THE ROLE OF FACEBOOK IN MARKETING: CONCEPTUAL MODEL AND EMPIRICAL TEST

Marketing Research and Strategy

Merima Bejtagic-Makic,* Teoman Duman** and Meliha Handzic***

Abstract

The purpose of this research was to identify the relationships between 'Facebook' brand page users' motivations, engagement behaviours and future behavioural intentions. For this purpose, a model of Facebook brand fan page user motivations, engagement and behavioural intentions was proposed. The model was tested via an online survey distributed to Facebook users in Bosnia and Herzegovina. A total of 504 usable surveys were considered for the data analysis. Following the exploratory factor analysis tests, four main motivational factors emerged; information, personal identity, leisure and social interaction. Then, the relationships between these four motivational factors and customer engagement and behavioural intentions were tested in a structural model. Model tests revealed that Facebook brand fan page users were most motivated by information needs in regards to stronger engagement with the fan pages and more positive intentions to buy products through these fan pages. Personal identity needs were also important reasons for customer engagement with brand fan pages on Facebook. Based on these results, practical recommendations were given to marketers and brand fan page administrators.

Keywords: Motivation, Customer Engagement, Purchase Intention, Facebook Brand Page

1. INTRODUCTION

Social Networking Sites (SNSs) are becoming increasingly important in electronic business, especially for marketing purposes. Given that offline marketing, such as print media and TV have decreased in effectiveness, companies are turning more and more to online advertising (Ross, 2012). A report by Dei Worldwide (2008) shows that people now use social media more frequently than a company's official website when searching for information on a company, brand, or product. The dramatic popularity and the advantages of the vast reach, low cost, high communication efficiency of social media over offline advertising are tempting many companies to become members of the SNSs (Kaplan and Haenlein, 2010).

Although there are many popular SNSs, according to Alexa (2013), Facebook (<u>Facebook.com</u>) is currently the most used website in Bosnia and Herzegovina (B&H). In B&H, Facebook has witnessed a particularly massive rise in adoption and use within the last couple of years (Socialbakers, 2013). The audience present on Facebook is powerful and more in control. Customers have shifted from being passive to active users; since they are now able to share their experiences, ideas and opinions about the brands and companies in real time. The biggest

advantages that the SNSs have over official company sites are that consumers who visit social media websites are more likely to engage and take action (Dei Worldwide, 2008). Now, consumers can write reviews and reach out to their communities for advice before buying a product/service. Consequently, companies that integrate elements of social media into their marketing mix have a greater opportunity to influence consumers' buying choices.

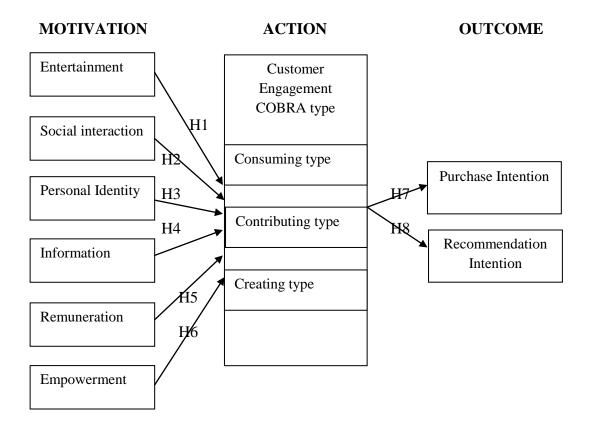
As a result of significant social and technological changes, marketing professionals are beginning to make use of these opportunities by integrating Facebook brand pages as one of the main component in their marketing strategies. Companies are increasingly seeking customer engagement (CE) with their brands on these pages and eventually transforming them into actual buyers. According to Ross (2012), engagement is a characterisation of consumers' behaviour that covers aspects of behaviour like loyalty, involvement, complaining, satisfaction, word of mouth advertising, etc. This shows the importance of establishing engaged relationships with customers on Facebook to ensure success of the brand.

