# **Get Liked or Get Lost!**

How Facebook can strengthen customer-based brand equity of fashion brands.



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#### **SUMMARY**

Nowadays, many organizations have a fan page on Facebook as part of their marketing strategy. This gives them the unique opportunity to gain exposure and to interact with their customers in a direct and non-commercial way. In addition, it brings the possibility to positively influence their brand equity. Up to date little research has been done to the effects of Facebook on brand equity and how companies should use Facebook in order to strengthen this. Today companies are diving into the world of social networking without having a strategy for optimizing their online presence. Companies are simply hoping that their fan page will positively impact their brand and help bring them ahead of their competitors. Therefore this study focuses on the effects of Facebook on the customer-based brand equity of brands. For this thesis the following research questions were formulated: *Does Facebook has an influence on the customer-based brand equity of a brand?* and *Which Facebook elements on a brands fan page have an influence on customer-based brand equity?* 

With a 2 (Facebook versus no Facebook) x 3 (Brands: H&M versus ZARA versus Mango) between- subject design the research questions were answered. Prior to the experiment a focus-group interview was conducted as a pre-test, with the aim of generating a better understanding of how the consumer perceived the Facebook activities of the brands. After analyzing the results a web-based survey was developed. Participants (N=234) were randomly assigned to one of the 2 x 3 conditions. Respondents in the experimental group were asked to give their opinion regarding the Facebook page of the brand. Next, they were asked to fill in the customer-based brand equity scale. The questionnaire of the control group consisted only of the customer-based brand equity questions.

The results of this study reveal that Facebook does indeed have a substantial influence on the customer-based brand equity of a brand. This makes Facebook a very promising tool for companies, as it is a targeted, cost-effective, interactive, and engaging medium; which makes a more timely and direct end-consumer contact possible (Kaplan & Haenlein, 2010). An important outcome of this study is the fact that this is especially true for companies with a good Facebook appearance. Therefore, this study is unique as it has been able to show some important elements that a brand's Facebook page should require in order to strengthen their customer-based brand equity.

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## **Introduction 1**

This chapter will give a short introduction of the rise of Facebook and the lack of knowledge that brands have using this social network.

#### 1.1 Introduction

The marketing communication environment has changed tremendously from what it was 50, 30 or perhaps even as few as 10 years ago (Keller, 2009). Technology and the Internet have fundamentally changed the way the world interacts and communicates. People are spending more and more time online, visiting social networking sites such as Facebook. Some people even spend more time talking to friends on Facebook than talking to friends in real life (Dailymail, 2012). Statistics of the social networking service Facebook show that by June 2012 there were almost one billion monthly active users on Facebook. In this group, there are 552 million people who daily use Facebook. In comparison, Facebook had "only" 175 million monthly active users in January 2009 (Kaplan & Haenlein, 2010).

It has become clear that electronic social networking is the norm and everyone, business in particular, needs to have an online presence if they plan on staying current (Andersen & Andersen, 2011). Many brands already have their own *fan page* on Facebook. *Fan pages* are websites within Facebook, which are created by marketers. Interested Facebook users may become a "*fan*" of a fan page by linking their personal profile with that page. This way they stay in touch with the brand and get the brand's latest updates.

Having a fan page on Facebook can be a very effective marketing tool for brands. It gives them the unique opportunity to gain exposure and to interact with customers in a direct and non-commercial way (Weinberg, 2010). Besides, it could have a positive influence on the brand awareness, the brand image and the brand associations of a brand, and most importantly it may help brands to strengthen their customer-based brand equity.

In a time where many competitive companies and products are infiltrating the market, it is proven that strong brands offer many advantages. For example, retail brands with strong brand equity like Zara & H&M suffered little from the recession during the global economic crisis (Elsevier, 2011). Moreover, having a strong brand brings the opportunity for successful extensions, resilience against competitors' promotional pressures, and creation of barriers to competitive entry (Farquhar, 1989 as cited in Fayrene & Lee, 2011). Therefore it is important for companies to know if Facebook can help strengthen their brand equity and how Facebook should be used in order to do this.

While it is clear that Facebook can give brands a unique opportunity to gain exposure and brings the possibility to positively influence their brand image, little research is done on the effects of Facebook on the customer-based brand equity. Nowadays, companies are diving into the world of social networking without having a strategy for optimizing their online presence. Companies are simply hoping that their fan page will positively impact their brand and help bring them ahead of their competitors (Social Semantics, 2011). This is why further research of how firms should make proper use of Facebook, is highly relevant.

## 1.2 Purpose & research questions

The purpose of this thesis is to get a better understanding of how Facebook should be used by brands in order to strengthen the customer-based brand equity. It was decided to compare the fan pages of three fashion brands, namely H&M, ZARA & Mango. These brands share the same product category and they focus on the same "fashion conscious" consumer. The following research questions were formulated to get a better understanding of how Facebook should be used by these fashion brands:

**RQ1:** Does Facebook has an influence on the customer-based brand equity of a brand?

**RQ2:** Which Facebook elements on a brands fan page have an influence on customer-based brand equity?

## **Theoretical Framework 2**

This chapter will give a better understanding of social media marketing and brand equity. The first section will outline how social media, and in particularly Facebook, has influenced marketing communication. The second section will give a better understanding of customer-based brand equity according to the framework of Aaker.

## 2.1 Social Network Marketing

Technology and the internet have fundamentally changed the way the world interacts and communicates. Particularly social media have changed the way people communicate and the direction in which messages are exchanged. Social media enable users to have conversations with large audiences, some of who may only listen and some of who may react. It is defined as online applications, platforms and media, which aim is to facilitate interactions, collaborations and the sharing of content (Richter & Koch, 2007). Nowadays, even governmental organizations and business firms are joining and using social media as communication tools. The use of social media can bring several advantages for companies. It can create high impact on sales with low marketing costs (Kaplan & Haenlein, 2010) and can positively influence brand awareness, brand image and brand associations (Mickle, 2009). It is a targeted, cost-effective, interactive, and engaging medium; which makes a more timely and direct end-consumer contact possible (Kaplan & Haenlein, 2010).

There are varieties of forms of social media, including weblogs, social blogs, social networks, micro blogs, etc. From these various types of social media, social networks are particularly interesting as the use of these networks is becoming more popular among consumers everyday (Fox et al., 2010 as cited in Rauschnabel, Praxmarer & Ivens 2012). Social networking sites are websites that allow its users to create a profile and connect

themselves to others, such as friends, colleagues or organizations, in order to gain access to their profiles, and exchange (instant) messages with each other (Kaplan & Haenlein 2010). Nowadays, Facebook is the leading online social network community with more than 900 million members who often visit the platform several times a week (Facebook stats, 2012). Being a member of Facebook gives you your own profile that is used to present information about who you are, where you work, with whom you are in relationship etc. On this profile you can post comments, post photos, tag friends, create photo albums, post videos, create polls, etc. Furthermore, every user has its own wall where they stay updated about the latest Facebook activities of friends or liked brands.

As the use of Facebook increases exponentially, not only social networkers but also business firms and governmental organizations are joining and using Facebook as communication tools. Many brands already have their own *fan page* on Facebook. This fan page has the same interactive possibilities for companies as it has for persons. By liking a fan page people can stay in touch with the brand and follow the brands updates. This gives brands the unique opportunity to gain exposure and to interact with their customers in a direct and non-commercial way (Weinberg, 2010). Furthermore, it brings the possibility to positively influence the brand image, brand reputation and brand equity (Kim & Ko, 2010, Kim & Ko, 2011)

But still little is known how the brands fan pages needs to be designed so it can positively influence brand equity. A study of Rauschnabel, Praxmarer & Ivens (2012) revealed that the number of postings, the number of media elements include (e.g., pictures), and an invitation to respond to the posting increased the liking of a brands post. But no research yet has investigated if these elements also influence the consumer based brand equity. Companies are just diving into the world of social networking without knowing how to optimize their fan page and simply hoping that their fan page will positively impact their brand and help bring them ahead of their competitors (Social Semantics, 2011 as cited in Andersen & Andersen, 2011).

It is clear that research has to been done to the effects of Facebook on brand equity. To examine this, it is first important to know how brand equity is formed. The second paragraph will give a better understanding of this.

## 2.2 Brand equity

Brand equity is a concept that emerged in the early 1990s. As said before it is one of the most popular and potentially important marketing topics that have been raised in recent years due to their important intangible value that it can bring to organizations (Keller, 2009). Strong brands can have numerous benefits for organizations as it can lead to higher consumer preferences and purchase intentions (Cobb-Walgren, Ruble & Donthu, 1995) and influence consumer perceptions of product quality (Dodds, Monroe & Grewal, 1991). Besides, it can positively (or negatively) influence market share (Agarwal & Rao 1996); shareholder value (Kerin & Sethuraman 1998); consumer evaluations of brand extensions (e.g. Aaker & Keller 1990); consumer price insensitivity (Erdem et al. 2002); and resilience to product-harm crisis (Dawar & Pillutla 2000), as revealed in a literature review of Christodoulides and de Chernatony (2010). Therefore, branding has emerged as a top management priority and a must for every organization.

