be as a tool for enhancing brand image and brand equity?

- Does Facebook advertising create a community of like minded people how openly share advertisement and information with each others?

This project aims to explore the strengths and weaknesses of using social media advertising. It will also seek to assess to what extent Facebook advertising meets the brand image strategy?

1.5. Research aims/ objectives

The aim of this study is to determine in which direction has new media changes of advertising and affected the companies and services.

Beside this, the research tries to find out these factors:

- To identify how social media advertising can enhance dialogue between companies and customers by multi-way communication.

- Identify consumer perceptions towards social media advertising approach and relationship to developing a brand image for companies.

- Identify the actions consumers positive or negative take to advertise on social media.

- Examine how Facebook advertising impacts user likelihood of elaboration in regard to generate further messages from a brand.

1.6. Limitation of the research

A vital part of behind this research is that there would have not been any other studies done especially like this one. Doing a study like this therefore supplies new and unique information but simultaneously is can be hard to follow for researcher because there is not any precedent research. In addition, the respondents only have chosen from 12 geographic areas, therefore, the research finding cannot be generalized to all the nationals and professionals in the global scale.

Chapter 2

LITERATURE REVIEW

2.1 Social Media

Social media refers to online media that facilitates communication through the use of feedback engaging the users active in the generation and improvement of the content, it is opposed to the traditional media, which delivers content but doesn't allow the users to modify the content. (Social Media Defined by Susan Ward-About.com Guide, 2012). Moreover, according to Kaplan and Haenlein (2010), social media could be viewed as a group of applications powered on the internet and built on ideas similar to the foundations of Web 2.0 technology which allows the generation and interchange of information or other content generated by the users of such media. In their reasoning, social media was divided into several dimensions which include: blogs (individual/community), collaborative project sites, virtual worlds (social/game) and social networking sites. These virtual social worlds could be utilized for social media advertising.

Possessing all these outlined characteristic features and even more, Facebook therefore is a good example of a social media. Social media in general has been through some form of transformation over the past decade and since then the traditional media is gradually being replaced with social media networks. This innovation has led to increased online marketing using various marketing practices and strategies leading to unlimited opportunities in marketing. Modern technology has played a significant role in the gradual transformation of social

interactions among people. As a result of the emergence of web 2.0 technologies, social networking websites such as Facebook are readily accessible and provide the users with connection to virtually everyone around the globe. Now people spend more time on the social media communicating through social platforms like Facebook and inadvertently leaving the traces of their contacts, which are readily available to the managers of these social media (Katona, Z., Zubcsek, P. P., Sarvary, M. 2011).

Consumers create user generated content from social media such Facebook and these have turned out to be among the highlights of online interaction transmissions (Lenhart et al., 2010). Lipsman (2011 considered the fact that social networking could probably be accounted for 1 minute in every 6 minutes of online interaction. For this reason social media has been on the priority list of advertisers for building enduring relationships with their customers. In the year 2009, about 215 out of the whole number of 500 fastest growing private organizations in the United States listed social media as being very important to the sales and marketing of their products and services while about 340 of these organizations concurred with the idea that they monitor the activities on social media relating to their brands product and services (Barnes and Mattson, 2009). During the year 2011, there were projections that marketers from the United States would probably spend about $3 billion on social media advertising and this represents a little above a half percentage increase in money spent versus money spent during the past year with the projection that money spent on social media advertising would increase threefold over the coming five years (Hof, 2011).

2.1.2. Utilizing social media as a valuable tool

Before implementing social media in companies and services, the first step to understand its potential use and effectiveness. As Ashok Vemuri explained four buckets can be used to define values of using social media:

1. Accelerated awareness – social media can always be used to generate rapid awareness through customer base by announcing and advertising in the network, driving the much needed awareness to notify the new services and products.

2. Deepen Customer Relationships – By having a strong and well-executed social network community, customer affinity will be grown and improve thus attract new and present customers to use social networks in turn reducing costs for customer-services. Engaging in customer relations and involve them in several topics to get feedback and improving the services.

3. Foster Innovations – As understand by observing communities, customers themselves will promote the companies and services and suggesting improvements for new ways to solve problems, communicate even in close hours. This can also be a problem collecting and analyzing the data but the pros especially the feedbacks will accelerate the service improvement leading to more customers' satisfaction.

4. Drive transactions – Using social networks specially forums can make a ground for discussing new transaction tutorials for customers, people can talk and learn new ways and trade fast and simple by using these methods (Schwab Trading community).

Figure 2.1: Ranking of social media's websites for advertising

2.2. Social Networking Web Sites (SNW)

Social networking sites are websites used to promote the interaction between users. These websites encourage their users to create personal profiles through which they can be contacted by other users for interactive activities of a social nature. Every user has a personal profile, which may include pictures, videos and other graphics. According to O'Reilly (2005), these social networking sites have functionalities that are similar to Web 2.0 and therefore could be defined as Web 2.0, since they look like desktop applications. Social networking sites have become so popular these days; examples include Facebook, Twitter, MySpace and LinkedIn. Facebook is currently the most popular with about 1 billion users according to Third Quarter Reports (Facebook, 2012). Social media or social networking sites (SNSs) such as Facebook, MySpace, Twitter, and LinkedIn are sites that allow users to create and