Despite the obvious business potential that Facebook offers, there is a lack of research in B&H that shows the underlying motivations behind fans' engagement and its linkage to the brand's business benefits. Therefore, the purpose of this research is to address these issues by investigating the key motivating factors that influence customer engagement on Facebook Brand Page in B&H. Besides, a common challenge for brands is how to turn engagement into bottom-line profits. Therefore, this research also aims to explore the future outcomes of customer engagement in terms of purchase intention. By linking engagement with purchase intention, this research is expected to provide a valuable contribution to marketing.

2. CONCEPTUAL MODEL

The proposed conceptual model for the current research is presented in Figure 1. The elements and relationships in the model are derived from U&G and COBRA typology (Muntinga et al., 2011), as well as prior empirical studies reviewed by Bejtagic-Makic and Duman (2013). In contrast to prior research, this study investigates the types of engagement and the associated motivations underlying B&H users' engagement with Facebook brand pages. The relationships between the motivation factors, customer engagement and purchase intention are shown in the model as Motivation, Action and Outcome, based on a similar model suggested by Pöyry et al. (2013). According to the proposed model, six motivating factors directly affect customer engagement, which in turn affects purchase intentions. These hypothesised propositions (H1-H8) are tested empirically via a field survey described in the following section.

Figure 1. Proposed Research Model



3. EMPIRICAL TEST

Research Design and Instrumentation

A three-section survey questionnaire was used to collect data for the study. The first section of the questionnaire included questions about the respondents' internet and Facebook usage experience. Questions such as past experience and frequency of internet and Facebook usage were placed in this section. Also, a filter question asking whether respondents had any brand fan page was used to eliminate those respondents that used the internet but not the Facebook brand fan page. To identify the industries that were followed by the respondents through Facebook fan pages, a frequency question on a five-point scale was asked to measure the extent to which respondents follow any of the ten industries through brand pages. These industries included automobile, food and beverage, clothes/jewellery, health/beauty, e-commerce, restaurants, electronics, telecommunications, news/media, and banks.

The second section of the questionnaire included scale items to measure user motivations, their engagement levels, and purchase intentions for the products they followed through their fan pages. User motivations were measured with 17 items that represented 6 motivation factors.

These factors were information, remuneration, entertainment, empowerment, integration and social interaction, and personal identity. Five of these factors were measured with three items each and the empowerment factor was measured with two items. The items used to measure the motivations were adopted from previous motivation studies (Dholakio and Bagozzi, 2004); (Muntinga et al., 2011); and some wording revisions were made to the items into Facebook usage context. All items were measured with 5-point Likert scales where 1 represented total disagreement while 5 represented total agreement with the item.

Consumer engagement with the Facebook brand page was measured with 6 items that were developed based on Muntinga et al.'s (2011) COBRA (consumer online brand related activities) typology. Each type of engagement on COBRA typology (i.e. consumer, contributor and creator type) was measured with two items. These items were measured with five-point frequency scales where 1 represented no engagement (never) and 5 represented complete engagement (always) on the scale.

Participants' behavioural intentions were measured with two items which asked questions on intention to buy from the products they follow and willingness to recommend these products to others (Lee et al., 2006). Both of these items were also measured with five-point agreement scales. The final section covered questions about participant demographics such as age, gender, education, employment and income.

Before data collection, a pilot test was conducted on the initial survey questionnaire to identify possible unclear points in terms of clarity and interpretability (Iraossi, 2006). A pilot test was conducted with students, academics and business people who were sure to have enough experience with Facebook brand fan page usage. Each respondent was contacted individually and requested to analyse the questionnaire as an experienced brand fan page user to identify possible shortcomings on the printed copy of the questionnaire. A total of 20 respondents were contacted at this stage. Following the pilot test, a total of 8 items from the motivation scale were removed from the study and 17 items were kept for further usage. Also, one item from the behavioural intentions scale was removed and two items were used in this scale. Finally, necessary wording and format revisions were made in other parts of the questionnaire based on respondent suggestions.