So what is brand equity? The concept of brand equity has been widely discussed in the literature. In general, brand equity is defined in terms of the marketing effects uniquely attributable to the brand. More specifically, brand equity relates to the fact that different outcomes result in the marketing of a product or service because of its brand name, as compared to if the same product or service did not have that name (Tuominen, 1999). Hence, there is still no universally accepted definition of brand equity, which is mainly due to researchers approaching the concept of brand equity differently. A commonly used definition is the definition of Aaker (1991). He defines brand equity as "a set of assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or that firm's customers "(Aaker 1991, p.12). Other authors describe the term brand equity in a similar ways; in the literature we can find the following definitions of brand equity:

- The added value that a brand endows a product with (Farguhar, 1990, p. 856)
- The added value endowed by the brand to the product as perceived by a consumer (Park & Srinivasan 1994, p. 271)
- The incremental price that a customer will pay for a brand versus the price for a comparable product or service without a brand name on it (Keegan, Moriarty, Duncan, 1995, p. 323)
- The differential effect of brand knowledge on consumer response to the marketing of the brand. (Keller, 1993, p. 45)

- The consumers' perception of the overall superiority of a product carrying that brand name when compared to other brands. (Lassar, Mittal & Sharma, 1995, p.17)

Almost all conceptualizations of brand equity agree that the phenomena involve the "added value" to a product, by consumers' associations and perceptions of a particular brand name, as a result of past investments in the marketing for the brand (Winters, 1991, Chaudhuri, 1995 as cited in Fayrene & Lee, 2011). Mainly, there are two distinctive approaches of the concept brand equity in literature. Some researchers are focused on the brands financial performance characterized as market share or revenue (firm-based brand equity). And some of them are concentrated on the customer's perception and evaluation of the brand name (Keller, 1993). This latter one is called customer-based brand equity and will be the focus of this study.

### 2.2.1 Customer Based Brand Equity

Customer-based brand equity can be defined as the value that consumers associate with a brand (Aaker 1991). It is the consumers' perception of the overall superiority of a product carrying that brand name when compared to other brands. Customer-based brand equity refers to consumers' perception rather than any objective indicators (Lassar et al., 1995). The importance of understanding brand equity from the customer's perspective is explained by Keller (1993, p. 8): "Though the eventual goal of any marketing program is to increase sales, it is first necessary to establish knowledge structures for the brand so that consumers respond favorably to marketing activities for the brand". According to Keller customer-based brand equity can lead to greater revenue, lower costs and higher profit, it has direct implications for the firm's ability to command higher prices, customers' willingness to seek out new distribution channels, the effectiveness of marketing communications and the success of brand extensions and licensing opportunities.

But how do we measure customer-based brand equity? According to the meta-analyses of Fayrene & Lee (2011), there are all different kinds of frameworks of customer-based brand equity due to the various researches in brand equity through the years. However, the common denominator in all models is the utilization of one or more dimension of the Aaker model (Keller 1993; Motameni and Shahrokhi 1998; Yoo and Donthu 2001; Bendixen et al. 2003; Kim et al. 2003 as cited in Fayrene & Lee, 2011). Therefore this thesis will focus on the framework of Aaker.

Aaker's framework of customer-based brand equity is also known as the Brand Equity Ten. As said before Aaker defines brand equity as "a set of assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or that firm's customers" (Aaker 1991, p.12). His framework consists of ten sets of measures, grouped into five categories as shown in figure 1. The first four categories represent customer perceptions of the brand along the four dimensions of brand equity – loyalty, perceived quality, associations and awareness. The fifth includes two sets of market behavior measures that represent information obtained from market-based information (Aaker, 1996). Positive *customer-based brand equity* arises when the customer responds positively to the first four categories. In this thesis the framework of Aaker shall be used as a point of departure in researching the impact of a brands fan page on brand equity. The first four categories of the framework will be discussed further below.



Figure 1: The Brand Equity Ten according to Aaker (1996)

#### Loyalty

Aaker defines Loyalty as a core dimension of brand equity and it consist of the elements Price Premium and Customer Satisfaction/Loyalty. According to Aaker, a loyal customer base has the potential of representing a barrier to entry; it can act as a basis for charging price premiums and provide the firm with a safer position in terms of its competitors (Andersen & Andersen, 2011). In this research loyalty will be measured by the second element: Customer Satisfaction/Loyalty. According to Aaker this element can be used as a direct measure of the customers' satisfaction with questions like: "Were you satisfied with the product or service during your last use experience?" "Would you buy the brand on the next opportunity?" and "Would you recommend the product or service to others?" (Aaker, 1996 p.108).

### Perceived Quality

Aaker defines *Perceived Quality* as one of the key dimensions of brand equity. "It is the core construct in the total research approach to measuring brand equity" (Aaker, 1996 p.109). In

Aaker's framework *Perceived Quality* is divided up into two separate elements, *Perceived Quality* and *Leadership/Popularity*. It can be measured with scales such as the following: In comparison to alternative brands, this brand (Aaker, 1996 p.109):

- has: high quality vs. average quality vs. inferior quality
- is: the best vs. one of the best vs. one of the worst vs. the worst
- has: consistent quality vs. inconsistent quality

#### Associations

Aaker (1996) defines *Associations* in terms of image dimensions, which are unique to a product class or brand. There are three perspectives that Aaker uses, namely the *Brand-as-product* (Value), the *Brand-as-person* (Brand Personality) and the *Brand-as-organization* (Organizational Associations).

The *Brand-as-product* perspective focuses on the brands value proposition. The value proposition, which usually involves a functional benefit, is the foundation to brands in most product classes. If the brand does not generate value, it will usually be vulnerable to competitors (Aaker, 1996). Because the focus is on value rather than specific functional benefits, Aaker created a measure that can apply across product classes. According to Aaker (1996) brand value can be measured by the following:

- Whether the brand provides good value for the money.
- Whether there are reasons to buy this brand over competitors.

The second element of *Associations* is the *Brand Personality*. This is based on the *Brand-asperson* perspective. According to Aaker (1996), *Brand Personality* can provide a link to the brand's emotional and self-expressive benefits as well as a foundation for customer/brand relationships and differentiation. It can be measured according to the following scales (Aaker, 1996 p.113):

- This brand has a personality.
- This brand is interesting.
- I have a clear image of the type of person who would use the brand.

The last item reflects user imagery, often a key driver of *Brand Personality* (Aaker, 1996).

The last element of *Associations* is the *Organizational Associations*, which considers the organization (people, values, and programs) that lies behind the brand. This perspective can be particularly helpful when brands are similar with respect to attributes, when the organization is visible (as in durable goods or service business), or when a corporate brand is

involved. It can play an important role by showing that a brand represents more than products and services. According to Aaker (1996, p. 113), this can be measured according to the following scales:

- This brand is made by an organization I would trust.
- I admire the brand X organization.
- The organization associated with this brand has credibility.

#### **Brand Awareness**

The last category of Aaker's Brand Equity Ten framework that measures customer-based brand equity is *Brand Awareness*. Aaker views *Brand Awareness* as a very important aspect of brand equity that can have a great influence on perceptions and attitudes of consumers (Aaker, 1996). *Brand Awareness* reflects the salience of the brand in the customers mind. According to Aaker this can be a driver of brand choice and even loyalty. There are certain levels of *Brand Awareness*, which include:

- Recognition (Have you heard of the Buick Roadmaster?)
- Recall (What brands of cars can you recall?)
- Top-of-Mind (the first-named brand in a recall task)
- Brand Dominance (the only brand recalled)
- Brand Knowledge (I know what the brand stands for)
- Brand Opinion (I have an opinion about the brand)

Because recall questions can be inconvenient to use in a survey, Aaker (1996) came up with an alternative to measure brand awareness. According to him an alternative to employing recall is the use of Brand Knowledge (I know what this brand stands for) and Brand Opinion (I have an opinion about the brand) variables.

During this thesis it will be examined whether the social network site Facebook has an influence on the brand equity of the three fashion brands named Zara, H&M and Mango. Because the focus lays on initially offline brands, the framework of Aaker (1996) will be a suitable framework for measuring the brand equity of these brands. Furthermore, the Brand Equity Ten of Aaker (1996) is the denominator for almost all brand-equity models and it gives a complete overview of how brand equity is formed and how it can be measured. This is why this research will apply the framework of Aaker in the questionnaire. Table 1 shows the questions of Aaker's Brand Equity Ten that were used during this study.

Table 1

Customer-based brand equity questions (on a Likert scale from 1 to 7).

Category	Statement
Perceived Quality	In comparison to alternative fashion brands, this brand has high quality.
	In comparison to alternative fashion brands, this brand is one of the best.
	I would say that Brand X is one of the leading brands in retail fashion.
Loyalty	I am loyal towards brand X.
	I would recommend clothing of brand X to others.
	I would visit the store of brand X when I'm shopping.
Associations	This brand has a personality.
	This brand is interesting.
	I have a clear image of the type of person who would use this band.
	This brand provides good value of clothes for the money.
Awareness	I know where this brands stands for.
	I have a clear opinion about this brand.
	I am familiar with brand X.

