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A Case Study of Facebook Marketing Approaches of Two Nepali Companies



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A CASE STUDY OF FACEBOOK MARKETING APPROACHES OF TWO NEPALI COMPANIES

Facebook marketing as a social media is an online communication that creates an avenue for companies to reach out to their customers. Nowadays, Facebook has become an effective and cheap medium to market products and services with higher positive results and feedbacks.

The main objective of this thesis was to explore whether two Nepali companies Muncha.com and Thamel.com are able to promote their goods and services through Facebook or not. Moreover, this thesis will also study the overall Facebook participations and performances of Nepali companies.

The research methodologies used in this study are qualitative and quantitative. Primary data were collected through observing the marketing activities of the two companies on Facebook, questionnaires to potential customers of the companies and interviews of the marketing managers of the companies. Moreover, in order to get a comprehensive picture of the topic, a literature review was used to analyse social media and Facebook marketing.

It is noted that the two Nepali companies Muncha.com and Thamel.com are not able to promote their businesses through Facebook as it was expected. Furthermore, the result shows that Nepali companies' presence on Facebook is not noticeable. The study clearly shows that Facebook proves to be an effective channel for the marketers and there is a strong need for Nepali companies to utilize the opportunities provided by Facebook.

KEYWORDS:

Social media marketing, Social Networking Sites, Facebook, Marketing on Facebook

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LIST OF ABBREVIATIONS

SMM	Social media marketing
ROI	Return on Investment
ISP	Internet Service Provider
NTA	Nepal Telecommunication Authority

1 INTRODUCTION

Social media is an effective communication channel, which is relatively cheap and takes little time to communicate with the users. Social media in business can be used to build relationships, establish connections with the customers, which enhances comments, feedback, and suggestions for service and policy improvement.

Social media has brought many hopes for the business sector and especially for marketers. The world has been continually changing with new ideas, new thoughts, new inventions and new technology. The traditional way of thinking towards marketing has changed according to time and technology. Modern days' marketers find it easy to sell their products online. A marketer needs a medium to introduce his or her products to the target buyers and to persuade them to buy.

The question that arises is that what the appropriate medium is where he or she can convey information to the customers on the internet. Looking at the current trend the number of users on Facebook is very high compared to social sites. In addition, Facebook itself provides many features for the marketers. A good marketer would definitely like to take advantage of this opportunity and show its product when users log into a particular site. Advertising on Facebook is very lucrative compared to advertising through other avenues.

The main objective of the study was to find out whether under-developed countries like Nepal and Nepalese companies especially Muncha.com and Thamel.com are able to promote their goods and services through the social media channel Facebook or not. Furthermore, another objective was to study whether social media mainly Facebook is comparatively more effective platform for promoting goods and services to the targeted customers or not.

This research was done by collecting data from both qualitative and quantitative methods. Secondary data were collected from different published sources like books, articles, journals and reports. Similarly, primary data were collected by observing Facebook pages of two case study companies, sending questionnaires to Nepali Facebook users and interviewing marketing managers of two companies. All the results of the study are presented in the result and finding chapter of this thesis. Furthermore, the questionnaire with its result in summary and interviews are attached in the Appendix section of this study.

This entire study is divided into six major chapters. The first chapter is the introduction part. The second chapter deals with theoretical aspects of social media environment. The third chapter focuses on the social networking site Facebook, and study of the Facebook page of a Nepali company called Muncha.com and Thamel.com. Similarly, the fourth chapter is about how the research was conducted. The fifth chapter discusses the results and findings of the study. Furthermore, the sixth chapter will be the summary of the results and the last chapter gives the concluding message of the entire study.

2 SOCIAL MEDIA ENVIRONMENT

2.1 Social media and its forms

Social media are online technologies used for preparing and sending information in order to build relationships. They are media for social interaction. Kaplan and Michael (2010, 61) define social media as *"a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0 and that allow the creation and exchange of user-generated content"*. The ideological and technological foundation is represented by Web 2.0 while user generated content is the sum of all in which social media is used by people (Kaplan and Michael 2010, 62)

Social media is the web-platform that allows users to come online and communicate each other, participate in the interaction through text, audio, video and images (Ryan and Jones 2009, 152).



Picture 1. Forms of Social media (Green pages 2012)

There are different forms of social media that contains different features. It includes Internet forums, message boards, podcasts, blogs, wikis, videos and pictures. Some of the examples of social media applications are Facebook (networking), YouTube (video sharing), Twitter (blog), Flickr (photo sharing),

Google plus (networking). Social networking site Facebook is the most popular site right now (Evans 2008, 45-46)

The above Picture 1 shows different types of social media. These social media shown above have different types of features. Among them social networking site is, very popular social media type right now.

2.2 Social media marketing

Social media provides a forum where the buyers and sellers are able to interact before the service or product delivered or after the service is delivered. With the emergence of social media modern day's advertiser can entice its customer coming for services repeatedly. It acts as a bridge between the advertiser and the end costumers. The bonding gets stronger between these two market participants with the help of social media. Social media helps to target exact demography, age, location and geography while offering its products and services (Evans 2008, 37-39).

Social media is increasingly dominating other means of marketing, as its visitors are increasing exponentially day by day and quarter on quarter. The online survey taken by Merchant circle on June 2011 shows that social media and its forms are dominating the marketing arena, as seen in Figure 1.

Social media is gradually breaching other means of marketing such as TV, newspaper, radio, hoarding boards. Before the arrival of Social media only celebrities could express their personal views and get published or broadcasted. However, now every person on the internet can be a celebrity in their friend circle.

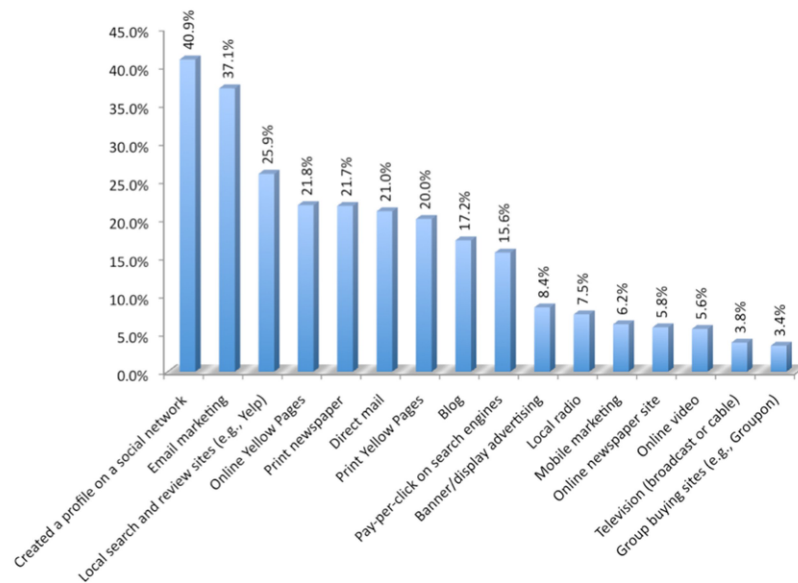


Figure 1. Effective marketing channels (Merchant circle 2012)

Social media not only helps to boost sales but it even helps to satisfy its customers after sales. Social media is very useful for marketers as it is cheap, saves time, and has high consumers' participation with possible feedback.

2.3 The opportunities and challenges of social media

Social media has both opportunities and challenges. However, social media provides more opportunities compared to the threats. Some of the opportunities provided by social media are listed below:

- 1) Able to create groups: It is very easy to create a group who are related to the companies who may be employees, customer, shareholder who have directly or indirectly interest in the organization by which effective sharing of ideas can be done (Ryan and Jones 2009, 151-156).
- 2) Engaging to every consumer one vs. one: Marketing was done by advertising in mass media before but now personalized care can be

taken by one to one service by communicating with the means of social media (Kaplan and Michael 2010, 61-64).

- 3) New concept: It is very new to market and it is still in the growing phase. Therefore, there is a big possibility of market growth for this segment for creating new opportunities.

Similarly, the challenges of social media are:

- 1) Privacy: Social media can be headache sometimes when the privacy is leaked to rival firms and the information displayed by the advertiser is manipulated and shown. The prime concern for every social media is how to be protective with their personal sharing's (Kaplan and Michael 2010, 61-64).
- 2) Diversity: Social media is mixture of different people, society, cultures, country and ones views may affect the emotions of others so sometimes when targeting a particular group through some catchy tag lines may affect others values which may result for severe clashes (Ryan and Jones 2009, 151-156).
- 3) Return on Investment: Sometime due to enough investment in terms of money and time, social media fails to give return to the marketer. There is always a dilemma that the investment may or may not be able to give the right output that marketer desired (Social media marketing 2010, 17-44).

2.4 Social media vs. traditional marketing channel

Social media marketing slowly overshadows traditional marketing. The rise of internet users and its alluring features have made people around the world come together in one place. It has connected people around the world. People spend more time on social media sites than newspaper, TV and radio these days. There are some good and bad points of both the marketing methods. However, the recent year study has shown that social media marketing provides

more opportunities for marketers than traditional marketing methods (Evans 2008, 32-34).