maintain a network of friends including family, colleagues and business associates for either or both social and professional reasons (O'Murchu, Breslin and Decker 2004). These friendship communities initiate and facilitate the establishment of associations on social media thereby encouraging the direct exchange of information within the users of social media (Wasko and Faraj, 2003). In contrast with blogs and other social media such as Twitter and MySpace, which also contain large but more loosely knit groups or members, Facebook consists of individuals who often know each other in real life and hence have stronger social ties. As the most popular and fastest growing social networking site, Facebook was developed as a unique college website where users required an educational email address in order to gain access. Since then it has expanded to include users from different ages, nationalities, cultural backgrounds, work environments and social status. The user-friendly navigation of Facebook also makes it easy for users to access social applications on various platforms either desktop or mobile. Users first of all have to sign up with their email address to create a profile, which means uploading a picture to enable friends identify and add you to their friends list and then update their personal or business information to start up. Facebook, which is a leading social media, is on the top of the priority for marketers as a result of its popularity and widespread use by youths. For this reason advertisers embrace the advertising features of Facebook, which include creating events, fan pages, games, applications and using best practices to direct users to their Facebook pages. These options or features on Facebook offers the users the functionality of contributing to the page through liking, sharing and reporting content through links, which allow customers or users to respond promptly. This shows how effective social media can be for advertising even building

credibility for organizations and their product brands, engaging users as well as customers, thereby proving effective for advertising.

2.3 Advertising on social media

 Social media advertising provides a whole new dimension to advertising as its offers interactivity to the users especially on Facebook which is the dominant social media (Logan, K., Bright, L.F and Gangadharbatla, H. 2012). Facebook advertising offers users or consumers the opportunity to interact actively with the adverts on their page allowing them to 'like' and 'share' adverts and also view who else or which friends liked or shared the same adverts. It can be said that the social media networking has shown that birds of the same feather not only flock together but they also like and share views together too. While there are increasing advantages in advertising on social media networks, there exists the evolving conviction that aligning the relationships between users or customers' online and generating graphs for these social relationships can be invaluable for predicting the response of customers to various online marketing strategies and messages.

The effectiveness of advertising is in away related to its credibility, which is the way customers express what the feel about the reliability is increasingly becoming a great concern for consumers with regard to the credulity and general message of the adverts. This is because consumers do consider some specific kinds of adverts as more reliable than the rest. (Johnson and Kaye, 1998). According to some research viewpoints, social media could be considered as being a check for the credulity of initiators who spread brand attractions and in accord with the findings of Lee et al. (2011), consumers view consumer generated messages on social media as being motivated by altruism than marketer generated messages. Continued but particularly

researched the factors driving product referral action on social media and observed that customers easily accept products or brands recommended by the consumers rather than products or brands recommended by the producer or marketing agencies (Chatterjee, 2011). Muntinga et al. (2011) discovered the atmosphere promoting user participation in recommending product brands differ according to the particular social media in consideration. Researchers generated classifications for checking the extent of the customer's participation and with the aid of this classification they discovered that customers who used social media played a great role in building up the product brand image as they like or share ideas relating to the product online. This shows that an activity on social media, which relates to the products of a particular organization, builds up. Calder et al. (2009) supports the idea that social media advertising contributes to the various user participation online through their evidence that customers who access various social media exhibited interactive attitudes which therefore enable their engaging in communication with other users.

It would have been certainly interesting to mention that traditional measures supply inadequate measurement of social media advertising effectiveness due to their affirmation on outcomes (Pavlou and Steward, 2000). Although an online advertising offers some interactive advantage and change consumer's perceptions from marketers, the nature online advertising dictates that the process should include some features such as participation, realization, personalization and feedback. Moreover, the consequence of advertising result should be included consumers' evaluations of interest indicated by the ads. Previous empirical findings suggested that the confirmation of advertising on social media is affected by the degree of amusements and information awareness, which it offers the consumers.

Figure2.2: sample of advertising on social media

2.4 Facebook Advertising

Facebook, the most popular site in social media has come to stay with great advertising potential.According to Infographic, the statistics on facebook shows that:

- On the average, a profile owner on Facebook has about 130 friends together with about 80 page likes.

- 56% of consumer expressing a greater likelihood of sharing or recommending a brand after clicking 'like' on the band's Facebook page.

- Facebook users share more than 3.5 billion pieces of content (pictures, pages, links or any such thing) on a weekly basis.

According to Facebook Reports Third Quarter 2012 Results which ended September 30, 2012; Mark Zuckerberg, Facebook founder and CEO said: "As proud as I am that a billion people use Facebook each month, I'm also really happy that over 900. Million people now share and connect on Facebook every month using mobile devices".

Also, Anson Alexander (2012) in his article, "5 Ways Facebook Will Change After Going Public" stated that Facebook advertising will have more dimensions after going public on the stock market but the way these advertisements will be implemented is something that is not clear yet. However some people speculate that it is likely to be viewed along with the outline of the updates on the user's personal Facebook profile pages as well as on the general homepages and so Facebook users will have to view increased numbers of advertisements. This suspected increase in Facebook advertisements may probably be a way to please or satisfy the prospective shareholders. Also Facebook users will be able to create advertisement profiles and pages and have them displayed according to the Facebook terms and conditions.