## 2.3 The effects of advertising on brand equity

As aforementioned, little research is done on the effects of Facebook on the customer-based brand equity. Because a brand's Facebook page is relatively similar to advertising, this paragraph will take a closer look to the effects of advertising on brand equity.

Advertising can play a key role in achieving superior brand equity. Even though all marketing efforts may be important, it is believed that the role of advertising is superior to other forms of marketing efforts in building and maintaining brand equity (Aaker 1991; Keller and Aaker 1992; Keller 1998). According to Prentice (as cited in Ryan 1991, p. 19): "The consumer's perception of brand value comes from many sources, but essentially it is based on ideas—rational or emotional—that set the brand apart from competitive brands. What kinds of marketing activities implant these ideas about a brand's uniqueness in the mind? .... Advertising is the most common."

Advertising can influence brand equity in a number of ways. It can create awareness of the brand and increase the probability that the brand is included in the consumer's evoked set (Cobb-Walgren, et al. 1995). It can contribute to brand associations which, when stored in accessible memory, translate into "nonconscious but reliable behavioral predispositions" (Krishnan and Chakravarti 1993, p.214). Advertising can affect the perceived quality of a brand, and it can increase customer loyalty by building strong customer-relationships.

Furthermore, advertising can make positive brand evaluations and attitudes readily accessible in memory (Farquhar, 1989). This is crucial to the development of brand equity because, as Herr and Fazio (1992) noted, favorable brand attitudes will only guide perceptions and behavior if those attitudes can be instantly evoked.

As it is clear that advertising can influence customer-based brand equity by establishing knowledge structures in the customers mind, it is likely that a brand's Facebook page can do likewise. Because up to date no research is done on the different Facebook elements that may influence brand equity, an explorative research has to be performed. In the next chapter this will be further discussed. The next chapter also provides a deeper insight into the different Facebook elements and their effects on brand equity as found in advertising research.

## **Methodology 3**

## 3.1 Research Design

This research tried to answer the following questions:

**RQ1:** Does Facebook has an influence on the customer-based brand equity of a brand?

**RQ2:** Which Facebook elements on a brands fan page have an influence on customer-based brand equity?

As already mentioned, it is decided to examine the fan pages of the three fashion brands H&M, ZARA & Mango. These brands are within the same product category and they focus on the same fashion conscious consumer. Besides, these three fashion brands were chosen because they make quite different use of their fan pages. Therefore the different uses of the fan pages could be analyzed to see which Facebook strategies are the best.

To answer the research questions, two different approaches were used; a qualitative and a quantitative approach. The first approach was the qualitative approach. A focus-group interview was conducted with the aim of generating a better understanding of how the consumer perceived the Facebook activities of the brands and examining which Facebook elements they liked and disliked on the brands fan pages. Hereby it became clear which Facebook elements might influence the customer-based brand equity of the brand and thus what elements should be included in the second study; the web-based survey.

The second study was the quantitative approach. This study tried to answer both research questions using a web-based survey with an experimental design. It examined whether Facebook had an influence on the customer-based brand equity by comparing the outcomes of the customer-based brand equity scale of the experimental group, who had seen the Facebook pages of the brands, with the control group, who didn't saw the Facebook pages

of the brand. Furthermore the web-based survey measured which Facebook elements (found in the focus group) of the fan page had an influence on the customer-based brand equity. Both methods will be discussed further below.

## 3.2 Study 1: Focus groups

Because there was little research available regarding consumers perceptions of fan pages of brands, the first research design had to be an exploratory design; with the aim of exploring which Facebook elements may influence customer-based brand equity. According to Cooper & Schindler (2006) exploratory research is most useful in situations where limited information is available and the researcher wishes to have the flexibility to future explore areas of research. It was decided to use a focus group interview to explore the Facebook use of brands. A focus group is 'a small group discussion focused on a particular topic and facilitated by a researcher' (Tonkiss, 2004 p. 194). 'The main goal of a focus group is to gain insight and understanding by hearing from representatives from the target population' (Cronin, 2008, p.234) According to Tonkiss (2004) it has the ability 'of exploring the attitudes, opinions, meanings and definitions on the participants' own terms' (p.206). Hence it can be especially useful to explore unknown topics, as in this case, exploring which Facebook elements consumers like and dislike on a brand's fan page.

### 3.2.1 Group size

The focus group interview consisted of four participants. Chosen is for four participants because Peek and Fothergill (2009), who have a lot of experience with focus group interviews, concluded that 'groups that included between 3-5 participants ran more smoothly than the larger group interviews we conducted,' and that 'managing the larger focus groups, from anywhere from 6-15 participants, was difficult' (p.37). The focus group consisted of one man and three women. The participants were all in the range of 19 – 27 year old and were familiar with Facebook and the three fashion brands H&M, ZARA & Mango.

#### 3.2.2 Procedure

The focus-group interview had three objectives, namely:

- 1. To generate an understanding how the Facebook activity of brands is perceived by consumers.
- 2. To investigate which fan page elements they like and dislike on a brands fan page.
- 3. How they think brands need to use their fan page on Facebook.

An interview guide was developed to research these objectives (appendix A). This guide provided the moderator an outline to direct the flow of discussion. It also allowed the moderator to deviate from the guide where appropriate (Zikmund, 2003). The guide consisted of open-ended questions only, which were designed to gain the participants' views, experiences and opinions about a brands fan page (Polonsky & Waller, 2005). The questions allowed the participants to determine how they wished to respond, which reduced the moderator bias and creased reliability (Saunders, Lewis, & Tornhill, 2003).

#### 3.2.3. Materials

Participants were presented with the three Facebook pages of H&M, ZARA and Mango (Appendix B). These three pages were chosen because they make quite different use of their fan pages. They will be discussed further below.

#### H&M

H&M makes use of their fan page to inform, inspire and interact with their consumers (H&M, 2012). The 14+ million fans have one or occasionally two updates a day. Updates are various and heavily visual, and cover new product launches, campaigns, inside information, styling tips, fashion bloggers, preview lines, competitions and winners, promotions, 'in-store now' and more (see figure 1 and 2). Their fan page is not about hard sell. Fans can see the products, can suggest ways of wearing them and can engage with their opinion. The pushiest H&M gets is advising fans when a product will be hitting stores. Fans are left to make the purchase decision themselves.

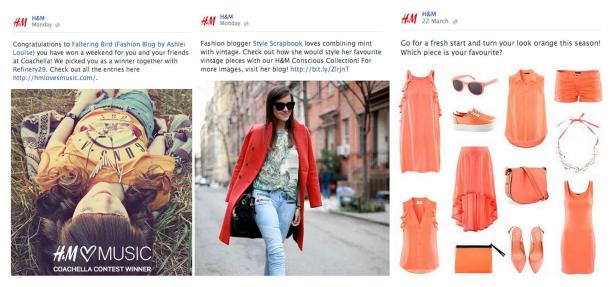


Figure 1: Wall posts H&M.

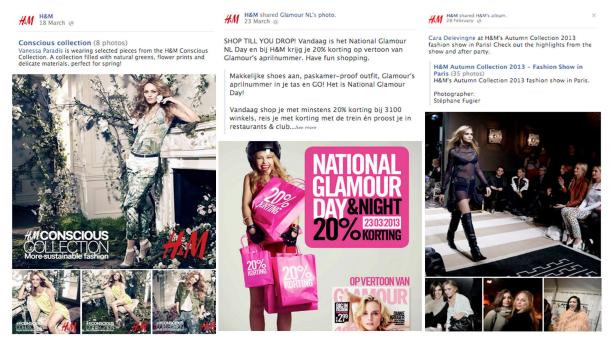


Figure 2: Wall posts H&M.

#### Mango

Mango also makes use of their fan page to inform, inspire and interact with their consumers. However, the fan page comes across as more product heavy. Mango posts to their 5+ million fans around *five* times a day. Updates are less various then H&M, they cover new product launches, campaigns, styling tips and fashion bloggers. In contrast with H&M the fan page of Mango is more about hard sell. In almost every post they give direct links to their web shop (figure 3).

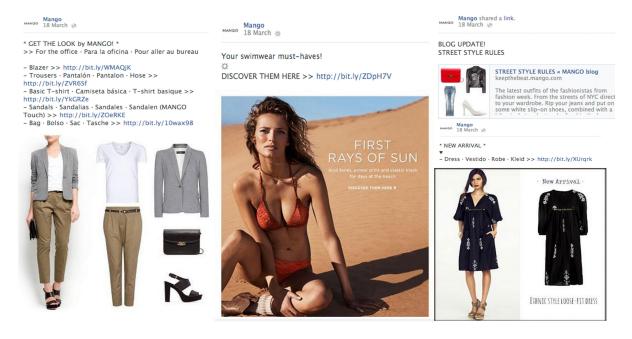


Figure 3: Wall posts Mango.