The advertiser in traditional marketing tries to find out its customer through newspaper, TV, hoarding board and telephone calls whereas the advertiser in social media finds out its customer through search engines and social media sites. Therefore, using the traditional marketing media is a time consuming and costly process comparing to social media, which is an inexpensive and easy platform for marketers. Marketer in the traditional media does not really educate or entertain its customers while in social media marketers try to entertain and educate customers (Evans 2008, 32-34).

The traditional marketing technique is one-way communication with the customers while social media is two-way communication with the customers. Marketers get feedback directly from the user and the process is quick. In this case, the marketer has a chance to correct the mistakes very soon in order to stop further damage. However, in the traditional marketing method this process is quite long. They are “push” and “tell”. The marketer is in control of the message and it is one-way direction (Dave 2008, 81).

2.5 Developing company’s social media strategy

Every company should have a specific strategy and plan in order to achieve the objectives and goals of their business. In social media too, companies need a well-planned strategy to get the return on investment. Social media strategy consists of three potential functions: public relations and marketing, sales, and customer services, as seen in figure 2 (Social media marketing 2010, 17-44).

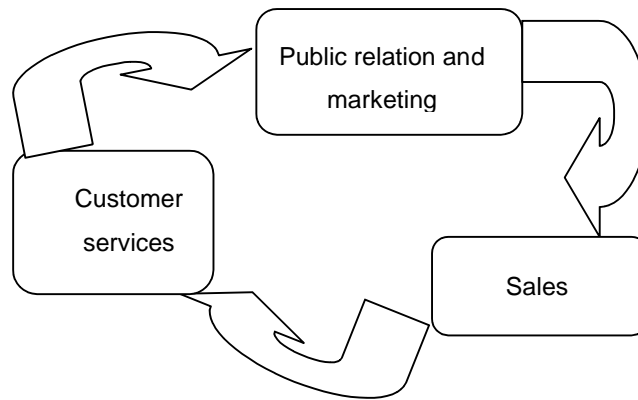


Figure 2. Social media strategy (Social media marketing eBook 2012, 17)

Below is a brief description of three social media strategy functions (Social media marketing eBook 2012, 17-44):

- 1) Public relations and marketing: Social media should be used as a viral marketing tool to build brand awareness. Some of the strategies for building public relationships and doing marketing can be done by three ways: finding the target audience, providing them information, preparing tactics for viral marketing campaign etc.
- 2) Sales: Social media strategy should consider how to increase sales after using it. For this, some tactics should be used. Companies should think how to increase traffic on their site, encouraging visitors to become a member or fan and ultimately changing them from members to customers.
- 3) Customer services: Customer service is a very important thing in order to stay in the market. It is more difficult to keep a customer than make. Feedbacks and comments made by customers have to be studied carefully. If the customer seeks any information, it is best to reply quickly and gently. False publicity done by users should be dealt by warm, genuine and authentic information.

2.6 Five steps to social media marketing success

Social media marketing is very effective but needs some well-planned steps for its success. There are five steps to social media success suggested by Safko (2010, XV). First step is to analyze the existing marketing plan, strategy and campaign. In addition, the number of new customers made and the total expenses has to be counted. Second step is to use all three most important categories of social media: social networks, blogging and micro blogging all together. Next and the third step is to integrate the strategies of social networks, blogs and micro blogs in main marketing strategy at the same time.

After making the new integrated strategies, another important step is to find the exact resources for implementing that new strategy. The fifth and final step to social media marketing success is implementing and measuring the social media marketing strategy. Without measurement, one would not know whether the strategy made is effective or not. Social media marketing will be successful after applying the five steps that are mentioned above (Safko 2010, XV).

2.7 Measuring social media marketing return on investment

Measuring the return in every marketing method is very vital. It is easy to track and calculate return in social media compared to other marketing methods. The best approach to calculate ROI on social media is to carefully follow the activity of users. Using social media analysis applications is another way of calculating ROI (Social media marketing eBook 2010, 45). Online applications like Pagelever, Allfacebookstats, Social baker, Facebook grader do an analysis of the Facebook page of any user. Among them, some are free of cost and some are paid ones.

The common metrics of ROI in social media suggested by the social media marketing eBook are:

- 1) Qualitative followers: It is very important to check the authenticity of the visitors who are following a company via social media. Social media

followers should be genuine so that it helps to generate more leads for the business.

- 2) Measuring the conversation: How often the company representative follows its customer really matters. The conversation makes things different. More conversation means more touch that is personal to its customers.
- 3) Knowing visitors: It is good to know the activity of visitors and their behavior. What the visitor does, their interest is one of the important parts of knowing one's own business because these are the people who keep the business alive.
- 4) Client conversion: Not all customers who get in touch with social media should be clients but to survive in the market there should be business and at the end of the day, this is what matters the most. How many people became the end consumer from all the visitors who have visited the site?

3 THE FACEBOOK PLATFORM

3.1 Introduction to Facebook

Facebook is the competitor of Google and the giant of social media. It is the number one site where the most users spend more time than in any other social networking site. It is the most successful privately owned social network (Baloun 2006). Facebook is a platform on the internet, which provides basic networking services: possibility to create your own profile and networking with the other users. There is a possibility of making common-interest user groups and different platform for organizations and companies with different necessary features. According to Facebook, *“Facebook’s mission is to make the world more open and connected. People use Facebook to stay connected with friends and family, to discover what’s going on in the world, and to share and express what matters to them”* (Facebook 2012a). All kinds of users get benefit through Facebook like students, engineers, developers, organizations, companies and so on.

Facebook was created by Mark Zuckerberg (with Chris Hughes, Dustin Moskovitz and two other Harvard University Students) in 2004, in order to make the world more open and connected (Facebook 2012a). The story of success behind Facebook is that, Facebook wanted brilliant engineers who could have their own project and put forward new technologies (Baloun 2006).

Various studies and research results shows that Facebook is on top among all other social networking sites. Facebook itself posted in their platform that they have already 845 monthly and 483 million daily active users at the end of December 2011 (Facebook 2012). Similarly, MySpace had 100 million users at the end of 2011. Until early 2008, MySpace was leading social networking site. Facebook became number one social networking site putting MySpace far behind from April 2008. Since then, although there has been lots of redesign of the application by the company, the number of MySpace users has been dropping. The web information company ranked Facebook as number 2nd

company on the internet after Google in terms of user engagement (Alexa 2012).

As seen in Table 1 the listings shown by Wikipedia clearly tell that Facebook is the leading social networking site. Facebook's popularity is increasing day-by-day because of a large number of users and their engagement with the site, and unique as well as simple features (Wikipedia 2012).

Table 1. Leading Social networking sites (Wikipedia 2012)

Name	Users	Internet Ranking	Date Launched
Facebook.com	845,000,000+	2	February 2004
Twitter.com	300,000,000	9	July 15, 2006
Google+	100,000,000	-	June 28, 2011
Myspace.com	100,000,000+	131	August 2003
Hi5.com	80,000,000	443	2003

Facebook enables users to connect each other and participate in real conversation. The conversation might be verbal and non-verbal using texts, photos, drawings, videos, and news. An increasing number of developers and applications help Facebook to make new users, engage and retain them.

3.2 Marketing on Facebook

Facebook is one of the leading and rapidly growing online networks. With over 845 million users, Facebook is a very effective place for businesses. There is possibility to attract new customers, build online relationships and use Facebook as an online marketing communication channel. With its highly targeted marketing features and its smooth ability to spread information across the networks of each other, Facebook becomes an important marketing place for marketers these days.

According to Barefoot and Szabo (2010, 172), *“Facebook is the elephant in the social media marketing living room. The site is enormous and daunting, and*

everybody is still figuring out the best ways to market within it. The number of Facebook users has more than doubled in the past six months, and the growth curve will likely remain pretty steep in the near future". Facebook has many marketing options and features for marketers. Marketers are able to advertise free or pay for that. They can make normal Facebook pages, brand/product pages or groups. Consumers can join the companies' pages or groups that they operate.

Over the years, there has been discussion whether a company should use groups or pages on Facebook. Traditionally, companies used groups. They can start an official group for their company and encourage their customers to join the group. A group was a perfect conversational channel for communicating with customers. Similarly, Facebook introduced Facebook pages as a feature for companies. Pages are the natural place for focusing companies' Facebook efforts (Barefoot and Szabo 2010, 181). Companies are even in confusion whether to create a group or pages on Facebook. Barefoot and Szabo (2010, 181) state there are some differences between groups and pages:

- 1) Groups are normally for promoting a common interest, cause or hobby while pages focus on business arena;
- 2) Pages provide statistics for user activity while groups do not;
- 3) Pages are visible to search engines; groups are not;
- 4) Through groups, you are able to send invitation for joining the group in a bulk but in Facebook pages, you cannot.

Although both of them have some similarities, it is better to use pages for companies and groups for cause-oriented organizations (Barefoot and Szabo 2010, 181).