Subjects and Procedure

The target group of respondents included Facebook brand fan page users in Sarajevo, Bosnia and Herzegovina. Social networking statistics show (as of mid-2013) that around 1.5 million Facebook users exist in the country (Socialbakers, 2013). The penetration rate in terms of Facebook usage in Bosnia and Herzegovina is around 35.4% (Internetworldstats, 2013). The estimated population of Sarajevo is 600,000 (Sarajevoguide.com, 2013). Therefore, a rough estimate of 200,000 people use Facebook in the city. The largest age group among Facebook

users is 18-24, followed by 25-34. Male users slightly dominate female users according to the statistics.

A sample of this target group was reached through an online data collection method. The researchers first created a fan page that explained the purpose of the study. Then, a link was given from this fan page to the questionnaire that was created on Google docs. The questionnaire was translated from English to Bosnian by a professional translator before it was put on the internet. Following the creation of the fan page and the questionnaire on the internet, respondents were directed to these pages to fill out and submit the survey. Respondents were identified with the snowball sampling method, (Malhotra, 2009) where researchers requested students, teachers, professionals, businesspeople and other people from different walks of life to help. As of March 2013, 750 completed surveys were received and due to time limitation, data collection was stopped after reaching this number. Out of 750 surveys, 504 were used and the rest were eliminated for reasons such as incomplete data and lack of brand fan page usage by the respondent.

The collected data were analysed with SPSS (v. 20) and AMOS (v. 18) software packages. In particular, all descriptive analysis of data was done with the SPSS package, while modelling was actualised by the AMOS package. The results are presented in the next section.

4. RESULTS

Descriptive analyses results

Out of 538 respondents, 75.1% were female. Therefore, the sample was a female-dominantone. Female dominancy can be considered a drawback of the snowball sampling method. The majority of respondents were in the 23-26 age group, (42.4%) followed by 18-22 (23.6%), 27-30 (16.9%) and 31 and up (11.3%). Age distribution represents statistics that show that the largest Facebook user group in Sarajevo is in the 18-24 age group (Socialbakers, 2013). 91% of the sample was from Bosnia and Herzegovina, while the rest were from regional countries where the same local language is spoken.

As for the educational background of respondents, 55% had a bachelor's degree, 23% had a master's degree, 20% had a high school diploma. In these groups, 37% were students, 29.6% were full-time employees, 22.1% were unemployed and 10.2% were part-time employees. The unemployed group represented female respondents, most of whom were housewives and homemakers. A final demographic question was about the monthly expenses of the respondents. According to the results, 40% stated that their monthly expenses range between 300 to 599 KM (local money – Convertible Marks- that has a conversion rate of 1.9558 against the euro) while 27.7% spent less than 299 KM, 15.8% spent between 600-899 KM and the rest spent 1200 KM or more.

In another part of the survey, internet and Facebook usage experiences of the respondents were asked. When the respondents were asked to give their main reasons of internet use, it was found that they use internet mostly for education (28.8%) and entertainment (27.8%) purposes. Other reasons included socialisation (21%), work (15.8%) and shopping (5%). As for Facebook use, respondents stated that they use Facebook mainly for keeping up with new information (26%), keeping in touch with family and friends (26%), socialisation (16.9%), relaxation (13%) and entertainment (7%).

16.5% of respondents had Facebook profiles prior to 2007, while the rest had Facebook profiles after 2007. 96.8% of the respondents stated that they check their Facebook page every day. Findings also showed that 76.3% of the respondents use Facebook on average 1-3 hours every day, whereas the rest use Facebook for 4 hours or more per day. Approximately half of the respondents check their Facebook pages up to five times a day, while the rest check these pages 6 times or more during the day. As mentioned previously, all the respondents follow brand fan pages through their Facebook pages.

To find out the extent of brand fan page usage by the respondents, one question was asked about the intensity of brand page follow-up in different industries. Respondents were asked to rate their frequency of brand fan page follow-up in different industries on a five-point scale from never to always. Results showed that respondents followed most news/media (mean: 3.69; standard deviation (SD): 1.28), followed by clothes/jewellery (mean: 2.96; SD: 1.28), health/beauty (mean: 2.75; SD: 1.30), e-commerce (mean: 2.66; SD: 1.28), food and beverage (mean: 2.20; SD: 1.11), telecommunications (mean: 2.05; SD: 1.15), restaurants (mean: 1.85; SD: 1.01), electronics (mean: 1.83; SD: 1.05), banks (mean: 1.65; SD: 1.00), automobile industry (mean: 1.56; SD: 1.90).