#### Zara

Zara makes use of their fan page to inform their customers about the latest collection and new campaigns. They do not interact directly with the consumers on their fan page. The channel functions more as an information source than an interactive page. Zara posts infrequently, the 18+ million fans have approximately one update every two weeks. Zara has the least various posts of the three, with posts covering photos or videos of the new lookbooks and new collections. Their fan page is not about hard sell; they do not link the pictures directly to their web shop. Figure 4 shows the most common posts of Zara.

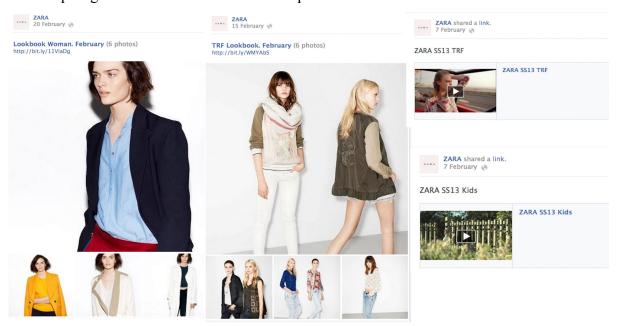


Figure 4: Wall posts Zara.

## 3.2.4 Results study 1

Objective 1: get an understanding of how the Facebook activity is perceived by consumers.

In general the focus group liked the activity of brands on Facebook. They like to stay in touch with their favorite brands and like to stay informed of all the news, trends and the latest collection. But the focus group emphasized that the brands need to do it the right way. Danielle: "They have to do it the right way, some pages don't even post new information on their Facebook page. Marissa: "Yeah and some brands post way too often, an overload of information is annoying as well. Tim: That's exactly the reason why I don't like much brands on Facebook, my whole Facebook Wall get spammed". The focus group emphasized that the fan page of the brand should add something, for instance some inside information about the brand, news or other information, they can't find anywhere else (e.g. on the brands website). It has to have an added value so that being fan of a fan page gives the fans the opportunity to get to know exclusive information about the brand.

Objective 2: investigate which fan page elements they like and dislike on a brands fan page.

The focus group liked the following things about a brands fan page:

- 1. Posts with news (like a new collection, or a new collaboration) to stay informed (see e.g., figure 4)
- 2. Posts with contests where you can win something (see e.g., figure 1, post 1).
- 3. Posts with bloggers (see e.g., figure 1, post 2).
- 4. Posts with clothing in the context (look of the day, look for valentines day etc. see e.g., figure 3, post 1)
- 5. Posts with inside information about the brand (like backstage movies, event pictures etc., see e.g., figure 2, post 3)
- 6. Non-commercial posts, like trends (see e.g., figure 1, post 3).
- 7. The posts on the fan page should be varied/various.

The focus group didn't like a fan page if:

- 1. The page doesn't add more value.
- 2. The brand post too often or too little.
- 3. The page is not varying enough.
- 4. If there are too much commercial posts.
- 5. If the fan page posts in different languages.
- 6. If the post contains too much text (or a bad balance between pictures and text).

The participants liked the fan page of H&M the most, and the fan page of Mango the least. H&M had the most varying and interesting posts, posts with added value, few commercial posts, a good balance between pictures and text and a good amount of posts according to the focus group. Daphne: "H&M has a lot of various and interesting posts, and the page devotes attention to both men and women". Mango posted too often, had too much commercial posts, the posts had less added value and they weren't various enough. Marissa: "I wouldn't follow the fan page of Mango, because Mango simply posts too often and nothing interesting". The focus group didn't like the page of Zara as well. According to them, Zara should post more often and more various. Furthermore, the posts contain no added value. According to the focus group the exact same information could be found on their website.

Objective 3: how brands need to use their fan page on Facebook.

The focus group interview yielded 3 major elements that are important for a good fan page:

1. The Fan page needs to have good posts, posts including the following content:

- a. News (like new collections etc. see e.g. figure 4)
- b. Clothing/Products in the context (clothes seen on bloggers, daily look etc. see e.g. figure 1, post 2 or figure 3, post 1)
- c. Non-commercial posts (like inside information, behind the scenes post, trends see e.g. figure 2, post 3)
- 2. The Fan page should have varying posts.
- 3. The Fan page should not post too often or too little. A maximum of two posts per day, and a minimum of two posts a week.

After analyzing the results there were four elements found that covered the results of the focus group. These four elements were:

- Added Value. Has the fan page of the brand an added value?
- Quantity of the posts. Does the brand post too often or too little?
- Quality of the posts. Are the posts fun/interesting/attractive to read?
- Commercialization of the fan page. Are there too much commercialized posts?

According to the participants these four elements seemed to be the most important for a good online Facebook presence of a brand. Therefore, these four elements were used to explore whether or not or they have an influence on the customer-based brand equity of a brand.

## 3.2.5 Analogies from advertising research.

Because a brand's Facebook page is somewhat similar to advertising, a literature research was conducted on the above elements before setting up the second study. This paragraph aims to get a deeper understanding of what is known about the elements *Added Value, Quantity, Quality,* and *Commercialization* in advertising research.

Added Value. In advertising research the added value of an ad is defined by Ducoffe (1995) as a "subjective evaluation of the relative worth or utility of advertising to consumers" (p. 1). Ducoffe (1996) defines ad value as a cognitive assessment of the extent to which advertising gives consumers what they want. When he applied his model to the web environment he confirmed previous results and found that attitudes towards Web advertising were directly dependent to the added value of an advertisement and the perceived levels of entertainment. Furthermore, he found that the added value of a web ad is dependent on perceived levels of entertainment, informativeness, and irritation. If this also applies to Facebook, it means that the attitude toward a brand will be directly dependent on the added

value of the Facebook page, which can be measured with the perceived levels of entertainment, informativeness, and irritation of that Facebook page.

Quantity. Much experimental research is done on the effects of mere exposure of the advertisement on subject's response. Sawyer's (1981) review concludes that affective response to repetitive exposure mostly follows an inverted U, with increasing favorable response followed by increasing negative response (stated in Tellis, 1988). When exposed repeatedly to a favorable ad, subjects are likely to respond positively at first because they have more opportunity for attention, retention and cognitive elaboration. The first one or two exposures may only draw attention to the brand name, whereas subsequent exposures ensure that the message gets across and that subjects have time to evaluate it. Further repetition has no beneficial effect and may have a negative effect, because subjects are no longer stimulated to new elaboration and tired of hearing the same messages. The same inverted U curve could be applicable for the Facebook posts. It's likely that too little posts will have negative effects, but too many posts will not be good as well. As said in the focus group, the brand shouldn't post too often or too little, but has to find a good balance of 1 or 2 posts a day. Besides, according to a research from the University of Colorado Denver, the No. 1 reason why friends dump friends on Facebook is when they get fed up seeing too many useless posts.

*Quality.* In Online Marketing research the quality of information placed on a company's web site, which can be directly compared with the quality of the posts placed on a company's Facebook page, shows a direct influence on the customers' perceptions of the company and the company's products (Haghirian & Madlberger, 2005). In Advertising Research the quality of a Facebook post can be best compared with an attitude towards an ad. Advertising and marketing researchers have directed considerable attention to *attitude towards an ad* (A<sub>ad</sub>) as an affective construct and mediating influence on brand attitudes and purchase intentions (e.g., Lutz, MacKenzie & Belch, 1983, MacKenzie, Lutz & Belch, 1986; Mitchell and Olson, 1981; Shimp 1981 as cited in Homer, 1990). Therefore it is likely that the quality of the posts on a brand's Facebook page also influences the brand attitudes and the perceptions of the company.

Commercialization. Because it is acceptable for ads to be commercial there is no research done on this element in Advertising Research. However there is research done on this topic in Online Marketing research for the social networking site MySpace. Bowley (2006) stated that companies should not be too commercialized on MySpace because this will alienate MySpace users and hinder buzz (Bowley 2006). Consequently, they should kept traditional, overt advertising to a minimum and instead work with MySpace developers to

build profiles that are relevant and "cool" (Bowley 2006). When executed successfully, companies will attract "friends" who will refer the profile to their friends. It is very likely that this also applies for the use of Facebook.

## 3.3 Study 2: Web-based Survey

After analyzing the results of the focus group interview and the above literature, the following hypotheses were stated for the second study:

- H1: Facebook has a positive influence on customer-based brand equity.
- H2: There is a positive relationship between the *added value of the Facebook page* and the customer-based brand equity of the brand.
- H3: There is a positive relationship between the *quality of the Facebook page* and the customer-based brand equity of the brand.
- H4: There is a negative relationship between the *quantity of posts* and the customer-based brand equity of the brand.
- H5: There is a negative relationship between the *commercialization* of the Facebook page and the customer-based brand equity of the brand.

With a web-based survey the hypotheses were tested.