By creating a Facebook page, you create a common platform for your customers, friends or partners to engage them in conversation arena within your company and product. On your own page, you can put all your company

information, introduce your product, and encourage customers for providing comments and feedbacks.

Advertising on Facebook can be done in two ways, either free or paid for. Free advertising is done through one's own Facebook page and paid advertising is done by using the Facebook advertising schemes. In the free advertising option, one can design the advertisement in any style. (Picture 2)



New Year Special

FREE DELIVERY ON ALL ORDERS*

HURRY! This offer is only valid until **13th of April** (Delivery Date).

SHOP NOW! FREE DELIVERY

* Free delivery applies only inside Nepal for above mentioned period of delivery.

Contact Details:

USA	: 1-859-215-0093
USA (toll free)	: 1-888-357-6348
UK	: 44 0207 078 7349
France	: 33 (0)1 7666 0612
Ireland	: 353 (0)1 657 1584
Spain	: 34 91 829 5220
Nepal	: 977-1-5539414, 5535757
E-Mail	: info@muncha.com

Facebook and Twitter icons are present in the bottom right corner.

Picture 2. Muncha.com Facebook page advertisement (consulted 4.4.2012)

In the paid advertising option, guidelines and features given by Facebook should be taken into consideration. After the advertisement is made, it will be

shown on the Facebook page of the selected target customer. Once the target customer clicks the advertisement, it will automatically redirect either to the website or to the Facebook platform of the particular advertiser. The paid advertising option will help to reach target audience or target groups with the most profitable result. The main advantage of Facebook paid advertising is to increase marketing results with less energy, time and money. There is a higher chance that your marketing effort will be converted into the company's sales. There should be proper planning and creative ideas while making a Facebook advertisement. If not, even though the company is well known and has a big brand name, no one clicks on the advertisements.



Figure 3. Paid Advertisement sample (www. Facebook.com/sudeep, 2.4.2012)

Facebook itself posted five guiding principles of Marketing on Facebook (Facebook 2012b). They are:

- 1) Developing a strategy that is social,
- 2) Creating consistent and an authentic brand voice,
- 3) Create content that people like and are ready to pass each other,
- 4) Building relationships by staying in touch with them and rewarding through deals and promotions,
- 5) Evaluating feedbacks and comments, and knowing what your costumers like most.

Marketers also have the chance to do viral marketing on Facebook as it is a very good platform for word of mouth marketing. Viral marketing is known as the technique used for achieving marketing objectives by the help of pre-existing social networking sites. According to Wikipedia " *The ultimate goal of marketers interested in creating successful viral marketing programs is to create that appeal to individuals with high and that have a high probability of being present and spread by these individuals and their competitors in their communications with others in a short period of time*" (Wikipedia 2012b).

Measuring marketing return is equally important as planning and implementing marketing strategies. The common metrics for measuring return on investment on Facebook marketing as suggested by social media marketing eBook (2012, 47) are:

- 1) Number of Fans or members on the Facebook page
- 2) Number of likes, talking about and comments made by the visitor
- 3) Percentage of items shared and traffic driven on Facebook.

3.3 Internet in Nepal

Internet in Nepal started in 1993. The Nepalese government passed the first Telecommunication Act in 1997, which allowed private companies to provide internet services in the country. After the arrival of private ISP's, the country saw a dramatic increase in internet users. Similarly, because of the new arrivals

of Telecommunication Companies in the country, the number of Internet users has grown by a whopping 160 per cent, according to the latest report of Nepal Telecom Authority (NTA).

Table 2. Internet subscribers in Nepal until December 2011 (NTA 2012, 2)

Service types	Total
Dialup	19,571
Wireless Modem, Optical Fibre	31,146
Cable Modem, Cable etc.	17,112
ADSL	78,390
GPRS (Mobile)	3,726,912
CDMA	174,534
Grand Total	4,047,665

Internet Penetration Rate 15.20

The number of Internet users rose to 4 million in 2010-11 from 1.35 million in 2009-10. The growth has been in rise due to the number of people accessing the Internet through GPRS-enabled mobile phones. The percentage of internet users is increasing handsomely but still internet is not available to the majority of the almost 30 million people as the below data provided by the Nepal Telecommunication Authority (NTA 2012, 2)

3.4 Nepali companies on Facebook

Like other companies all around the world, Nepali companies are also marching towards Facebook. Nepali consumers too, wish right messages at the right time in this digital age. However, unfortunately, Nepalese companies are unable to use the opportunities provided by social media, social networking sites and the entire web. Although the presence of the Nepali companies on Facebook is very low, some of the big brands are seen using social media and Facebook very effectively. Companies like Ncell, Nepal telecom and Dabur Nepal are some of

the companies that are putting lots of effort on Facebook. Despite the relatively low presence in social media, Nepali companies have used increasing amounts of money and effort over the years.

3.5 Nepali users on Facebook

Facebook users are increasing second by second in the world. The Facebook user's growth rate is quite high compared to other social networking sites. Same like other countries Nepal has growing number of Facebook users. The number of Facebook users in Nepal as of 15 March 2011 is 1.4 million. Nepal ranks as the 70th country based on the number of Facebook users. USA leads the way with over 160 million out of total 900 million Facebook users globally. Similarly, Nepal's neighbor India has over 40 million Facebook users (Social Bakers 2012)

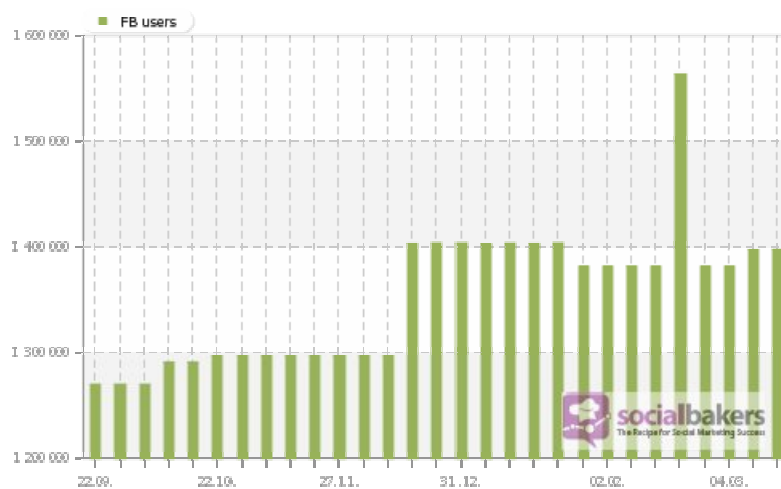


Figure 4. Facebook user's growth in Nepal, last 6 months (Social Baker 2012)

The comparatively low number of Nepalese on Facebook is because the total number of internet users is low in the country. However, the total number of Facebook users grew by 11% in the last 6 months in Nepal according to the above Figure 4.

4 RESEARCH METHODOLOGY

4.1 Research approach

This research is a case study research. A case study is the investigation of individual, groups, institutions, community, multiple cases etc. The research is done in order to answer specific research questions. A key characteristic of case study is the use of multiple sources of evidence. A case study can be done by both qualitative and quantitative data collection methodologies (Gillham 2010, 2).

Quantitative method can be used to verify the hypothesis conclusion made by qualitative research (Wikipedia 2012c). Both qualitative and quantitative research methodologies were used in the study as both methods support each other to arrive at exact result and clear objective of the study. Qualitative research consists of secondary data while quantitative research consists of primary data.

4.2 Research process

This research is a case study of marketing approaches of two Nepali companies called Muncha.com and Thamel.com. In the first step, questionnaires were prepared and sent to the users of both the companies. The questionnaires were sent to 95 Nepali Facebook users who are in Nepal and outside Nepal. In the final step, interviews were made. The interviews were taken with the marketing managers of Muncha.com and Thamel.com on the Skype. All the research data was noted and is presented in the result part of this study.

4.3 Introduction of case companies

4.3.1 Muncha.com

Muncha House is a department store in Nepal, which has served in the country consistently for over eight decades by wholesaling, retailing and supplying business organizations with their daily necessities.

Aiming to reach out effectively to their customers around the world, Muncha House started the Muncha website from April 2000. Later on Muncha House became Muncha.com in order to expand their services and serve their valued customers around the globe and now they are operating at www.shop.muncha.com.

Muncha started local phone lines in the USA, UK, Australia, Spain, Italy and Ireland for serving Nepalese customers in the respective countries. The customers in these countries are able to call directly in their countries of residence for customer service 24 hours a day.

Muncha.com has two major types of services, one is selling goods and another is money transfer. Both services are online and there is a physical store for the goods section in Nepal only. All Nepalese in the country are able to buy from the store and online while Nepalese abroad have to use both their services online. Nepalese around the world can buy and send gifts to their families, friends and their beloved ones through Muncha.com

Muncha.com started money transfer service from 2004 through the web site www.money.muncha.com. It is only for Nepalese living outside the country, as Nepalese within the country cannot send money outside the country without the government's prior approval. Initially, this service was only available to their clients in the USA but later it was available to Nepalese in UK, Canada, Australia and the 16 countries who are using the Euro.