Measurement Model Test

Construct validity of the scales used in the analysis was checked with exploratory factor analysis (Churchill 1979). Initial factor structure identified from literature was analysed with exploratory factor analysis. The initial factor structure can be seen in the Appendix. All 25 items that would be used to test the research model were included in the analysis to identify factor structure of the scales used in the study. Following a two-step analysis, a clear structure of the dimensions and the items was achieved. During the analysis, principal component analysis was used as the factor extraction method, and the varimax method was used for the component rotations. After the two runs, two items were removed from further analysis. These were "I enjoy reading the posts e.g. posts, pictures and videos about the brand" and "I can give companies feedback related to the brand" consecutively. The first item was removed due to low loading on the components (i.e. loading was below .50), while the second one was removed due to cross loading on two components (loading: .53).

The remaining factor structure is presented in Table 1. The initial 6 factors of motivation were reduced to 4 factors and named information, personal identity, leisure and social interaction. The six factors of the motivation, engagement, and behavioral intention scales had all eigenvalues above 1, the first one (information) having the highest one of 7.95 (explained variance: 34.57%). The total explained variance of all six factors was 69%. The final analysis did not produce the KMO measures or the Bartlett test, due to the fact that the correlation matrix is positive semi definite, but not positive definite. This result occurs because one of the eigenvalues was zero. However, since sample size is high enough to support factor analysis in traditional measures (i.e. at least 10 cases per item), the extracted factor structure was used for further analysis (Hair et al., 1998).

Table 1. Results of Exploratory Factor Analysis

Components and Items		Component						
	1	2	3	4	5	6		
Information								
1. I can learn more about the brand's products/services/offers (I1)								
2. I can be updated on promotions and upcoming discounts e.g buy 2 – get 1 free, 50% discounts (I2)	.830							
3. I can access a lot of information about the brand's activities (I3)	.732							
4. I can see the pros and cons so that I can make a good buying decision (I4)	.721							
5. I can be updated on job related benefits such as new vacancy, training etc (I5)	.720							
 I can take part in sweepstakes and win valuable prizes such as coupons (I6) 	.506	.443						
Personal Identity								
7. I feel more respected and appreciated by my friends. (PID1)		.815						
8. I feel that I belong to this group (PID2)		.737						
9. I can express myself; who I am and what I like. (PID3)		.716						
10. I can influence others to buy or not to buy the products/service/offer. (PID4)		.590						
Leisure								
11. My friend/family member recommended the fan page to me. (L1)			.935					
12. It passes my time when I am bored (L2)			.935					
13. It helps me relax (L3)			.656					
Social Interaction								

<u>;</u>			840		
			.040		
,			7/7		
			. / 4 /		
				776	
				.770	
5				605	
				.093	
				680	
				.009	
	.392			.658	
220				605	
				.003	
371		31/		568	
.371		.514		.508	
					.804
					.004
376					.819
.570					.013
	.329	.392	.392	.392	.840 .747 .776 .695 .689 .392 .658 .329 .605 .371 .314 .568

Correlations between dimensions are good indicators of discriminant validity of these scales. For this purpose, index values (means) from the items making up each dimension were created and bivariate correlations were analysed. Table 2. presents correlations between the dimensions. As the table shows, all the correlations are significant and these values are at moderate levels to support discriminant validity of the scales.

To assure unidimensionality and convergent validity of the dimensions extracted through exploratory factor analysis, reliability and confirmatory factor analysis tests were applied.

One indication of the reliability of the dimensions is the Cronbach Alpha value exceeding .70 levels (Bagozzi and Yi, 1988; Nunnally, 1978). Table 3. shows the results, where all the dimensions have high alpha values considered to be supportive of internal consistency.