## 3.3.1 Participants and Design

234 people participated in the study. Four participants were removed from the dataset due to incomplete questionnaires, leaving 230 participants. They were randomly assigned to the cells of a 2 (Facebook versus no Facebook) x 3 (Brands: H&M versus ZARA versus Mango) between- subject design. Of these participants 20 were male and 210 were female. Ages were between 13 and 58 with an average age of 23 years [standard deviation (SD) = 7.9]. All participants were Dutch and had a Facebook profile. All participants were familiar with the brands and none of the participants liked the fan pages of one of the three brands (participants who weren't familiar with the brands or did like one of the fan pages were excluded from the experiment).

### 3.3.2 Procedure

Participants were recruited via status updates posted on Twitter & Facebook, by an email invitation or by an online blog post on a fashion blog. After an invitation to participate in the study, respondents were randomly assigned to one of the 6 conditions, with as precondition that they didn't like the fan pages of the brands and that they were familiar with the brands. There were two different types of questionnaires, one for the experimental group who had to

look at the fan page of the brand (appendix b), and one for control group who didn't saw the brands fan page. The questionnaire in the experimental group consisted of two parts. The first part was about the fan page of the brand. Prior to the questionnaire, participants in the experimental group were asked to take a good look at the fan page of the brand that they were assigned to. After this the four elements of the focus-interview; "added value", "quantity of the posts", "quality of the posts" & "commercialization of the fan page" were used to measure the overall Facebook appearance of the brand.

The second part of the experimental questionnaire consisted of the customer-based brand equity scale. This scale measured the customer-based brand equity of the brands according to the first four categories of Aaker's framework: "loyalty", "perceived quality", "associations" & "brand awareness". The questionnaire of the control group consisted only of the customer-based brand equity questions. Prior to both questionnaires the participants had to fill in a number of demographic questions. Furthermore they were told how long the survey approximately would take, and that there answers would be anonymous.

#### 3.3.3 Measures

Most of the measures were based on scales used in previous studies. These items were adapted for this study and if necessary translated into Dutch. This section describes how the constructs were measured, for an overview of all items see appendix C.

Added value. Value and its contributing factors (entertainment, informativeness and irritation), were measured by the scales taken from Ducoffe (1996) and Chen & Wells (1999). Subjects were asked to answer eight statements on a seven-point likert scale ranged from I= completely disagree to 7 = completely agree (e.g. I can find useful information on the Fan page of Brand X). Further they were asked about their attitude towards the Facebook posts of the brand, by answering on a seven-point likert scale, ranging from I= completely disagree to T= completely agree, to what extend they find the Facebook post of the brand: "entertaining", "enjoyable", "fun", "cool", "exciting", "irritating", "annoying" or "awkward". After conducting a factor –analysis, 3 items were deleted, namely the items "awkward" and "irritation" and the statement The Facebook page of Brand X is a good source of up to date product information. The construct of added value had a high reliability of  $\alpha$  = .92.

Quality of the posts. The quality of the posts was measured using five items adapted from Zhang (1996) and Chen and Wells (1999) and one item adapted from Heijden & Verhagen (2004). The subjects were asked about their attitude towards the Facebook posts of the brand on a seven-point semantic differential scale anchored by "boring–interesting",

"unimpressive-impressive", "unlikable-likable", "unappealing-appealing", "not attractive-attractive" and "boring to read – fun to read". This construct had a high reliability of  $\alpha = .93$ .

Quantity of the posts & Commercialization of the fan page. The quantity of the posts & commercialization of the fan page were measured using six self-constructed questions. They were measured on a seven-point likert scale ranging from I = completely disagree to 7 = completely agree. "Quantity of the posts" had a reliability of  $\alpha = .67$ , and "commercialization of the fan page" had a reliability of  $\alpha = .73$ .

Customer-based brand equity. The customer-based brand equity was measured using Aaker (1996) his four dimensions of brand equity, namely: "loyalty", "perceived quality", "associations" and "brand awareness" (fig. 1). Thirteen questions were adapted from the Brand Equity Ten framework and were measured on a seven-point likert scale ranging from I = completely disagree to 7 = completely agree. Loyalty had a reliability of  $\alpha = .90$ , Perceived quality had a reliability of  $\alpha = .82$ , Associations had a reliability of  $\alpha = .82$  and Awareness had a reliability of  $\alpha = .80$ . The internal consistency of the total brand equity scale was  $\alpha = .94$ .

#### 3.3.4 Pre-test

Before launching the online survey, a pretest was conducted. Two individuals that fitted the target group pretested the survey. This was done in order to figure out if the survey was understandable to the average person and to check whether or not there were any errors in the survey. Because the two individuals did not have extensive academic knowledge in the field of brand equity and other related topics, this pretest helped to ensure that the questions could be understood by a broad group. The feedback received from these individuals was taken into consideration and few adjustments were made to the questions in the survey. After this a final round of pretesting was done.

#### 3.3.5 Analyses

SPSS 20.0 was used for the statistical analyses. To test the hypotheses a factorial between group analysis of variance (ANOVA), some independent sample t-tests and different multiple regression analyses were conducted. For hypothesis 1 an ANOVA was used to test whether there was a significant difference between the brand equity measurements of the participants who have seen the Facebook page of the brand and the participants who didn't saw the Facebook page of the brand. For hypothesis 2 to 5 several multiple regression analysis were performed to test whether or not the different Facebook elements influenced the customer-based brand equity. During the multiple regression analysis the centralized values of the variables were used

## **Results 4**

In this chapter, the results of the web-based survey will be presented.

#### 4.1 Facebook effects.

Respondents in the condition with the Facebook page were more positive about the brand equity of the brands (M = 5.05, SD = 1.17) then respondents in the control condition (M = 4.57, SD = 1.42). This was true for all three brands (table 3). The largest differences were observed in the condition with H&M. The average score of the experimental group (who have seen the Facebook page) was M = 5.46 (SD = 0.93), in contrast with the control group (who haven't seen the Facebook page) of M = 4.42 (SD = 1,40). A smaller difference was observed for the brand ZARA, with an average score of M = 5.40 (SD = 1.08) for the experimental group and M = 5,07 (SD = 1,28) for the control group. The smallest differences were observed at the brand Mango, with an average score of M = 4.30 (SD = 1.13) for the experimental group and M = 4,14 (SD = 1,50) for the control group.

A factorial between group analysis of variance (ANOVA) was used to compare the average brand equity scores of the six groups of participants: (a) participants rating the brand equity of H&M after seeing their Facebook page, (b) participants rating the brand equity of H&M without seeing the Facebook page of the brand, (c) participants rating the brand equity of Zara after seeing their Facebook page, (d) participants rating the brand equity of Zara without seeing the Facebook page of the brand, (e) participants rating the brand equity of Mango after seeing their Facebook page, (f) participants rating the brand equity of Mango without seeing the Facebook page of the brand. Shapiro-Wilk and Levene's tests were used to evaluate the assumptions of normality and homogeneity of variance respectively. Neither was violated. The main effect of Facebook effects on brand equity scores was statistically significant, F(1,224) = 9,455, p < .005. As is visible in Table 2, participants who had seen the

Facebook page of the brands (M = 5,0492, SD = 1,17) rated the brand equity of the brands significantly higher then the participants who didn't saw the Facebook page of the brand (M = 4,5662, SD = 1,42). This shows that the Facebook pages of the brands had a positive influence on their customer-based brand equity, therefore hypothesis 1: "Facebook has a positive influence on Brand Equity" is accepted.

Table 2

Mean brand equity scores per condition (on a Likert scale from 1 to 7).

Facebook	N	M	SD	Sig.	
Facebook	108	5,05	1,17	0,005*	,
No Facebook	122	4,57	1,42		

<sup>\*</sup>p < .05

The ANOVA showed no interaction between the Facebook effects and the brands, F(2, 224) = 2,637, p = .07. To determine on which brands Facebook had a significant effect, three independent sample t-tests were executed. The average scores of the brand equity measurements were compared between the experimental group and the control group. As shown in Table 3, it was found that only for the brand H&M, the scores of the brand equity measurements of the experimental group were significantly higher then the scores of the control group (t = 3,95; df = 91; p < .001). No significant differences were found for the brands Zara & Mango.

Table 3

Mean brand equity scores and SD's per condition (on a Likert scale from 1 to 7).

Brand	Facebook	N	Mean	SD	Sig.
H&M	Facebook	38	5,46	.94	0,000*
	No Facebook	55	4,43	1.40	
ZARA	Facebook	34	5,41	1.09	0,226
	No Facebook	39	5,07	1.28	
MANGO	Facebook	37	4,30	1.15	0,623
	No Facebook	28	4,14	1.31	

<sup>\*</sup>p < .005

To see if these findings also match with the ratings of the Facebook page of the three brands, the different brands and their Facebook rating were compared. As shown in Table 4, the fan page of H&M had the best *Added Value*, the best *Quality* and the lowest *Commercial posts* on the fan page, which resulted in the highest Facebook rating. Mango scored the lowest, for having too much posts and the most commercial posts.

Table 4

Mean scores per Facebook element (on a Likert scale from 1 to 7).