Figure 2.3

Stats of the Day

facebook.®

There are now more than 800 million active Facebook users, with more than 200 million added in 2011. (Social Media Examiner)

👤 =100 million 👤 = added in 2011

30%

B2C Facebook results are 30% above average on Sundays. (Convince & Convert)

60%

Nearly every large charity and university in America is on Facebook. Less than 60% of the Fortune 500 are. (Grow)

Parents of 10-year-olds on Facebook

○ aware when their child signed up for the site

● helped create the child's account

(children under 13 are prohibited from joining the social-networking site)

The average Facebook user has 130 friends and is connected to 80 pages, events and groups. (Social Media Examiner)

Average Facebook User 👤 **130** Friends **80** Pages

95% percent of Facebook Wall posts are not answered by brands. (All Facebook)

77% percent of consumers said they interact with brands on Facebook primarily through reading posts and updates from the brands [....] 17% of respondents said they interact with brands by sharing experiences and news stories with others about the brand, and only 13% of respondents said they post updates about brands that they like. (Mashable)

Auto-posting to Facebook decreases likes and comments by 70%. (Inside Facebook) 👎

56% of consumers said they are more likely to recommend a brand to a friend after becoming a fan on Facebook. (Mashable)

When it comes to liking brands on Facebook, the reasons are varied, but for the most part, respondents said they "Like" a brand on Facebook because they are a customer (58%) or because they want to receive discounts and promotions (57%). 👍

3,500,000,000
f Share

There are more than 3.5 billion pieces of content (web links, news stories, blog posts, etc.) shared each week

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Currently Facebook users have access to a new functionality of creating and uploading a cover page for their profiles. These cover pages are similar to profile pictures but have a large space over the profile picture and looks somewhat like as a banner over the whole profile page. Facebook also has functionality for various kinds of advertisement but first organizations wishing to use these functionalities will have to create an advertisement page through a procedure similar to the creation of a personal profile page but this time using the organization's brand name and other necessary details. Afterwards the cover pages could be used by companies and organizations to advertise their products and services just as they apply the profile picture function to advertise their various brands. The latest statistics report from Facebook claims that up to 1 billion people are active users and more than half of them visit the site on every other day (Facebook, 2012). Although there exists a growing popularity in the use of other social networking sites, the unique nature of Facebook as a leading social media lies in the intelligence of engaging the social context of users activity, the pages they visit, the kind of pages they like and what information they forward or click on as well as the pictures they view or post on their profiles. All these including the easy access to link facebook accounts to other social networking sites or online pages and the functionality of liking a post from another social networking site and making it appear on Facebook posts is just too efficient in speeding up the rate at which information and advertisements are transferred making the effectiveness of Facebook advertising in enhancing brand image even more obvious. As a result, Facebook has a very significant potential to spread viral content on the Internet and most companies and organizations are willing to spend a reasonable chunk of their budgets on funding the analysis of procedures to determine the potential customers and flood them with advertisements on Facebook. According

to statics report by e-Marketer a leading organization in marketing research, in the United States alone organizations contracted for social media advertisements are willing to spend about $3.08 billion on social media advertising by the end of 2011 and about 68% of this amount will be spent on Facebook Advertising (eMarketer 2011). Moreover, as organizations continue in their quest to discover various ways of breaking even through these barrages of advertisements and achieve greater communication effectiveness of social media, it is recommended that a careful consideration be directed to the selection and utilization of different marketing strategies on this social platform.

Figure2.4: Different methods of advertising on Facebook

2.5 Viral Marketing

Viral marketing refers to a procedure used to arouse the customers or consumers of a particular product to share information about that product together with the marketing message of the product to the members of their family, their friends, and their colleagues (Laudon and Traver 2001). Social media such as Facebook is employed to create ample opportunities for viral marketing making it very conducive for news diffusion. This is therefore encouraging marketers who have been shifting advertising spending to viral marketing because it is proving more powerful and more cost-effective (Knight 2007). According to Ho and Dempsey (2010), viral marketing typically starts with the formation of product/brand related electronic content (e.g. Video, articles, pictures, etc.), which is made available to Internet users through the URL (web address). Users first access and consume the content. When they find certain electronic content that is worth their time and effort to forward to other internet users, information forwarding occurs. Such forwarding is known as a pass-along effects (Phelps et al. 2004). Therefore Ho and Dempsey (2010) in conclusion stated that the better the particular content fits with the one pass-along motivation, the more likely it is that it becomes viral. This shows a glimpse of how social media could be exploited for advertising purposes as well as the effectiveness of using the potentials of Facebook advertising in accomplishing the task of enhancing a product brand image.

2.6 WOM

Word of mouth (WOM) is a self explanatory phrase which refers to the strategy of using one's mouth to recommend or pass on information about products and services to other people who may want to use such products or goods and services. Some books have pointed to WOM as a functional alternative to the early methods of

marketing. In 1999, Misner considered WOM as the most effective method of advertising as it is sustainable, but it is the most neglected as it is not fully understood by marketers. For this reason Marketing organizations have a special interest in studying WOM so as to gain good insight into its working principles and therefore harness it effectively since the usual forms of marketing seems to become inefficient (Nail 2005). An example of a survey proves that customers behaviors and attitudes to communication and advertising have greatly increased within a period of about 2 years (from September 2002 – June 2004) Nail (2005) and the statistic show that less than 40% of people concur to the fact that advertisements helps them learn about new products, while less than 59% of people agree to buying products as a result of being enticed by their adverts, however less than 49% of people consider the advertisements of their favorite products as entertaining. All these could support the opinion that the principles guiding the WOM (word of mouth) communication or distribution of information are appealing since they bring to light the idea of overriding the customer reluctance to buy using low cost and fast delivery logistics through social media. Word of mouth in social media is an electronic means of advertising or recommending products to the consumers through social media such as Facebook. WOM features on Facebook are unique and therefore positions Facebook advertising as an effective means of enhancing the brand image of various products as well as other goods and services. Social media makes possible the availability of opportunities for unprecedented sharing of consumer experiences, views and preferences with people around the world and as well more avenues for organizations to harness the efficiency of wom in their advertising. Therefore, organizations that take their time to study and understand the WOM processes can as well make good use of it in enhancing their products brand image. Social media or