Table 2. Correlation Analysis

	Number of Items	I I	2	3	4	5	6
1. Information	6	1	.417**	.323**	.356**	.475**	.548**
2. Personal Identity	4		1	.428**	.470**	.571**	.393**
3. Leisure	3			1	.347**	.332**	.219**
4. Social Interaction	2				1	.421**	.314**
5. Customer Engagement	6					1	.448**
6. Behavioral Intentions	2						1

^{**} Correlation is significant at the 0.01 level (2-tailed).

A further test on unidimensionality, convergent and discriminant validity is confirmatory factor analysis (Byrne, 2001; Hair et al., 1998; Kline, 2005). For this purpose, the remaining 23 items on 6 factors were analysed with a confirmatory factor analysis method. Since the AMOS program requires replacing missing values before analysis, a missing value analysis was conducted. It was seen that out of 504 cases, one variable had 12 missing cases, as the rest had 10 or a lesser number of missing cases. In other words, all variables had around 2% or a lesser number of missing cases. These missing cases were replaced with regression methodology in SPSS.

To reach a desired CFA model, two steps of analysis were applied. In the first step, model fit values and modification indices were analysed to reach a better fitting model. In this step, two covariences were included between error variables of two items in each construct (Information and Consumer Engagement) (See Figure 2.). In the second step, path coefficients from latent constructs to their corresponding items were analysed to identify possible insignificant relationships in the model. Following this analysis, three indicators were excluded from the model consecutively (from highest p-value to the lowest) due to the fact that the significance of these path coefficients was above the cut point of 0.05. These indicators were "I can take part in sweepstakes and win valuable prizes, such as coupons", "It helps me relax" and "I view posts such as pictures, videos and audio".

The final CFA model is presented in Figure 1. Also, Table 3. shows the model constructs and indicators, standardised item loading values, scale reliability values (Cronbach alpha), and average variance extracted values. This final model also provided a decent fit level compared to the previous ones (GFI: 0.91; AGFI: 0.88; CFI: 0.95; NFI: 0.93; TLI: 0.94; RMSEA: 0.068; RMR: 0.074).

The significance of all the path coefficients from latent constructs to their indicators (i.e. at 0.001 level) can be considered as evidence of convergent validity (Sujan et al., 1994). High cronbach alpha values also support the unidimensionality of these constructs. For the discriminant validity tests, Average Variance Extracted values were analysed. When compared, all the squared correlations were less than the average variance extracted values. This is an indication of the discriminant validity of the constructs (Fornell and Larcker, 1981).

Even though two contructs are at the border 0.50 level (Fornell and Larcker, 1981), it was decided (considering theory) that all the constructs in the model provide sufficient discriminant validity to continue further structural model tests.