		Means of Face	ebook Elements		
Brands	Added Value	Quality	Quantity	Commercial	<b>Total Facebook Score</b>
H&M	4.46	3.82	3.72	3.16	4.35
Zara	4.23	3.28	3.30	3.39	4.20
Mango	4.38	3.54	4.00	3.65	4.07

#### 4.2 Facebook elements

Table 5 shows the mean, standard deviation and inter-correlation of the variables. The correlations are based on the mean scores of the variables. *Added Value* and *Quality* show significant positive correlations with *Brand Equity* (r = .43, p < 0.1; r = .26, p < 0.1) and with the separate brand equity elements. *Quantity* of the posts had a significant negative correlation with *Brand Equity* (r = -.29, p < .01) and with most of the brand equity elements (excluding Brand Associations). There was no significance relationship between *Commercialization* and *Brand Equity* or with any of the brand equity elements. Finally it was interesting to see that all constructs had a significant correlation with *Added Value*, meaning that the higher the *Quality* and the lower the *Commercialization* and the *Quantity*, the higher the *Added Value* of the fan page.

Table 5

Means, SD and correlation coefficients

	M	SD	1	2	3	4	5	6	7	8
1. Brand Equity	5,06	1,17								
2. Brand Associations	5,07	1,13	.85**							
3. Perceived Quality	4,84	1,30	.88**	.68**						
4. Brand Loyalty	5,18	1,59	.90**	.58**	.76**					
5. Brand Awareness	5,21	1,23	.90**	.71**	.69**	.82**				
6. Added Value	4,38	1,06	.38**	.40**	.30**	.28**	.33**			
7. Quality	3,54	0,83	.27**	.22*	.27**	.27**	.24*	.60**		
8. Commercialization	3,40	1,13	06	06	03	08	01	25**	35**	
9. Quantity	3,69	1,10	29**	08	36**	32**	26**	21*	14	0.84

<sup>\*</sup> p < .05, \*\* p < .01

The results of the multiple regression analysis for the overall brand equity are shown in table 6. Because of the high correlation between *Quality of the posts* and *Added Value*, the centralized values of the variables were used to cope for multicollinearity. Table 6 shows that there is a significant positive relation between the added value of the Facebook page and the brand equity of the brand ( $\beta = -.25$ , p < 0.05). Therefore hypothesis 2: "There is a positive relationship between the added value of the Facebook page and the Brand Equity of the brand" is accepted. Furthermore the regression analysis shows a significant negative effect of *Quantity* ( $\beta = -.22$ , p < 0.05), on the brand equity of the brand. These findings therefore confirm hypothesis 4: "There is a negative relationship between the quantity of posts and the Brand Equity of the brand. There is no indication that Commercialization or Quality of the posts influences brand equity, therefore hypothesis 3 and 5 are rejected.

Table 6

Multiple regression analyses for Brand Equity

	Brand Equity					
	В	SE B	β			
Constant	5.08	.10				
Added Value	.27	.12	.25*			
Quality	.17	.16	.13			
Commercialization	.07	.10	.07			
Quantity	23	.09	22*			
$\mathbb{R}^2$	.19					
F	5.71**					

<sup>\*</sup> p < .05, \*\* p < .01.

To get a better insight into which Facebook-elements influence which dimension of brand equity, a multiple regression analysis is conducted for the separate dimensions of brand equity: *Brand Loyalty, Brand Awareness, Brand Associations* and *Perceived Quality*. As shown in table 7 there are significant negative relations between the *Quantity* of the posts and the *Loyalty* of the brand ( $\beta = -.27$ , p < 0.01) and between *Quantity* of the posts and *Brand Awareness* ( $\beta = -.21$ , p < 0.05). Furthermore table 8 shows that there is a significant negative relation between the *Quantity* of the posts and the *Perceived Quality* of the brand ( $\beta = -.27$ , p < 0.01). Indicating that if a brand post too many posts on their fan page, this can have negative influence on the brand loyalty, the *Brand Awareness* and the *Perceived Quality* of that brand.

Table 7 & 8 also show significant relations between *Added Value* and the two dimensions *Brand Awareness* and *Brand Associations* ( $\beta$  = .25, p < 0.05,  $\beta$  = .37, p < 0.01). Both these relations are positive, indicating that if a brand's Facebook page has an added value, this has positive effects on the *Brand Associations* & *Brand Awareness* of that brand.

Table 7

Multiple regression analyses for Brand Loyalty and Brand Awareness

	Brand Loyalty		Bra	nd Awareness		
	В	SE B	β	В	SE B	β
Constant	5.18	.15		3.89	0.91	
Added Value	.19	.18	.12	.29	.14	.25*
Quality	.31	.23	.16	.14	.18	.09
Commercialization	.02	.14	.02	.12	.11	.11
Quantity	38	.13	27**	23	.10	21*
$\mathbb{R}^2$	.16			.16		
F	4.73**			4,61**		

<sup>\*</sup> p < .05, \*\* p < .01.

Table 8

Multiple regression analyses for Perceived Quality & Brand Associations

	Perceived Quality		Bran	nd Associations	S	
	В	SE B	β	В	SE B	β
Constant	4.83	.12		5.09	.10	
Added Value	.18	.14	.15	.38	.12	.37**
Quality	.24	.18	.16	.03	.16	.02
Commercialization	.09	.11	.08	.04	.09	.04
Quantity	37	.11	32**	.00	.09	.00
R <sup>2</sup>	.20			.15		
F	6.09**			4.19**		

<sup>\*</sup> p < .05, \*\* p < .01.

At last, a multiple regression analysis for the Brand Equity of H&M is conducted. Since H&M was the only brand where Facebook had a significant positive effect on their brand equity and the Facebook rating of this brand was the highest, it's most interesting to look at this brand to see which elements influenced the positive increase of their brand equity. In appendix D the results of the multiple regression analysis for the brand equity of Zara and Mango can be found. Table 9 shows the results of the multiple regression analysis for H&M. It shows that both *added value* ( $\beta = .35$ , p < 0.01) and *quality of the posts* ( $\beta = .42$ , p < 0.01) have a significant positive effect on the brand equity of H&M. There is no indication that *Quantity of the posts* or *Commercialization* influences the brand equity of H&M.

Table 9
Multiple regression analyses for the Brand Equity of H&M

	Brand Equity H&M				
	В	SE B	β		
Constant	5.32	.13			
Added Value	.35	.12	.43**		
Quality	.42	.15	.38**		
Commercialization	.04	.12	.05		
Quantity	01	.12	02		
$\mathbb{R}^2$	.45				
F	6.72**				

<sup>\*</sup> p < .05, \*\* p < .01.

# Discussion 5

The primary goal of this research was to get a better understanding of the effects of a brand's Facebook page on the customer-based brand equity. The main questions were; "Does Facebook has an influence on the customer-based brand equity of a brand?" and "Which Facebook elements on a brands fan page have an influence on customer-based brand equity?". This discussion will examine the study's findings and present theoretical implications. Also the strengths and shortcomings of the paper will be discussed, together with the practical implications and recommendations for future research.

## 5.1 Conclusion

From the data of the experiments it can be concluded that a Facebook page of a brand can have a significant positive influence on the customer-based brand equity. The participants were significantly more positive about the brand equity of a brand after viewing and reading their Facebook page. Therefore, hypothesis 1: "Facebook has a positive influence on customer-based brand equity." is accepted.

This is particularly true for brands with a good Facebook appearance. H&M showed the largest significant increase in the customer-based brand equity scores and had the highest Facebook rating. Mango showed the smallest increase in the customer-based brand equity scores and had the lowest Facebook rating. These results indicate that it is important how brands make use of their Facebook page in order to increase their customer-based brand equity. Furthermore, these results are in agreement with the focus group interview indicating that H&M made the best use of Facebook and Mango the worst. Besides, the focus group emphasized that a brand needs to use their Facebook page in "the right way" in order to get liked.

So what is "the right way"? During the focus group interview the participants addressed four Facebook elements that seemed to be most important for a good online Facebook presence of a brand, which are:

- Added Value. Has the fan page of the brand an added value?
- Quantity of the posts. *Does the brand post too often or too little?*
- Quality of the posts. *Are the posts likable/attractive to read?*
- Commercialization of the fan page. Are there too much commercialized posts?

After analyzing these elements, the multiple regression analysis showed two elements that had significant influence on the brand equity of a brand, namely *Added Value* and *Quantity of the posts*. No significant effects were found for the elements *Commercialization* and *Quality*.

Added Value has a significant positive effect on the customer-based brand equity. More specific, it has significant positive effects on the brand equity dimensions *Brand Associations* and *Brand Awareness*. According to Ducoffe (1996), *Added Value* is the subjective evaluation of the relative worth or utility of the Facebook page to consumers. He found that the added value is dependent on perceived levels of entertainment, irritation and informativeness. This leads to the conclusion that the more entertaining, informative and the less irritating a brand's Facebook page is, the more positive the consumer will be about their brand equity. Therefore, hypothesis 2: "There is a positive relationship between the added value of the Facebook page and the customer-based brand equity of the brand." is accepted.