Muncha.com also started online the shop www.bazar.com.np, through which any individual can sell their products online, in 2010. Sellers need to clarify the

condition of the products that they want to sell online. It can be either the new product or a used one. (Muncha.com 2012a)

Muncha.com is also on Facebook. A user can join their page by just one click and will be able to see their activities. On their Facebook platform, they give information about their products and services, and they try to engage customers and ask for feedbacks/comments from the users.

4.3.2 Thamel.com

Thamel.com is an e-commerce company from Nepal. Thamel.com is a well-known company in Nepal and got some award and recognition from international organizations. Their aim of establishing the company was to serve millions of Nepalese who are living around the globe who are trying to preserve their cultural identities outside their country and at the same time connect with their families, friends and special ones in Nepal. It is an online shop from where the Nepali people around the world can send gifts, money, cloths, toys, electronics and many daily useful products to their families and beloved ones in Nepal.

Thamel.com has its main website at www.thamel.com where they provide information about them, their products and services. They have different web site for money transfer service at www.thamelremit.com. Currently they have money transfer services from USA, Canada, Australia, Israel and Europe. Similarly, through www.banking.thamel.com they are providing loan facilities to Nepalese abroad. Thamel.com has partnerships with some banks and real estate companies in Nepal (Thamel.com 2012).

Thamel.com also has a Facebook page as a part of their social media marketing. Their name on Facebook is as 'I use thamel.com to connect my family in Nepal'.

4.4 Data collection methodology

Both primary and secondary data collection methodologies have been used in this research. Primary data was obtained through observations, interviews and questionnaires. In the primary data collection section, first method that was used was observations. Observation was done by analysis of two Nepali companies and analyzing their marketing activities on Facebook during January to March 2012. All the activities of the companies and the users' responses were analyzed thoroughly on Facebook. Another important data collection methodology used was interview. The interview questions were made and interviews were taken through Skype. The interview was taken with the marketing managers of both the companies in the last week of March and presented in Appendix 3.

The questionnaire was prepared and sent to some Nepali Facebook users who are in Nepal and outside Nepal. The questionnaire was sent in two ways, one in the email through Google Docs, and another by copying and sending the link of the questionnaire as a text message through Facebook. The questionnaire was sent during 2nd week of March and was open until two weeks. The questionnaire was sent to 95 Nepali people around the world electronically. Questionnaires were prepared based on the objectives of the research and people's activities within the Facebook. The aim of the questionnaire was to collect exact information and data from the consumers of the case study companies. There are 20 questions in total (Appendix 1) in the questionnaire. The questions were made simple, logical and easy to understand so that there will be more replies to the questionnaires. The summary of the results of the questionnaire is attached in Appendix 2.

The questionnaire was prepared in Google Docs Forms. Google Docs Forms is very simple and easy to design. There are many choices for answer options like answer as text, multiple choices, checkboxes, scales, grid and choose from the list. It is possible to make the questions compulsory so that without giving the answer for that particular question, one cannot be able to submit the form. Survey results will be stored in one spreadsheet document. There is possibility

that the creator of the form can see the summary of the results on one page as a chart and graph. The user can easily edit and print the results from anywhere. Google Docs itself sends the survey by email. It also gives a separate link for the document so that one can just provide the link to the people. In this study, the majority of the questionnaire forms was sent through email. Similarly, the questionnaire link was copied and pasted to the possible surveyors through Facebook chat and message box. In total, the questionnaire was sent to 95 people.

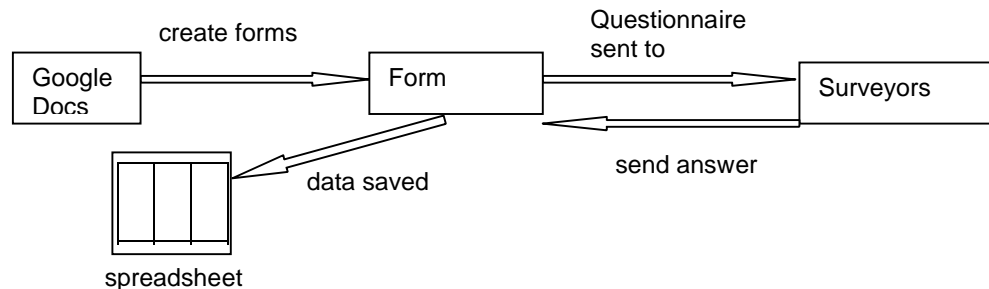


Figure 5. Questionnaire result collection process

4.5 Limitations of the study

At every stage of this thesis, limitations came up and efforts were made to manage the situation in such a way that it does not affect the results of the study. One of the limitations encountered is about the materials that evolved during the search process. Some of them were written in some languages other than English language. Such materials could possibly be useful for the study if the content is understood but due to the language problem, I was unable to access them and therefore excluded such materials.

Another language problem faced by this study occurred at the data collection stage. The interview questions were structured in English language. However, the interviewees of both companies answered the questions in their mother tongue Nepali. This language barrier necessitates the interpretation of the data

into English language before it can be analyzed. Going through this interpretation may degenerate to incomplete information and misrepresentation of ideas.

In managing these evolved limitations, I predicted the possibilities of coming across such problems in the beginning of the study and was well prepared in order to manage them.

5 RESULTS AND FINDINGS

5.1 The observing of Facebook Marketing of Two Nepali companies

This section describes the Facebook activities of two Nepali companies. Facebook pages of both companies were observed during January-March 2012.

5.1.1 Muncha.com on Facebook

Muncha.com is on Facebook with the same name muncha.com. Muncha.com uses Facebook page and anyone interested can join them by clicking the Like button on their page. As seen in figure 6 until 23 March 2012, Muncha.com has 27,700 fans and 369 people are talking about them. Normally 3-4 postings are done by muncha.com per week and on average 10-20 people like the posting, 2-5 people share Muncha.com is posting on their own Facebook page, and 4-10 people comment each posting.

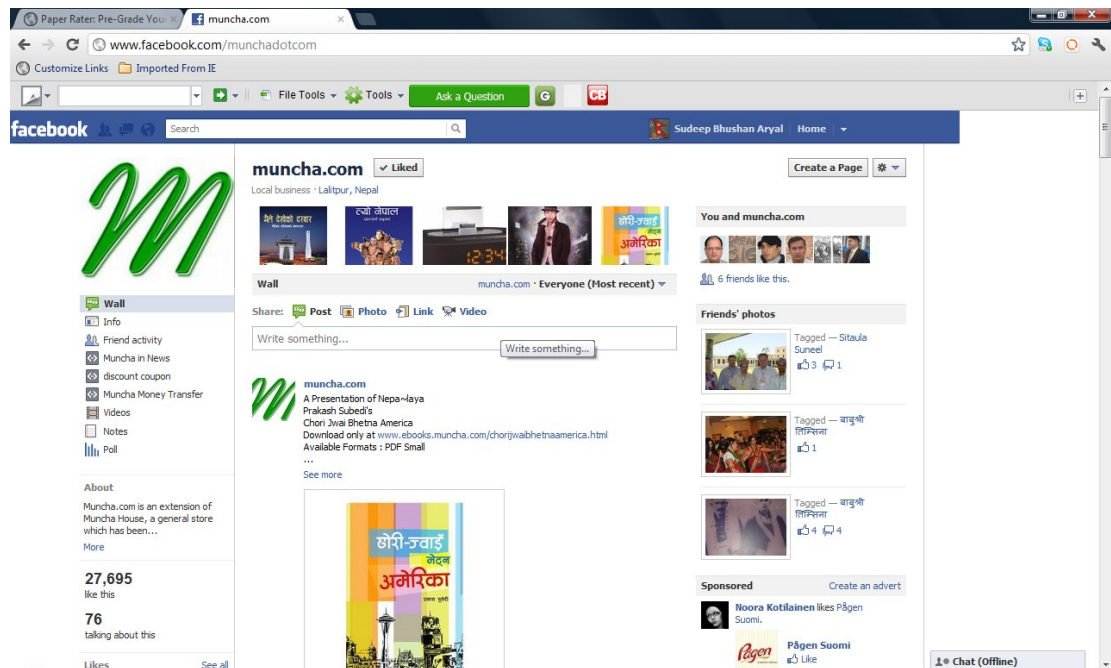


Figure 6. The Facebook page of Muncha.com (consulted 23.3.2012)

Muncha.com is engaging their customers in their Facebook platform hoping to make the brand strong. They usually post new product information two to three times per day. They introduce special products on special days like Mother's day, Father's day, Valentine Day and congratulate all people on these days. Similarly, when they have new product/services and add new merchant they let their members know about it via Facebook. They are posting product information with an image and a short description.