social networking sites represent a fast growing area of the World Wide Web. Basically social networking sites are created by individuals or groups of people who go on to advertise their pages by sending out invitations to other users on the network to join their sites. The new members also in turn forward invitations to others and it continues in this fashion to acquire more and more members. This process is better known as word of mouth (WOM) referrals and it is a force to reckon with as it expedites the acquisition of members.

2.7. Brand Image

Brand image according to Keller (1993) refers to a group of brand associations which the customers picture in their minds as the identity of a brand. Brand image could be associated with features of specialty, strength and likeness and these interpret what the brand stands for to the consumer, in relation to the goods and services it provides, therefore highlighting the advantages of using that brand of product (Keller, 2008). Brand image is made available for costumers' evaluation and to determine the quality of goods and services prompting consumer behavior. Whan Park, Jaworski, and MacInnis (1986) elaborated on several suppositions of brand images, which they divided into 3 sections namely: functional, symbolic, and experiential areas. Subsequently, Meenaghan (1995) noted that brand image could be viewed as a product or service intelligence that enables consumers to categorize a particular brand. Similarly, in another related study Bhat and Reddy (1998), found out that brand image is used as an alert for information, alternatively brand image could have real and virtual associations in the client's mind (Blackwell, Miniard, and Engel, 2005). Based on the extant literature, consumers try to access tangible and intangible product and/or service associations through the brand image, As such they tend to gather some market intelligence through social media. Probably a brand may

not possess the attraction, expertise and trust required to make it sell but the customers will buy based on the associated image given to this brand through the social media and the number of users who liked the product page on it. According to Zhou & Belk (2004) this shows that the customers could probably be seeking to belong to a particular group to enhance their self image or for a higher feeling of self esteem.

2.8 Brand Equity

Brand equity is an important aspect of branding that point to the differences in effects, which brand categorizations have on customers' viewpoints about the marketing practices of a particular brand (Keller, 2008). Earlier, Keller (1993) stated that brand equity refers to the variations and dissimilarities in brand awareness, which customers entertain in their minds about the marketing incentives offered through a particular brand. Additionally, Aaker (1992) suggested that brand equity includes five frameworks, with four of them being primitive to the endowment of loyalty to brand whereas the familiarity of the product together with the perceived quality and brand affiliation reveals the consumer perceptions and reactions towards the brand. From the foregoing brand loyalty is thus a consumer-based concept. Subsequently, Aaker (1996) continued, stating that a strong and reputable brand image enables customers to build up affirmative attitudes and feelings about the brand, which brings about the enhancement of the brand image to increase its value as perceived by the customers. Therefore, brand image would be contributory in establishing brand associations that will in turn positively affect brand equity. The power or predominance of brand image on brand equity as a result of consumer's attitude to product brands in (Faircloth et al. 2001) influential work indicates that consumer's attitude to brands and different brand affiliations can result in a positive

brand image. However after the analysis conducted by Chen (2010) on the influential effect of brand equity on brand image, an inference could be made based on these analytical studies and considering the possibility of customer's attitude on brand image affecting customer' views on the brand equity that the relationship between brand equity and brand image is at par with each other and thus, the influence is vice versa.

2.9 Purchase Intention

According to Dodds, Monroe, and Grewal (1991), and also Grewal, Monroe, and Krishnan (1998) expressed the meaning of purchase intention as a probability which lie in the hands of the customer or consumer whether to buy a particular product. It could be viewed as a customer's decision to buy a product. On the other hand, Zeithaml (1998) and Schiffman and Kanuk (2009) discovered that customers decision to buy a product (purchase intention) most times could depend on the product value and benefits which other users or consumers have attested to after making use of the product. In this way it could be said that the higher the consumer rating of the product the more probability that customers will purchase the product. This is the reason behind the wide application of purchase intention in forecasting the actual actions of potential customers. Moreover the variables for measuring customer purchase intention are a function of the probable outcomes of whether or not the consumers recommended a product as well as whether or not the customers intend to buy the product. Although earlier Aaker (1991) observed that brand equity affected the customer's probable decision to purchase a product. It was considered that the customers would have more willingness to buy a product if there existed greater brand equity and also customers would have a stronger will to go for a higher price as far as they perceive a product as possessing a higher brand equity. This

points to the reasoning going on in the minds of the customers, the stronger the willingness to acquire a product (purchase intention) the more the customer disregards the price. This proves that the customers' appreciation of both the brand image and brand equity affects their willingness to disregard the price and purchase the product this therefore directly and positively affects purchase intention.