Quantity of the posts has a significant negative effect on the customer-based brand equity. More specific, it had significant negative effects on brand loyalty, brand awareness and the perceived quality of the brand. This leads to the conclusion that when a brand posts too often (more then two times a day), it has negative effects on the brand equity of that brand. Therefore, hypothesis 4: "There is a negative relationship between the quantity of posts and the customer-based brand equity of the brand." is accepted.

Commercialization has no significant effect on the customer-based brand equity or at any of the brand equity dimensions. Therefore, hypothesis 5: "There is a negative relationship between the commercialization of the Facebook page and the customer-based brand equity of the brand." is rejected. An explanation can be found in the consumer's expectations of commercial posts from commercial brands. If these expectations exist, consumers don't get annoyed or irritated by the commercial posts, they accept them.

Quality has no significant effect on the customer-based brand equity either. Therefore, hypothesis 3: "There is a positive relationship between the quality of the Facebook page and the customer-based brand equity of the brand." is rejected. An explanation can be found in the threat of multicollinearity, which will be discussed further below. In addition, the results for the brand H&M showed that Quality of the posts did have a significant positive effect on their brand equity. This could also hold true for other brands.

## 5.2 Theoretical implication & managerial recommendations

All together, the results of this study form an important addition to the knowledge of Facebook and their effects on customer-based brand equity. This study confirmed earlier found results from Kim & Ko (2011), saying that a brand's Facebook page can positively influence the customer-based brand equity. This thesis showed that this is especially true for brands that make proper use of their Facebook page.

So far little was known about how companies need to use their Facebook page in respect to building the customer-based brand equity. Companies were diving into the world of social networking without knowing how to optimize their fan page and simply hoping that their fan page would positively impact their brand and help bring them ahead of their competitors (Social Semantics, 2011). This study recommends brands to focus on the Added Value of their Facebook page. The Facebook page should be entertaining, enjoyable, fun, exciting, informative and not irritating or annoying. Furthermore, a brand shouldn't post too often on their fan page. One or occasionally two posts a day is the norm. More posts will have negative effects on the brand loyalty, brand awareness and the perceived quality of the brand. Despite of the non-significant results of the elements Quality and Commercialization, it is recommended to keep the quality of the posts high and avoid posting too many commercial posts. Lastly, as been said in the focus group interview, the Facebook page should consist of varying post with good visual content and a small amount of text. When keeping the aforementioned things in mind, Facebook is a powerful tool for organizations to strengthen their customer-based brand equity and whereas the group of Facebook users is growing every day, the opportunities for organizations to influence these people through Facebook is very promising.

## 5.3 Limitations and suggestions for future research.

Despite careful construction of this research there are some limitations of this study. The first limitation is the absence of a "placebo" in the control group. It is possible that the Facebook page itself did not affect the positive increase in brand equity measurements but that the

exposure to information about the brand is the cause of increase in brand equity measurements. By adding a placebo to the control group, in the form of a piece of information about the brand, this problem would be solved. Therefore it would be highly recommended for further research to add a "placebo" to the control group.

The second limitation of this thesis is the threat of multicollinearity, which could explain why the results of the multiple regression analysis for the predictor "quality of the posts" did not turn out as expected. "Quality of the posts" had a low internal consistency and a high correlation with "added value" which could have lead to multicollinearity. Pedhazur (1982) stated that low reliabilities and high multicollinearity of the predictor variables increase bias in the standardized and unstandardized regression weights reducing the interpretability of the data. Although it was tried to cope for this, by using the centered results of the predictor, the multicollinearity could still be a problem. For further studies it would be recommended to make a clearer distinction between the different constructs to avoid the problem of multicollinearity.

The third and last limitation might have been the length of the questionnaire and the amount of time needed to participate in this study. Because the questionnaire consisted out of 42 items and the participants needed to actively scan the Facebook page of the brand, the questionnaire took about 20 minutes to complete in a serious way. Respondents who were not so much involved in this study may have become bored and tired and did not fill in the questionnaire in a proper way.

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## Appendix a: Focus group guide

Objective 1: generate an understanding of how the Facebook activity of brands is perceived by consumers.

- What is you're overall feeling of the use of Facebook by brands?
- Do you like some brands on Facebook?
  - What is (of what shall be) the reason for you to like a brand on Facebook?
- Do you often visit a brands fan page?
  - What do you look for if you visit a brands fan page.

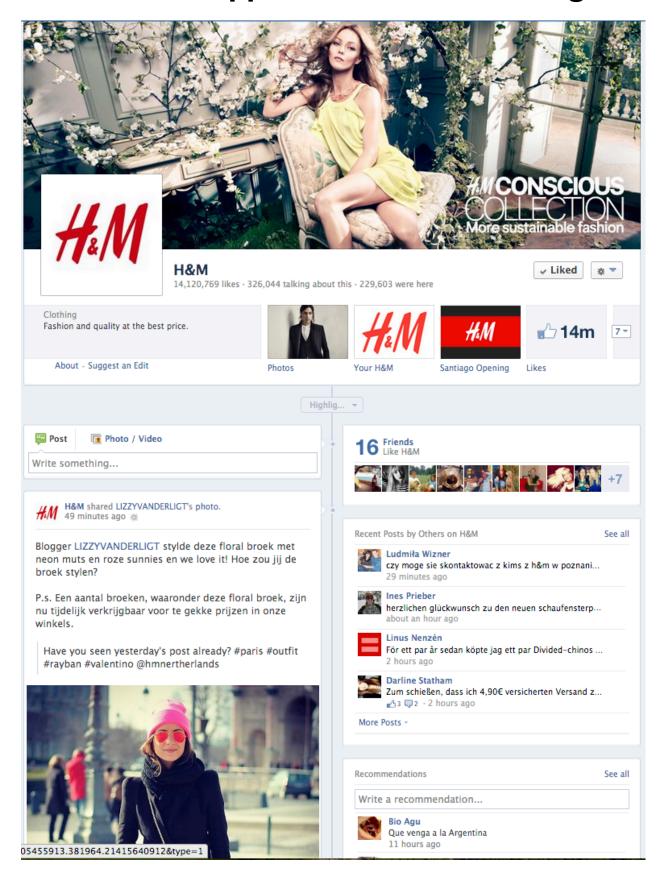
Objective 2: investigate which fan page elements they like and dislike on a brands fan page.

- What do you like about this fan page?
  - Which posts do you like the most?
- What do you dislike about this fan page?
  - Which posts do you dislike the most?
- Which of the three fan pages you like the most and why?
- Which of the three fan pages you dislike the most and why?

Objective 3: How they think brands need to use their fan page on Facebook.

• How do you think a brand needs to use their fan page to get the best Facebook appearance?

## Appendix b: Facebook Pages.









SHOP TILL YOU DROP! Vandaag is het National Glamour NL Day en bij H&M krijg je 20% korting op vertoon van Glamour's aprilnummer. Have fun shopping.

Makkelijke shoes aan, paskamer-proof outfit, Glamour's aprilnummer in je tas en GO! Het is National Glamour Day!

Vandaag shop je met minstens 20% korting bij 3100 winkels, reis je met korting met de trein én proost je in restaurants & club...See more



Like · Comment · Share

63 people like this.



Pytrik Schafraad According the Clean Clothers Campaign your new Concious Collection turns out not to be that concious at all. We, the concious customers would like to know what's up. Is this pitty green washing or does H&M really care?

Yesterday at 08:07 - Like

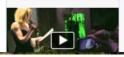


Write a comment...



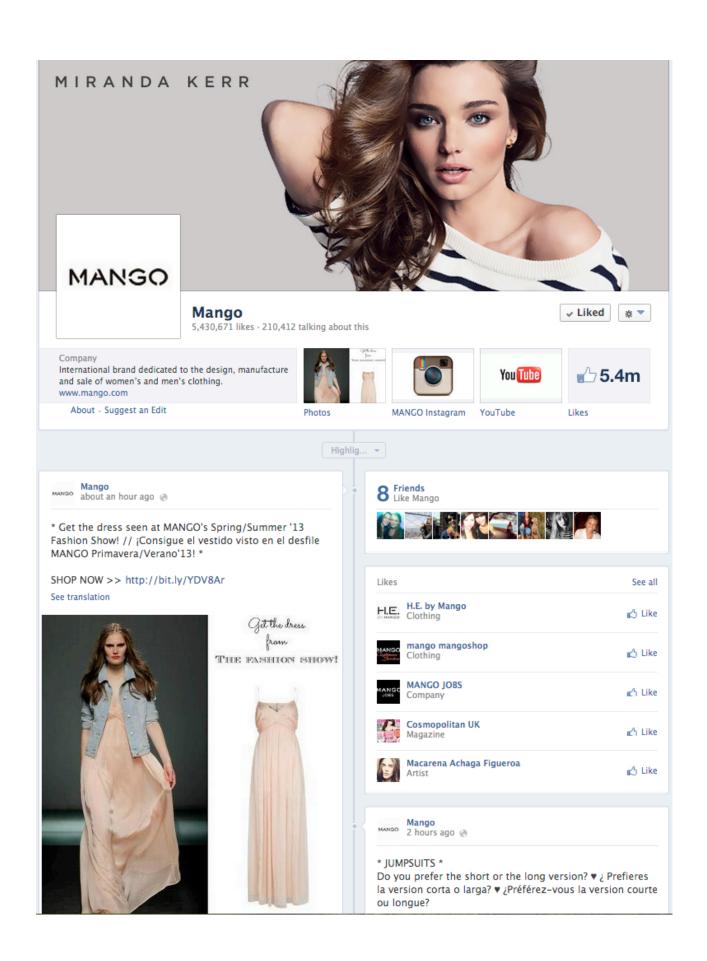
H&M shared a link. #M 22 March ☆

Vers 'Conscious' kijkvoer! Dinsdag opende wij feestelijk de Conscious Experience! Kijk je met ons mee?