Fans and customers are asking questions regarding the products, payment method and they provide feedbacks/comments time to time. Because of the variety of products and services and better marketing plans on their Facebook page, they are able to make more fans day by day, which is quite a positive sign for them. When a customer asks questions or provides feedback it seems that Muncha's staff replies within 1-2 days. (Muncha.com 2012b)

March 2012, Muncha.com is not doing any paid advertisement on Facebook. Muncha.com also has a separate Facebook page for their online shop service called as Muncha bazaar.

5.1.2 Thamel.com on Facebook

Thamel.com has their own Facebook page with the title "I use thamel.com to connect with my family in Nepal". The Facebook page of Thamel.com is presented in the below Figure 7.

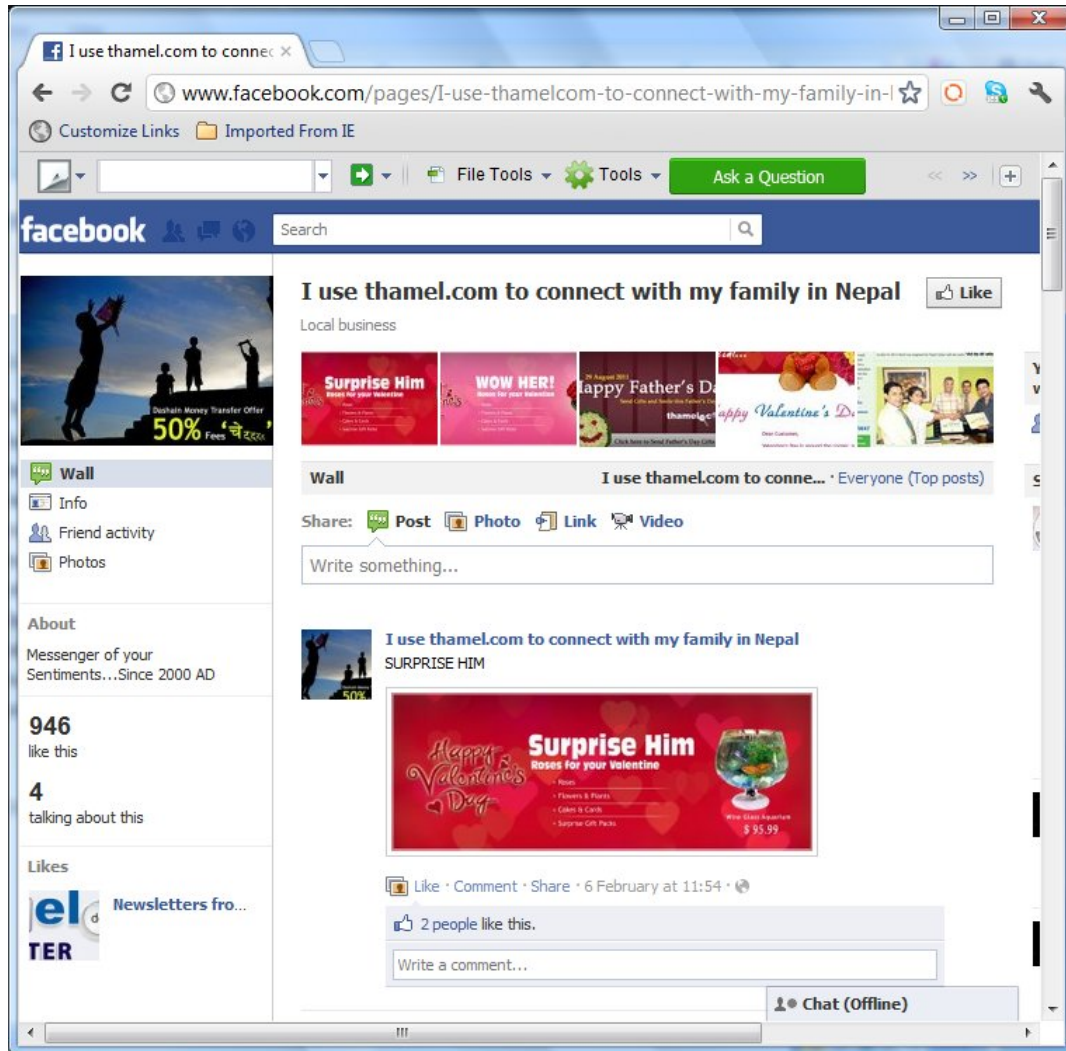


Figure 7. The Facebook page of Thamel.com (25 March 2012)

Until 25 March 2012, Thamel.com has 929 members and 15 people are giving feedback and comments to them. Normally they are posting status information 4-5 times in 1-2 months. It seems they post their status normally in special days like Mother's day, Father's day, Valentine day and in big festivals. Similarly, when they introduce new products and services they give information and all the required details. Comments and feedbacks from the customers are rare for them as they have fewer users on Facebook. They introduce fewer products, few merchants and they have few subsidiaries. On average, 4-10 people like

their postings and 1-3 people share Thamel.com's posting in their own profile (Thamel.com 2012b)

5.1.3 Comparing Facebook activities of Muncha.com and Thamel.com

While comparing the two companies on Facebook it seems that Muncha.com has more services and products. Muncha.com has 28 thousand fan following them on Facebook, its decent number for country like Nepal where there is less internet users and low literacy rate. While Thamel.com's participation on Facebook media is very less, as it is more focused on Google search engine rather than Facebook marketing. The participation of users in Muncha.com's Facebook platform is increasing and the portal is generating a decent amount of profit, while Thamel.com's popularity on Facebook is neither increasing nor decreasing.

Muncha has been using the Facebook platform regularly to introduce and advertise their products/services to their customers. Muncha is often engaged in new services and trying often to introduce new merchants so that they have various choices and options for the target people. The reason why Thamel.com is less popular comparing to Muncha.com is their low presence on Facebook. Muncha gives quick replies to the queries made by customers.

The above story tells that one company putting a lot of effort on Facebook but another not. The company who is actively engaging and focusing on social media is getting more response and more members compared to the company who concentrates less on Facebook. Using social media is very vital for both of them as they are both online business companies and they get customers only online.

5.2 Results and Findings from the Questionnaire

Questionnaires were prepared and sent to some Nepali Facebook users around the world. There are total 20 questions in the questionnaire. The reason behind choosing only Nepali Facebook users is that, most of the questionnaire questions are related to Facebook and the Nepali companies who are

marketing on Facebook. The questionnaire was sent in two ways, one was in the email and another was sending the link of the questionnaire as a text message through Facebook. Questionnaires were sent out to 95 people within the period of two weeks. Out of 95 questionnaires that were sent, 67 people replied. The questions of the questionnaire can be found in Appendix 1. Similarly, the summary of the result is attached in Appendix 2. The results of the questionnaires are presented below.

5.2.1 Facebook user's activities

In this section, the result of Q1-Q5 will be presented. Answering question 1, 90% of people said that they have been using Facebook more than a year. When asked how often they use Facebook in question 2, 86% people said they use Facebook on a daily basis. Similarly, when asked how many companies they subscribe on Facebook, 70% people said that they have subscribed more than 15 companies while 25% claimed that they have subscribed 5-10 companies.

Furthermore, giving the answer of question 4, 52% said that they have between 100-500 friends on Facebook while 31% have between 500-1000, which is shown in Figure 8.

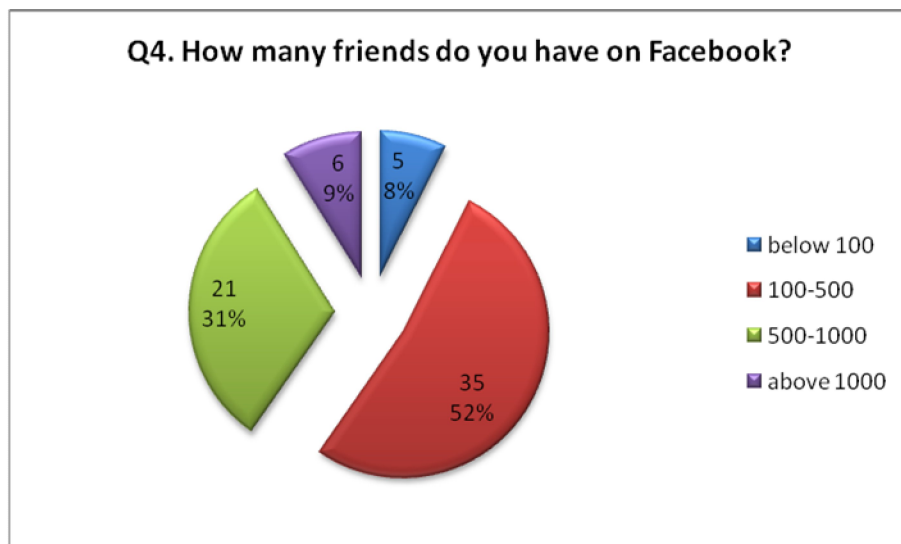


Figure 8. People's Facebook friends

When asked in which places people use Facebook in question 5, the majority of people said that they use Facebook from home and mobile while some are using Cyber. From the above results, it is clear that people's engagement on Facebook is very high, they have been accessing Facebook from all networks and they want to know about companies.