Figure 2.5. The Model Showing the Effect of Facebook advertising on Brand Image
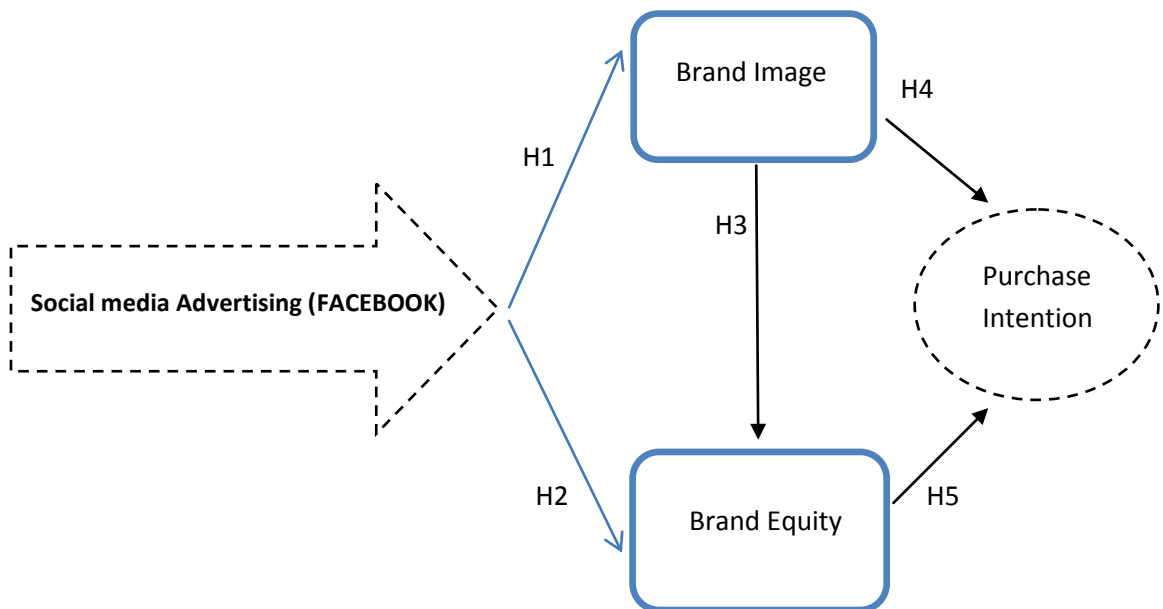
Bearing on the model above, therefore the following hypotheses were proposed:

Hypothesis 1: Consumers opinion on Social media (Facebook) advertising will positively affect Firm's brand image.

The application of firm created advertising (viral marketing) together with the user generated or word of mouth (WOM) leads to spontaneous forwarding and

recommendations by users who find the brands worthy of consideration and this is accomplished through social media according to Ho and Dempsey (2010). In this way social media advertising builds up the brand image thereby positively affecting brand image.

Hypothesis 2: Consumers opinion on social media (Facebook) advertising will positively affect Firm's brand equity.

A reputable brand image according to Aaker (1996) greatly assists in creating brand awareness to the customers helping them build up feelings and attitudes that will increase the customers' perceived value of the brand and this positively affects brand equity. Subsequently, this influence (Faircloth et al. 2001), which is expedited through social media advertising therefore positively affects the creation of brand equity.

Hypothesis 3: Firm's Brand image on social media (Facebook) advertising will significantly affect brand equity.

In 1992, Biel considered brand image as of great significance in the in the set up and formation of brand equity arguing that brand image is a set of attributes relating to a product and connected to brand titles or brand names in the customers memory. These brand associations jointly affect brand equity. Additionally, the relationship discovered by Chen (2010) showed that brand equity significantly affects brand image and this relationship is vice versa. Therefore referencing to this viewpoint it is considered that the extent to which the influence of customer's attitude to brand image affects customer' views on the brand equity is at par with both brand image and brand equity.

Hypothesis 4: Firm's Brand image on social media (Facebook) advertising will significantly affect purchase intention by consumers.

Strong and reputable brand images are advantageous to consumers' perception of value in relation to the brand. For example, consumers have a willingness to go with a particular brand of product even at a higher price when there exists a stronger will to buy that brand regardless of the price, which means the presence of a strong purchase intention. This is in consonance to argue of Esch et al., (2006), which stated that the customers' contemplations to buy a product that is, purchase intention is well influenced by strong brand image. A strong brand image therefore exerts a positive force to the customers' willingness to go for more expensive products with more brand equity (Faircloth, Capella, & Alford, 2001; Lassar, Mittal, & Sharma, 1995). Then as a result of high brand awareness created through the social media, brand image therefore affects the customer's purchase intention.

Hypothesis 5: Firm's Brand equity on Social media (Facebook) advertising will significantly affect purchase intention by consumers.

Consequently, the research of Cobb-Walgren et al. (1995) as well as the works of Jung and Sung (2008), shows that brand equity was positively correlated to purchase intention.

Conclusively, in relation to hypothesis 4 and 5, brand equity will significantly affect purchase intention positively.

Chapter 3

METHADOLOGY

The main goal of the empirical study conducted was to find a possible connection between Advertising and social media in order to enhance company's brand image. Especial focus was given to the object and purchase intention of customers as part of marketing and the impact of these orientations on business performance. For the purposes of this study, a quantitative approach was seen as more appropriate, because that way a clear image of the relationship between social media advertising and brand image could be achieved.