Conscious Experience - H&M Netherlands 2013

H&M Netherlands successfully





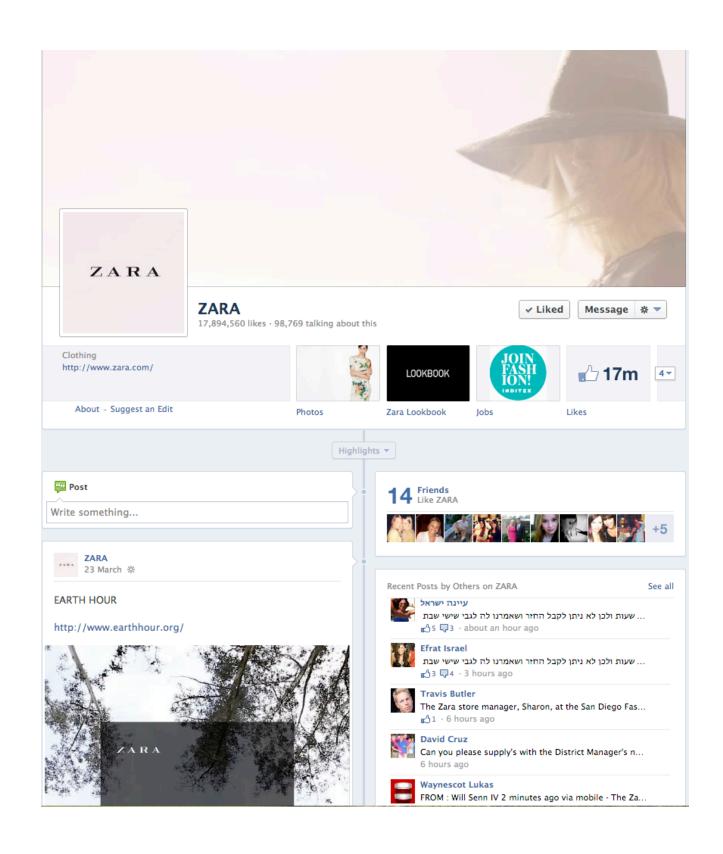
Mango shared a link. 7 March @ BLOG UPDATE! Miranda Kerr « MANGO blog keepthebeat.mango.com Like · Comment · Share 219 people like this. Patricia Isabely Viery Viena Muy Bonita Propuesta Felicidades a See Translation 7 March at 20:42 via mobile - Like - 🖒 1 María Clementina Mendoza Gellibert me gusta Mango See Translation 7 March at 22:27 · Like · 🖒 1 Write a comment... Mango shared H.E. by Mango's photo. · FOR HIM · BY H.E. by Mango · SPRING MUST HAVES by H.E. by MANGO · 1 >> http://bit.ly/14yrH2h 2 >> http://bit.ly/1200RH0 3 >> http://bit.ly/11lm8m8 SPRING MUST HAVES

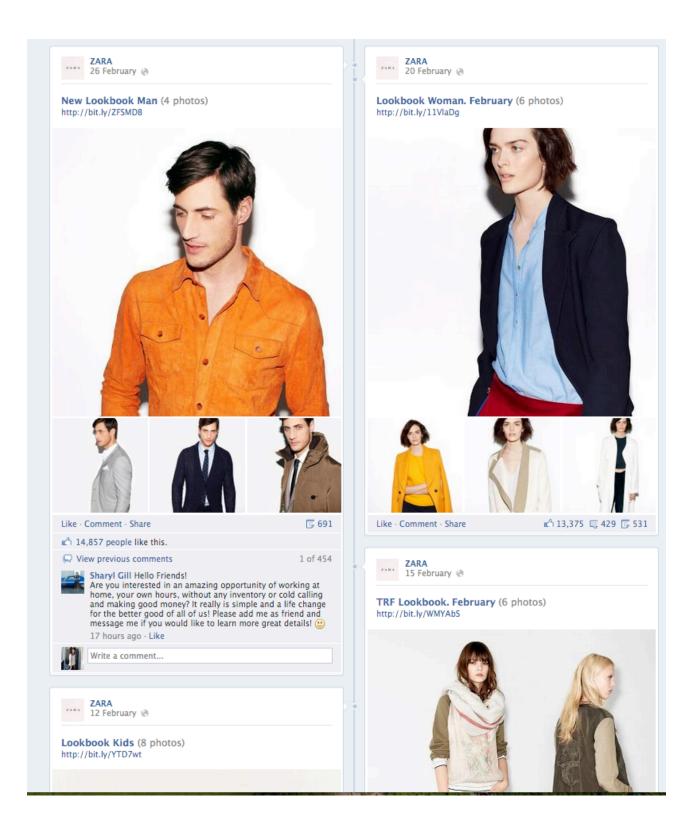
leather bicker

striped sweater

slim-fit chino

BY MANGO





## Appendix c: items

#### Added value

Please indicate to what extent you agree with each of the following statements:

Answers on a 7-point likert scale (source: Chen & Wells, 1999)

#### Statement

Brand X posts information on their Facebook page that is interesting to read.

Following Brand X looks valuable to me.

I think the Facebook page of Brand X would be interesting to follow.

The brand posts exclusive information about the brand on their Facebook page

I can find useful information on the Facebook page of Brand X

The Facebook page of Brand X is a good source of up to date product information.

The information on the Facebook page of Brand X isn't any distinctive from the website of the brand.

Following Brand x looks important to me.

Answers on a 7-point likert scale (source: Chen & Wells, 1999)

#### I think the Facebook posts of brand X are: (this also measures added value)

Entertaining

Enjoyable

Fun

Cool

Exciting

Irritating

Annoying

Awkward

#### **Quantity post**

Please indicate to what extent you agree with each of the following statements:

Answers on a 7-points likert scale.

#### Statement

I think brand X posts to often.

If a fan page updates more than one time a day I would find that annoying.

I would like to get updated more often by Brand X.

#### Quality

The following questions are about the Facebook posts of Brand X,

Source: H.van der Heijden, T. Verhagen (2004) & Zhang (1996), as cited in Xu, Oh & Teo (2009)

#### In general, I think the Facebook posts of brand X are:

1- Boring; 7 - Interesting

1- unimpressive; 7 – Impressive

1- unlikable; 7 – likable

1 – unappealing 7- appealing

1- not -attractive, 7-attractive

1- Boring to read, 7 Fun to read

#### Commercialization.

#### **Statement**

I think that there are too many commercial posts on Brand X Facebook page.

I feel misled by the commercialization of the Facebook page

I think that Brand X should post more non-commercial posts

#### Customer-based brand equity questions.

Please indicate to what extent you agree with each of the following statements:

Statement	Measure:
In comparison to alternative fashion brands, this brand has high quality	Perceived Quality
In comparison to alternative fashion brands, this brand is one of the best	Perceived Quality
I would say that Brand X is one of the leading brands in retail fashion	Perceived quality
I am loyal towards brand X	Loyalty
I would recommend clothing of H&M to others	Loyalty
I would visit H&M when I'm shopping	Loyalty
This brand has a personality	Associations
This brand is interesting	Associations
I have a clear image of the type of person who would use this band	Associations
This brand provides good value of clothes for the money	Associations
I know where this brands stands for	Awareness
I have an clear opinion about this brand	Awareness
I am familiar with brand X	Awareness

# Appendix D: Multiple Regression Zara & Mango

Table 10
Multiple regression analyses for the Brand Equity of ZARA

	Brand Equity ZARA		
	В	SE B	β
Constant	5.02	.17	
Added Value	.82	.23	1.01**
Quality	-1.09	.34	94**
Commercialization	15	.14	.18
Quantity	36	.16	33*
$\mathbb{R}^2$	.45		
F	5.45**		

<sup>\*</sup> p < .05, \*\* p < .01.

Table 11 Multiple regression analyses for the Brand Equity of Mango

	Brand Equity Mango		
	В	SE B	β
Constant	4.19	.19	
Added Value	1.00	.41	.59*
Quality	.07	.45	.04
Commercialization	.04	.12	.05
Quantity	01	.12	02
$\mathbb{R}^2$	.45		
F	6.72**		

<sup>\*</sup> p < .05, \*\* p < .01.