5.2.2 Advertisement on Facebook

The results of Q6-Q8 will be presented here. When asked how people see advertisement on Facebook, 43% said that advertisement on Facebook is unnoticeable while 29% said useful and 19% said it is annoying. Similarly, answering question 7, 52% replied that most of the time they believe in the reliability of goods and services offered through Facebook.

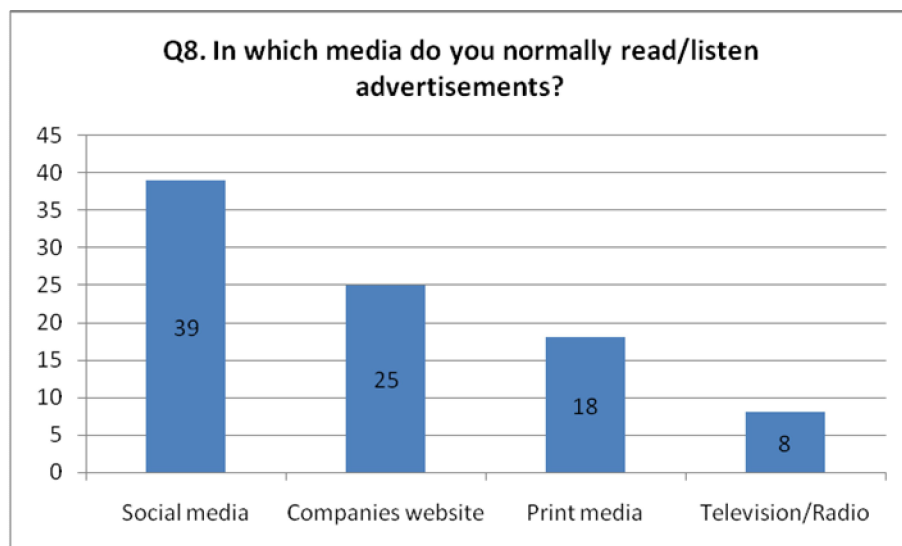


Figure 9. People's favorite advertisement channels

According to the result of question 8, the majority of people see advertisements on Social media and company's websites while some still read/listen advertisement through print media and television/radio, as seen in the above

Figure 9. The above result shows that social media are leading in the advertising arena, but it still needs some improvement as majority of people even said Facebook advertisement is unnoticeable.

5.2.3 Muncha.com and its consumer activity

The results of Q9-Q12 will be presented in this section. When it was asked whether they see Muncha.com on Facebook in the question 9, 84% of the people said that they have seen Nepalese company Muncha.com marketing their goods and services on Facebook, which is shown in Figure 10.

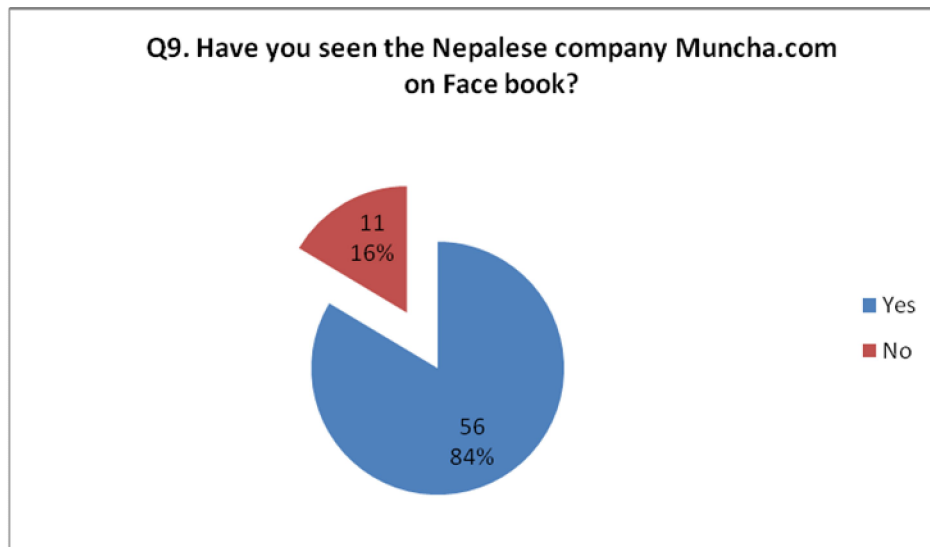


Figure 10. Muncha.com on Facebook

Similarly, when asked whether they joined Muncha.com on Facebook in the question 10, 62% people said that they have joined Muncha.com. Furthermore, 56% said that they have bought/used goods/services offered by Muncha.com while answering question 11. Muncha.com's Facebook page influenced 57% of the surveyors. Muncha.com is well-known on Facebook and most of the people has been using their services often.

5.2.4 Thamel.com and its consumer activity

The results of Q13-Q16 will be presented here. While giving the answer of question 13, whether they have seen Thamel.com on Facebook or not, 57% of total surveyor said that they have not seen Thamel.com on Facebook as shown in the Figure 11. This results clearly tells that Thamel.com has low presence on Facebook.

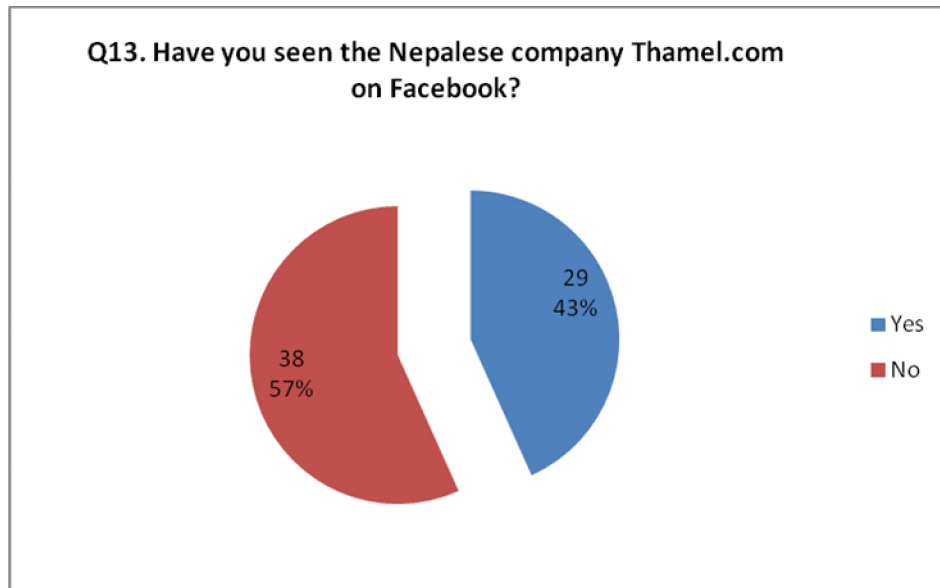


Figure 11. Thamel.com on Facebook

Answering the question number 14 and 15, 71% people said that they have not joined Thamel.com. and 80% said that they have not bought/used any goods/services offered by Thamel.com. Furthermore, 88% people who participated in the survey said that Thamel.com's Facebook page never influenced them to use their services. The above result clearly says that Thamel.com is not a well known company on Facebook and it seems that they are not utilizing the opportunity provided by social media.

5.2.5 Presence on Facebook (Muncha.com and Thamel.com)

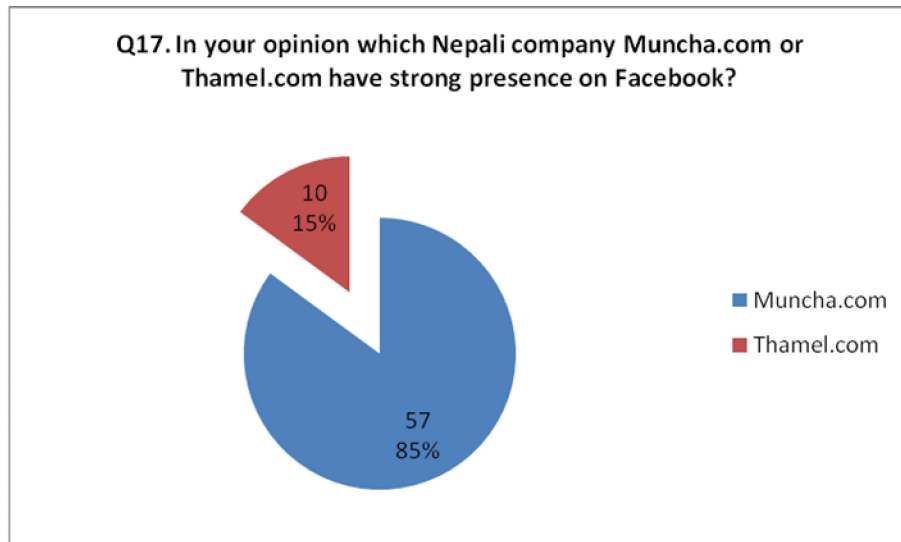


Figure 12. Muncha.com or Thamel.com

Giving the answer of question 17, 85% people said that Muncha.com has better Facebook presence than Thamel.com. After analyzing the results of Q9-Q12 and the above one, it is clear that Muncha.com is quite more popular than Thamel.com.