Through this chapter, we used information for sampling and collecting data which explained details about the type of the questionnaire, data gathering procedure, analytic and scales the method which used for data collection .(Yolanda and Ngai,2011). This research was concerned generally with the role of communication technologies like social networks, especially Facebook, played in the advertising and formed in the case of enhancing brand image. It investigated the correlation of social networks (Facebook) and advertising as a mechanism for developing brand image.

3.1 Research design

I chose a quantitative research approach and used survey method. In sum, the reasons to choose survey method were: 1) Questionnaire are useful in describing the characteristics of a large population, 2) It can be manage from remote locations, for example through Email or like what I did through a website, 3) Many questions can

be asked about a given topic, and finally, 4) Sample survey means that similar data can be collected from groups then interpreted comparatively. Additionally, to look at the research topic from different outlook as well as answering some research questions, I compared the most top popular brand's page in Facebook in order to investigate precise information from consumers in social media.

As mention above, I used the survey approach based on questionnaires and I followed two main goals in this regard: first, I tried to assess the Facebook advertising usage rate in the case study and second I tried to find out customer's attention toward brand image in Facebook in different brand structures.

3.2 Sampling

In this study survey methodology was used with questionnaire method where it was done in two ways: via e-mail and personally.

 According to Sap ford R (1991), it is possible to determine the sample by using geographical locations in which the respondents can randomly by collected in the field. In reality, 120 participants from the domain of 12 countries were involved in the realization of study which majority of countries was chosen from Iran and Turkey who had been studying in Eastern Mediterranean University. In addition, the online research is conducted to some of the members of Facebook.com in the field of brand and advertising.

3.3 Data collection

The questionnaire was developed in English either face to face or online and included three parts and totally 28 questions. At the beginning of the questionnaire some demographic questions from participants (Gender, age, monthly income of family) were asked and in the second part, were asked some yes and No questions about their perception toward advertising and those brand's pages which shown on Facebook, finally, ten five point likert type scale (where 5-point scales where 1=strongly disagree and 5= strongly agree) to record their perceptions.

A total of 120 questionnaires were collected, 20 of them were partially completed or unusable and excluded from date entry. Thus, 100 questionnaires were used for the data analysis. It would have been interesting to mention that for maximum clarity the questions were designed in a simple and very smooth way in order to be understandable for every respondent. In terms of testing the validity of the answers in the questionnaire is that asks the same question twice in different way and in different part of questionnaire were asked. In online section of survey, data were congregate by using an online survey throughout the internet. The web sites was provided in English in following address: http://www.websurveymaster.com/s/14348814,when participant enters the link provided the survey page was opened in few seconds, then as they complete the questionnaire and submit all of data automatically save to the data base file, which is congregate information save to the data base file, which is gathered information simultaneously.

For analyzing data and evaluating results, SPSS (version15.00) for windows was used. Descriptive analysis such as means, standard deviation and frequencies are calculated.

Chapter 4

ANALYSIS and Finding

This chapter has illustrated information and about the results which used for the empirical study. Demographic characteristics of respondents are reported using frequency analysis. The perception of Facebook advertising and influence on brand image and purchase intentions were measured using independent sample t-test, seeking motivations and demographic variables were measured by using one way ANOVAs.

4.1 Demographics

The sample comprised of 100 participants. The sample consists of 53% women and 47 %men. Measures of central trend were evaluated to summarize the data for the demographic variables. 12% of the respondents' ages were under 21, 66% between21-30, 15% between 31 and 40, 7% between 41 and 50 while the rest is over 51.Monthly income is expressed in Dollar, 35% of the respondents had monthly income under 400$, 42% between 400 and 800$, 13% between 800 and 1200$, 10% between 1200 and above. The status indicates that 70% of the respondents were students and 30% were working.

Table 4.1: Demographic Variables Frequencies

		QA1 Gender	QA2 Age	QA3 Status	QA4 Salary
N	Valid	100	100	100	100
	Missing	0	0	0	0
Mean		1,53	2,17	1,30	1,98
Median		2,00	2,00	1,00	2,00
Mode		2	2	1	2
Std. Deviation		,502	,726	,461	,943
Minimum		1	1	1	1
Maximum		2	4	2	4

Statistics

4.2 Variables

Brand image

The mean score of Brand image test was 3.78 with SD=1. 355. The minimum score was 1 and the maximum 9. The majority of respondents scored 3.5.

Facebook Advertising

The mean score for Facebook advertising (Facebook-adverb) test was 2.0275 with SD=1. 63681. The minimum score was 1 and the maximum 9. The majority of respondents scored 3.

Brand equity

The mean score of Brand equity test was 3.4767 with SD=1. 380. The minimum score was 2 and the maximum 9. The majority of respondents scored 3.67.

Purchase Intention

The mean score for the purchase Intention test was 3.6525 with SD=1. 3651. The minimum score was 1.75 and the maximum 9. The majority of respondents scored 3.

Table 4.2: Scale Variable Frequencies

Descriptive Statistics			
	Mean	Std. Deviation	N
Brand image	3,78	1,355	100
Facebook-Adver	2,0275	1,63681	100
Brand-Equity	3,4767	1,38069	100
Purchase-Intention	3,6525	1,36510	100

4.3 Correlations and Cross Analysis

4.3.1 Scale Variables

Correlations were examined between scale variables. A Pearson product-moment correlation coefficient was calculated to evaluate relationship between dimensions. For the Facebook-advertising dimension, results showed that the Facebook-advert is closely related to Brand image with r=0. 889, n=100 at p=0. 000. The same result was calculated for Facebook-adverb and Brand-Equity with r=0. 919, n=100, P=0. 000. Similar results were found between Facebook-adver and purchase intention with r=0.901, n=100, P= .000.