Figure 2. Confirmatory Factor Analysis

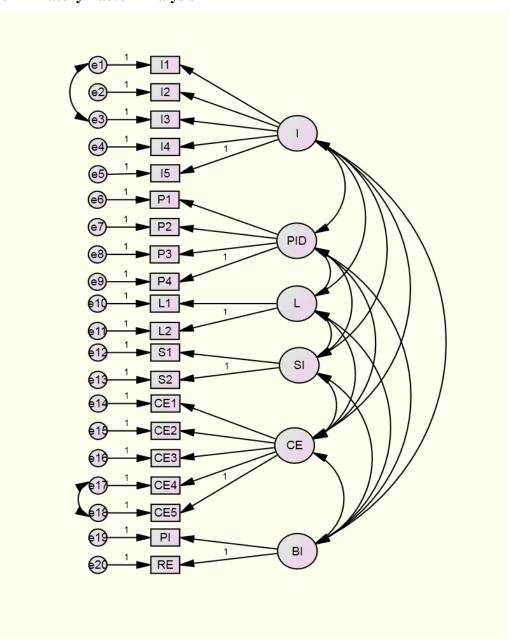


Table 3. Confirmatory Factor Analysis Results

Constructs			Standardized			G 1 1	
and	Estimate	CR*	Regression	AVE	(Corr) ²	Cronbach	
Indicators			Weights			Alpha	
Information							
I1	1.07	15.17	0.82		0.387		
I2	1.14	14.69	0.78				
I3	0.93	13.10	0.69	0.56		0.87	
I4	1.18	14.88	0.80				
I5	1.00	-	0.66				
Personal							
Identity							
PI1	1.26	14.21	0.83				
PI2	1.32	13.90	0.80			0.83	
PI3	1.35	13.64	0.77	0.51	0.452		
PI4	1.00	-	0.62				
Leisure							
L1	0.99	88.13	0.99		0.144	0.88	
L2	1.00	-	0.99	0.99			
Social							
Interaction							
S1	0.82	10.52	0.66	0.48	0.276	0.69	
S2	1.00	-	0.80	0.40		0.09	
Customer							
Engagement							
CE1	1.25	13.34	0.80		0.452	0.84	
CE2	1.17	12.70	0.74	0.49			
CE3	1.05	11.38	0.63				
CE4	1.12	11.96	0.79				
CE5	1.00	-	0.61				
Behavioral							
Intentions							
PI	0.95	17.26	0.85	0.69	0.387	0.85	
RE	1.00	-	0.87	0.09	0.367	0.63	

Notes:

(-) Indicates the relevant parameter was set to 1.0 for model estimation purposes; AVE (average variance extracted) = S (standardised loadings)²/ \sum (standard loadings)² / \sum (standard loadings)² + \sum εij;

Convergent validity = (AVE > 0.50). Discriminant validity = $AVE/Corr^2 > 1$.

 $(Corr)^2$ = highest correlation between the examined factor and the rest of factors.

^{*} All CR values are significant at 0.001 level.

Note: $X^2(153) = 511.6$ (p<0.01); GFI = 0.91; AGFI = 0.88; CFI = 0.95; NFI = 0.93; TLI = 0.94; RMSEA = 0.068; RMR = 0.074.

Structural Model Test

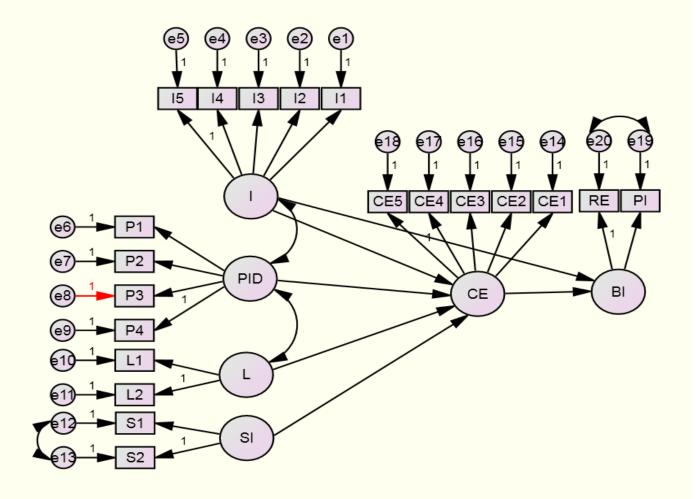
Structural model testing was done based on suggestions by Byrne (2001). Byrne proposed that a sound structural equation model should provide parsimonious results and good fit to the data. For this purpose, all the constructs together with their respective indicators were included in the initial structural model, as suggested by theory. In other words, four motivation constructs were linked to customer engagement and customer engagement was linked to behavioural intentions. No initial correlations were placed among motivation constructs. Based on the analysis of modification indices and parameter values on the paths on the model, five revisions were made during the following steps in the analysis process. These revisions can be seen in Figure 3. As seen in the figure, two error covariances were included in social interaction and behavioural intentions items. Also, two correlations were included between three motivation constructs. Finally, one path was included from information construct to behavioural intentions. All the statistical values of the final structural model can be seen in Table 4. As seen in the table, the final model provides an acceptable fit to the data, based on major fit indices provided in the table (i.e. GFI = 0.86; AGFI = 0.82; CFI = 0.91; NFI = 0.89; TLI = 0.89; RMSEA = 0.087; RMR = 0.175).