5.2.6 Presence of Nepali Companies on Facebook

According to the result of the questionnaire 19, presence of Nepali companies on Facebook is low. More than 57% of people said that Nepali companies' presence on Facebook is low, and 19% said that Nepali companies' presence is moderate, which is shown in the Figure 13.

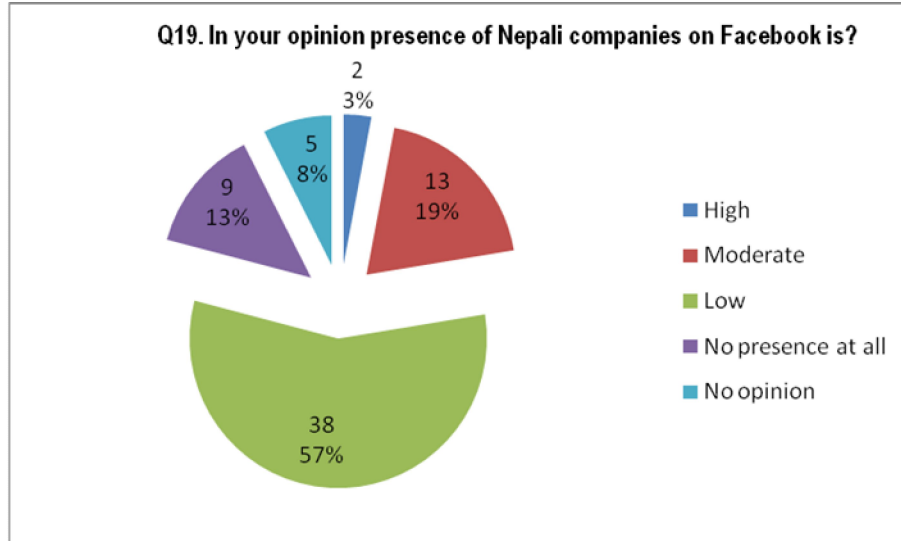


Figure 13. Nepali companies on Facebook

Similarly, while answering the question 18, 58% of the people said that they sometimes talk about Nepali companies on Facebook. The above results show that there are less Nepali companies who are on Facebook. This means Nepali users are not able to find Nepali companies on Facebook as they are less engaged.

5.2.7 People towards social networking sites

The last answer of the questionnaire shows that users engaged in other Social networking sites are high. People said that they are the users of other networking sites too. 65% said they have accounts on YouTube, 41% have on Twitter, 35% have on Google plus and 22% have on MySpace (Figure 14).

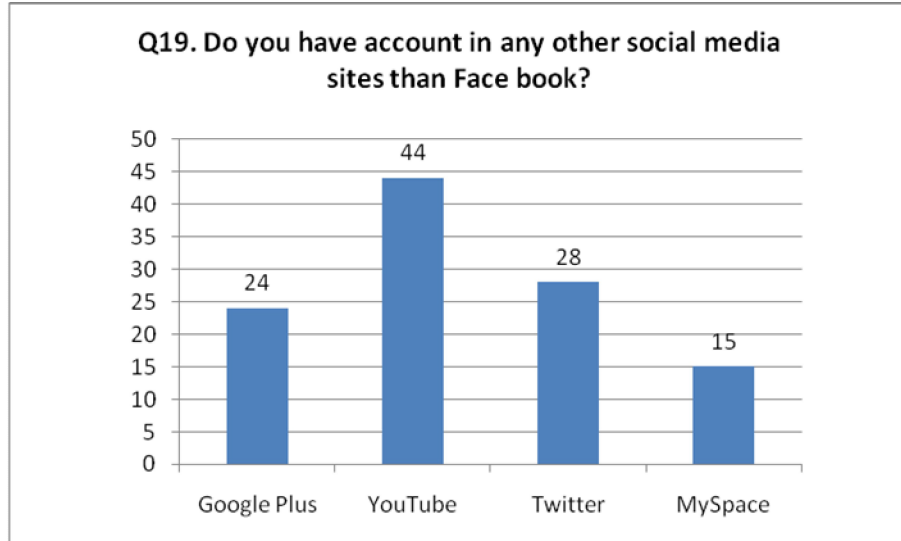


Figure 14. Social networking sites

Therefore, it is clear that people are engaged on different types of social networking sites. Most of the surveyors even have accounts in four-five social networking sites. However, majority of the people have account on YouTube, Twitter and Google plus in an addition to the Facebook.

5.3 Results and Findings from the Interviews

The marketing managers of two Nepali online companies (Muncha.com and Thamel.com) were interviewed. The interviews were done through Skype and the answers were noted down and later presented in Appendix 3. Total 13 questions were asked and it took almost 1 hour to each of the interviews. Below are the summary of the interviews.

5.3.1 Facebook is the main marketing channel for both the companies

Giving the answers of the interview questions 1-5, both of the companies said that they have been using Facebook more than 3 years and Facebook is their main marketing channel right now. Both of the companies said that there are many opportunities using Facebook as a marketing channel. The Muncha.com interviewee said that the reason behind using Facebook is to strengthen the

brand name while Thamel.com believes that Facebook is an easy way to be connected with people cheaply.

Both of the companies strongly agree that companies should have a strong presence on Facebook as it provides lots of opportunity for marketers.

However, both of the interviews also mentioned challenges regarding Facebook Marketing. Muncha.com interviewee mentioned two challenges, first one is the privacy of the company and the second one is the return on investment if marketing will be done with paid schemes. Similarly, Thamel.com interviewee experienced some bad comments from the users.

5.3.2 The challenges of using Facebook as a marketing channel in Nepal

Both of the interviewees mentioned many problems using Facebook in a country like Nepal. According to the interviewees, some of the problems are low internet penetration rate, low literacy rate, no proper plan and policies from the government and poor IT infrastructure. However, the major problem is that the country does not have enough electricity. Similarly, besides in the big cities, so many people do not have access of computer and internet in Nepal.

5.3.3 Facebook marketing goals and strategies of two companies

While saying the goal of the Facebook marketing, the Muncha.com interviewee said that the main goal for them is to increase brand name and sales. Similarly, for Thamel.com their main goal is to increase the number of customers and sales.

Muncha.com will achieve the above-mentioned goals by engaging with the people and making sure that they feel comfortable with them. Thamel.com also has almost the same strategy but they want to encourage people to join them on Facebook and be part of their company.

5.3.4 Facebook marketing activity measurement

Measurement of return in business is very vital according to both of the companies. Both interviewees said they are always measuring marketing returns. Muncha.com checks user engagement during certain period of time whether it is increasing or not while Thamel.com checks the number of subscribers.

5.3.5 Facebook is a fruitful place for marketing

Both of the companies said that Facebook marketing is a fruitful place for marketing and their return on marketing on Facebook is satisfactory until now. They claim that they are able to reach their target customers easily after using Facebook. They said that they are getting more feedback and comments than through other channels of marketing.

6 SUMMARY OF THE RESULTS

This chapter will summarize the results and findings from all the three research methods used. The three methods used were observations, questionnaires and the interviews. Below is the summary of all the results.

The results showed that people spend a lot of time on Facebook. The majority of people use Facebook on a daily basis and they have been using it since long time ago. Similarly, most of the people have more than hundred friends on Facebook. People are subscribing more companies all the time.

A main finding from the research is that Facebook is an effective marketing channel used by so many companies. Because of varied features and strong engagement of users, Facebook is the current important platform for marketers. Most of the people said that they believe in the reliability of the products/services offered by companies who advertise on Facebook. However, the results also showed that advertisements on Facebook are unnoticeable and annoying sometimes. Facebook users pay less attention to adverts when they are deeply involved in some other activities on Facebook.

While talking about the two case study companies, both of the companies Facebook activities, presence and performance is not satisfactory. Many areas are needed to be improved while using Facebook. However, it is noticed that Muncha.com is better than Thamel.com. Muncha.com is able to get popular slowly through Facebook. Thamel.com on the other hand is very passive on Facebook. Their Facebook activity is not good enough and seems lacking strategies.

The result showed that Nepali companies' presence on Facebook is very low. There are few Nepali companies using Facebook. Among the companies who are on Facebook, it seems no one is using proper strategy in order to make use of the opportunities provided by Facebook.

Similarly, there are so many challenges using Facebook as a marketing channel by the marketers in Nepal like insufficient electricity, low internet access, high illiteracy rate, weak government plans and policies.

Furthermore, the result is not only showing the importance of Facebook to the marketers, but also the importance of the entire social media, especially social networking sites. The reason behind this is due to the participation of the internet users that keep rising every day.

7 RECOMMENDATION AND CONCLUSION

After a detail analysis of the two Nepali companies in relation to Facebook marketing, this study clearly shows that Facebook is an effective marketing channel and is proving to be a very fruitful place for marketers right now. People spend a lot of time on Facebook nowadays. This means Facebook is a converging point of people and marketers only need certain skills to draw people's attention towards their advert on Facebook. Marketers should be well acquainted with all the important features provided by Facebook and then plan and implement new ideas and strategies.