Table 4.3: Correlations Summary

Correlations		Brand image	Facebook -Adver	Brand- Equity	Purchas e- Intention
Brand image	Pearson Correlation	1	,889**	,881**	,879**
	Sig. (2-tailed)		,000	,000	,000
	N	100	100	100	100
Facebook-Adver	Pearson Correlation	,889**	1	,919**	,901**
	Sig. (2-tailed)	,000		,000	,000
	N	100	100	100	100
Brand-Equity	Pearson Correlation	,881**	,919**	1	,838**
	Sig. (2-tailed)	,000	,000		,000
	N	100	100	100	100
Purchase- Intention	Pearson Correlation	,879**	,901**	,838**	1
	Sig. (2-tailed)	,000	,000	,000	
	N	100	100	100	100
**. Correlation is significant at the 0.01 level (2-tailed).					

4.3.2 Scale Variables and Demographic Variables

In order to find out whether there is different between Male and Female attitude for Brand image, Purchase Intention, Facebook Advertising, Brand Equity we carried out an independent t - test.

Since Significant calculated is more than 0.05, we conclude that there is no difference between Male and Female attitude for our variables. In addition, In order to determine the relationship between the all demographic variables and scale variables ANOVA was used. The four demographic variables include: Gender,

salary, current status and age. The scale variables include of four quantitative criteria. For comparing the means of Brand image, Facebook-adver, Brand-Equity and purchase intention by all demographic variables. There was no significant effect of gender, age, status and salary level on scale variable at the P<0.5 level.

Table 4.4: ANOVA Test

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Brand image	Between Groups	2,558	3	,853	,457	,713
	Within Groups	179,102	96	1,866		
	Total	181,660	99			
Purchase-Intention	Between Groups	4,002	3	1,334	,710	,549
	Within Groups	180,485	96	1,880		
	Total	184,487	99			
Facebook-Adver	Between Groups	3,307	3	1,102	,404	,750
	Within Groups	261,929	96	2,728		
	Total	265,237	99			
Brand-Equity	Between Groups	2,261	3	,754	,388	,762
	Within Groups	186,463	96	1,942		
	Total	188,723	99			

4.4 Hypothesis Testing

Differences between Old and New Brands in Facebook Advertising

An independent-sample test was conducted to compare analytic styles between old and new brand in Facebook. There was a significant difference in score of dimensions. As hypothesis has shown because Sig. (2-tailed) value is less than 0.05

Therefore we do not reject Hₐ

Hₐ: There is a difference between New and Old for brands in Facebook advertising.

Table 4.5.

		Independent Samples Test				
		Levene's Test for Equality of Variances				
		F	Sig.	t	df	Sig. (2-tailed)
FB_brandimg	Equal variances assumed	,656	,420	-2,111	93	**,037**
	Equal variances not assumed			-1,980	56,592	,053
PurchaseIntention	Equal variances assumed	,477	,492	-1,938	93	**,056**
	Equal variances not assumed			-1,989	73,756	,050
face_Adver	Equal variances assumed	5,263	,024	-7,752	93	**,000**
	Equal variances not assumed			-7,270	56,605	,000

Hypothesis 1: Consumer's opinion on Facebook advertising will positively affect the Firm's brand image.

A Pearson product – moment correlation coefficient was applied to evaluate the relationship between to Facebook advertising and Brand image. There was strongly positive correlation at sig=0.000, n=100, r=0.889.

Therefore we do not reject H1.

Hypothesis 2: Consumer's opinion on Facebook advertising will positively affect Firm's brand equity.

A Pearson product − moment correlation coefficient was applied to evaluate the relationship between to Facebook advertising and Brand equity. There was strongly positive correlation at sig=0. 000, n=100, r=0. 919.

Therefore we do not reject H2.

Hypothesis 3: Firm's Brand image on Facebook advertising will significantly affect brand equity.

A Pearson product − moment correlation coefficient was applied to evaluate the relationship between to Brand image and Brand equity. There was strongly positive correlation at sig=0.000, n=100, r=0.881.

Therefore we do not reject H3.

Hypothesis 4: Firm's Brand image on Facebook advertising will significantly affect purchase intention by consumers.

A Pearson product − moment correlation coefficient was applied to evaluate the relationship between to Brand image and purchase intention. There was strongly positive correlation at sig=0.000, n=100, r=0.879.

Therefore we do not reject H4.

Hypothesis 5: Firm's Brand equity on Facebook advertising will significantly affect purchase intention by consumers.

A Pearson product – moment correlation coefficient was applied to evaluate the relationship between to Brand equity and purchase intention. There was strongly positive correlation at sig=0. 000, n=100, r=0. 838.

Therefore we do not reject H5.

Chapter 5

DISCUSSION AND CONCLUSION

The aim of this study was research about the relationship between social media advertising (Facebook) and enhancing brand image in order to measure purchase intention alongside analytic decision making.

Observing the results, high percentage of correlation variables show the process of obtaining and exchanging information through social media (Facebook) eases up publics' participation for being as a whole. Facebook by taking two leverages as WOM and viral marketing could enhance Brand image and brand equity respectively which increase purchase intention of consumers.