Table 4. Structural Model Test Results

Relationships In the Model	Estimate	S.E.	C.R.	P
Information to Customer Engagement	.150	.041	3.635	0.00
Personal Identity to Customer Engagement	.512	.065	7.896	0.00
Leisure to Customer Engagement	047	.021	-2.244	0.025
Social Interaction to Customer Engagement	1.866	.478	3.908	0.00
Customer Engagement to Behavioral Intentions	.514	.086	5.941	0.00
Information to Behavioral Intentions	.707	.079	8.906	0.00

Note: $X^2(162) = 782.8$ (p<0.01); GFI = 0.86; AGFI = 0.82; CFI = 0.91; NFI = 0.89; TLI = 0.89; RMSEA = 0.087; RMR = 0.175.

Figure 3. Final Empirical Model



1. DISCUSSION

As it was seen in the previous sections, factor structure, hence the research model structure, changed based on analysis of data. Initially, Facebook user motivations towards brand fan pages were proposed to include six factors; information, remuneration, entertainment, empowerment, social interaction and personal identity. Following the factor analysis, these six factors were combined into four factors, which were information, leisure, social interaction and personal identity. Based on this finding, two of the initial eight hypotheses (H5 and H6), regarding remuneration and empowerment were excluded from further analysis. This finding may suggest that Facebook brand fan page usage is not a source of consumer reward gain perceptions and empowerment evaluations for the sample group of respondents contacted for the research. Also, the last two hypotheses were combined to form a single hypothesis, since two items making up purchase and recommending intentions formed a single factor, which was named as behavioural intentions.

On the other hand, results reveal the fact that higher engagement with brand fan pages is a result of social interaction, personal identity and information needs. These results suggest that H2 (CR= 3.91; p=0.00), H3 (CR= 7.90; p=0.00) and H4 (CR= 3.64; p=0.00) were all supported by the data. Furthermore, structural analysis of data brought about a further relationship between information and behavioural intentions, suggesting that consumers' purchase and recommendation intentions are strongly related to the information satisfaction from their use of fan pages on Facebook (CR= 8.91; p=0.00). Similarly, H7 and H8 are also supported by the data, in that higher engagement seems to result in more positive behavioural intentions in regards to future purchase and recommending intentions (CR= 5.94; p=0.00).

As for hypothesis 1, the data provided mixed results with the relationship between entertainment and customer engagement. The factor analysis results proposed a related construct to entertainment, which was then named leisure. The relationship between leisure and consumer engagement is significant, but it is a negative relationship (CR= -2.24; p=0.025). This mixed result can be explained with the fact that the items making up this construct were not well constructed at the beginning of the study and the result seems to be like a statistical result, rather than a theoretical one. Therefore, entertainment and leisure as two motivational factors of consumer engagement with Facebook brand fan pages should be reanalysed in future studies to see their respective roles in consumer engagement.

Although this research has provided some useful implications, it also has further limitations that lead to suggestions for future research. Firstly, the results are from a single study with participants coming from B&H only; thus the results should not be generalised and may not apply to other countries and cultures. Second, this study employed a quantitative statistical method of analysis and collected data by means of an online questionnaire; future studies should incorporate qualitative methods such as in-depth interviews, focus groups, or online participant observations, which could help provide a more in-depth analysis of motivations that lead to

customer engagement. Further study is also needed to extend this research to other important issues and challenges regarding the role of social media in marketing.

6. CONCLUSIONS

This study proposed and empirically tested a model that explains what motivates customers to engage with brand pages on Facebook and what impact their engagement has on their purchasing behaviour of the brand's products or services.

The study made two important contributions to research and practice of marketing. For research, the study contributed a novel conceptual model that relates motivation, action and outcome aspects of customer purchasing behaviour. For practice, the empirical findings point to key influencing factors that marketing professionals need to pay attention to when planning their strategies.

Limitations of the present study in terms of a specific socio-economic context (B&H) in which it was carried out, applied research design (survey) and analysis method (quantitative) warrant future research to address these limitations by replications in different contexts and through methodological triangulation. In addition, given that the factors examined explain some variance in the dependent variables, future research is also necessary to extend it to other relevant and interesting issues regarding the role of social media in marketing.

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