The research revealed that, advertising on social media (Facebook) accepted as more fashionable than the traditional advertisements. Over the last decade, in order to catch consumers' attention and customization of consumer's needs, advertising specialists started to use social networking websites appeals on their ads in order to share brand image by users and developing free advertising.

In addition, research finding also shows that consumers find Facebook advertising more informative and fashionable because they can get customized information and

up-to-date about from advertorials. On the other hand negative and positive review of other people on Facebook around brand could decrease and increase decision making process and purchase stage. In the other words, opinion of others on Facebook change brand preference of potential consumers. Moreover, many of the participants agree that their willingness to buy from brands which has most like and share manifest as a reputable sign. Being as a part of big challenge motivates the costumers' involvement in forming the purchase intention process.

As most of the social media members are young and early adult so, according to the increasing world growth in increasing numbers of brand companies, subsequently most of them interested to be unique styles to be more specific and noticeable by pursing the news of brands which is mostly through recommendation and imitation of friends and close acquaintances. Brand image positively influences buying decisions of consumers so they would buy from specific brands which advertised positively through acquaintances that trust them because of their positive buying experiences; so, as they see the satisfaction of their relatives or friends from particular brand's recommendation, consequently they accept it based on risk reduction. Furthermore, consumers have the opportunity to join the dialog by making comments or share information on social media platforms which enable them to flow information through trusted relationships to broader circles.

Indeed Marketers, step by step learn more and more about the consumer's relationship with each other and have begun to work with the power of information cascade in social media platforms in order to generate brand's reputation.

With the customization advertising in the main goal of every firm the situation by improving and innovating through social networks such as Facebook is much needed debate. The social media provides new opportunities, paving way for enhancing brand image's firms that need to put it in their top priority. Also the new and old brands would use the social media to improve their competitiveness in the market and to gain momentum with their consumers in order to achieve customer satisfaction. Through the use of social media would easily reach the user-friendly interactive system, understanding customers' special and unique needs in a way that clients themselves are can adapt and understand well. In the course of data analysis many consumers turned to doing word of mouth for brands, making them a brand's indirect advertisement force. Even so some firms believe that using social media extensively would cheapen the way of enhancing brand image businesses because evidences as available by checking out social media pages, blogs, forums and such we can understand that customer satisfaction has been increased in a way that while these networks are not the backbone of service providers, they got better feedback regarding the use of these networks and media.

5.1 Limitation

A number of significant limitations need to be noticed. First, this result is based on small sample size, caution should be applied, because of these limitations as the results should not be applied and developed for the whole population.

This study was unable to measure factor of Gender as a demographic variable which might have influenced the measurements of Facebook advertising. The sample also consisted of a majority of three countries (Iran-Turkey-Cyprus), this might have also affected the results of the study.

5.2 Further studies

The other areas for further research, Based on social media advertising would be of great help in enhancing and understanding on why many firms trying to change the way advertise on the market and how they continue to contact with their customers via multi-way communication. Furthermore, It needs to investigate on generating viral customer on social networking websites by giving the possibility of increasing WOM in order to reduce cost and make alternative convenient for advertising.

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APPENDIX

Form 1: Sample of Questionnaire

I'm conducting this questionnaire as part of my dissertation. I will be investigating about Facebook advertising. Details and information about the respondents of this questionnaire will be kept confidential.

Thank you for taking part in my questionnaire ☺

PART A

This section is about individual, please thick ( ) in the appropriate answer or fill in the blank space.

Question 1: Your gender: male (   )   Female (   )

Question 2: How old are you?   Under 20 (   )   21-30 (   )   31-40 (   )   41-50 (   )   Over 51 (   )

Question 3: Which is your current status?

a) Studying   b) Working   c) Retired   d) Unemployed

Question 4: How much is your average monthly income?

Below 400$ (   )   400-800 $ (   )   800-1200$ (   )   1200$ and above (   )

Question 5: Do you have any account in social media such as Facebook, Twitter and…?

Yes (   ) No (   )

(If you <u>do</u> have Facebook please continue to answer the following questions. If you <u>do not</u> have Facebook- thank you for participating in this questionnaire!)

Question 6: How often do you use/check your Facebook?

a) Hourly or more b) Daily c) Weekly d) Monthly

PART B

1-Are you a member in Facebook brand's pages (Like: Adidas, starbucks, Nike and …)?

percentage	No	Yes

2-How many percentage of your Facebook checking time you specify for brands' pages?

80 to 100%	50 to 80%	20 to 50%	0 to 20%

3-Did you ever familiar through one of your friends with Facebook brand's page?

percentage	No	Yes

4-Did you ever familiar with a new brands through Facebook?

percentage	No	Yes

5-Did you ever like, comment or share any brands' picture or video in Facebook?

Percentage	No	Yes

6-Did Facebook's brands' pictures or style motivate you to buy?

percentage	No	Yes

7-Do you find Facebook useful, in terms of keep up to date with new fashion brands?

percentage	No	Yes

8- Do you think the number of like of specific brands represent their quality and popularity?

percentage	No	Yes

9-Do Facebook's brands pages and their information improve your awareness in order to buying decisions?

Percentage	No	Yes

10-How many percentages do Facebook's advertising on the right hand of your page relevant to your favorites and field of knowledge?

80 to 100%	50 to 80%	20 to 50%	0 to 20%

PART C

The following contains questions about your experience with Facebook advertising as user please circle your response to the statement.