The objective of the study was to find out whether two Nepali companies are able to use Facebook as an effective channel or not. The result showed that the two companies are not able to use Facebook effectively due to certain circumstances. These companies have very little user participation on Facebook. The reason behind the inability of these companies to influence such situation is that they spend little time on Facebook and have little idea about Facebook itself. Their Facebook marketing strategy is not working well and they are not able to utilize opportunities' provided by Facebook. In order to tackle these problems, they have to improve their public relation and marketing strategy and focus on customer service.

First step is to study and analyse the entire marketing plan, strategy feedback and comments on Facebook. The next important step could be to formulate new ideas, plans and strategies and implement all with the required resources like money, social media marketing experts, equipments etc. The final step would be measuring the return and evaluating the entire campaign for future use. This thesis would help the two Nepali companies to evaluate their Facebook presence and plans well for the future.

The thesis concludes that Nepal as a country and Nepalese companies are not able to promote their products and services through Facebook as their presence on Facebook is very low and consumers are not getting what they really want from the Nepali companies. There are so many challenges using

Facebook as a marketing channel in a country like Nepal. Nepali companies should think about how to attract Nepali consumers on Facebook. One of the ideas will be by creating the companies' Facebook pages in the Nepali language as Facebook can be used in Nepali language too. Similarly, Nepali companies should put pressure on the government in order to make effective plans and policies in IT sector.

Furthermore, Nepalese government needs to do a lot in order to tackle all the problems associated with Information Technology and education sector. There is a strong need for educational reforms from the government; they should be able to encourage the people in the remote areas to attend schools. This can be achieved through financial support and some other governmental incentives. Public schools should be established throughout the country with the availability of good infrastructure and latest technologies.

Moreover, all the public schools should have well-trained teachers, libraries, internet facilities and required equipments. English language should be made a compulsory course starting from primary school, as without knowing English language it is quite hard to use current social media applications. ICT infrastructure should be made of international standard with latest technology. Information technology plans and policies should be updated accordingly.

Similarly, another major problem is the lack of electricity in the country that is rich in water resources. Government should encourage national and international companies to build big hydropower by making favourable environment and effective plans and policies.

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Appendix 1: Questionnaire

1. How long have you been using Facebook?
a) less than a year b) one year and more
2. How often do you use Facebook?
a) daily b) weekly c) monthly d) sometime
3. How many companies' sites did you subscribe on Facebook?
a) 1-5 b) 5-10 c) 10-15 d) above15 d) none
4. How many friends do you have on Facebook?
a) below 100 b) 100-500 c) 500- 1000 d) 1000-above
5. From which places do you use Facebook normally?(multiple options)
a) College b) Home c) Work d) Mobile e) Cyber
6. How do you see advertisement on Facebook?
a) annoying b) unnoticeable c) useful d) no opinion
7. Do you believe in the reliability of goods and services offered through Facebook?
a) always b) mostly c) sometime d) never
8. In which media do you normally read/listen advertisements?(multiple options)
a) social media b) websites c) print media d) television/radio
9. Have you seen the Nepalese company Muncha.com marketing their goods and services on Facebook?
a) yes b) no
10. Have you joined them on Facebook?
a) yes b) no
11. Have you ever bought/used any goods/services offered by Muncha.com?
a) yes b) no

Appendix 2: Results of the Questionnaire

Q1	Less than a year 6		One year and more 61	
Q2	Daily basis 58	Weekly basis 7	Monthly basis 2	Occasionally 0
Q3	1-5 3	5-10 17	above15 47	none 0
Q4	Below 100 5	100-500 35	500- 1000 21	1000-above 6
Q5	College 36	Home 58	Work 10	Mobile 53
Q6	Annoying 13	Unnoticeable 29	Useful 20	No opinion 5
Q7	Always 10	Mostly 35	Sometime 17	never 5
Q8	Social media 39	Companies websites 25	Print media 18	Television/Radio 8
Q9	Yes 56		No 11	
Q10	Yes 42		No 25	
Q11	Yes 39		No 28	
Q12	Yes 35		No 32	
Q13	Yes 29		No 38	
Q14	Yes 19		No 48	
Q15	Yes 13		No 54	
Q16	Yes 8		No 59	
Q17	Muncha.com 57		Thamel.com 10	
Q18	Always 11	Mostly 11	Sometime 39	Never 6
Q19	High 2	Moderate 13	Low 38	No presence 9
Q20	Google plus 24	Twitter 28	MySpace 15	YouTube 44

Appendix 3: Interview with two companies

A. FACEBOOK AS A MARKETING COMMUNICATION CHANNEL

1) Which marketing channel does your company use right now and which is the best option?

Muncha.com: Of course Facebook and in my opinion this is the only best place for marketing right now.

Thamel.com: Currently our company is focused on Facebook and our own website. As we are online company; we think these are the best option for our company.

2) How long have you been using Facebook as a marketing channel for your company?

Muncha.com: Let me check. We joined Facebook on 5th of March, 2009. It is already more than 3 years.

Thamel.com: It's been over 3 years. The exact date is 21 December, 2008

3) What are the reasons for using Facebook in your marketing?

Muncha.com: Actually to engage with the people and make brand name popular. Users are increasing everyday on Facebook. So, we have to go where our possible customers are.

Thamel.com: Well, the first reason is that it's an easy and cheap place to market the product and entire company. Second is the ultimate aim to be popular and encourage people to use our services/products. I think these two main ones.

4) Are there any opportunities provided by Facebook for marketers like you?

Muncha.com: There are lots of opportunities. The main one is that we can find all types of people there in the same place, you just need to choose who you want and you can be able to do one-one conversation with your customers. Then, others is that it's cheap, easy way of marketing.

Thamel.com: Yes there is. On Facebook it's easy to create groups of people who are directly or indirectly interested in the company. Other are its time saving, cheap compared to other marketing media.

5) What about challenges?

Muncha.com: Yes there are some challenges too. May be the privacy of the company will be leaked. Well, another might be that it is difficult to calculate return on investment.

Thamel.com: Not much. But still there are. Once we experience is that, it's too open and sometimes people use bad comments intentionally, which will be seen by other users too.

6) Are there any challenges using Facebook as a main marketing channel in the country like Nepal?

Muncha.com: A lot. There are so many challenges using Facebook as a marketing channel in Nepal. The country has low internet penetration rate, low literacy rate and do not have good IT infrastructure. And the main problem right now is that country is facing long hour load shedding throughout the year.

Thamel.com: There are lots of challenges. The main problem I see is instability of the country which will result on loose plans and policies. The internet is not available in all parts of the country. People are illiterate and they do not know

how to use computers. So many even I forget some. There are challenges for online business companies like us too as there are no online business features and facilities in the country.

B. FACEBOOK MARKETING GOALS AND STRATEGIES

7) What are the reasons behind your Facebook marketing?

- a. To make new customers*
- b. To increase brand name*
- c. To increase sales*
- d. To reduce marketing cost*
- e. To communicate to the customers*
- f. Any other?*

Muncha.com: Actually main is to increase brand name. We believe the popularity of the brand name will ultimately bring new customers and that will definitely increase sales.

Thamel.com: All of them sound good choice options. Well, to make more profit is the final goal. Increase customer by reaching them faster and cheaper is another aspect.

8) Do you think Facebook as a cheap way to market your product than other marketing methods?

- a. If yes, how? b) If no, why?*

Muncha.com: Yes, you don't need so much money there. Just you need is internet facility, good computers and its accessories and a social media marketing expert if possible, if you want to be their professionally.

Thamel.com: Well, it depends. If you decide to do paid advertisement, it might cost you but still it's cheaper compared to other channels. Another good thing is that you don't need any advertising designer here.

9) What strategies do you use in you Facebook Marketing?

Muncha.com: Main and main strategy is to engage with the people. During that, be polite, reply professionally, give more time, and evaluate feedback/ comments.

Thamel.com: Encouraging people to join our Facebook page as much as possible. And making sure that our company is connected with more and more people.

C. FACEBOOK MARKETING AND ITS MEASUREMENT

10)How does your company evaluate marketing activities carried out via Facebook?

- a. Number of fans/subscribers.
- b. Number of page visits.
- c. Number of comments made.
- d. Sales of the company.
- e. Engagement of user.
- f. If any?

Muncha.com: In our company's point of view, it's the fans number and their engagement like page visit, feedbacks, comments etc.

Thamel.com: Actually a number of fans/subscribers who makes our brand popular among all.

D. FACEBOOK PERFORMANCE

11)The relation between consumer and your company due to the use of Facebook is.

- a) good b)satisfactory c)bad

Muncha.com: Good, even let's say very good.

Thamel.com: Quite satisfactory for us, but we need more effort to make better.

12)Does Facebook help to reach your target customer easily?

- a) yes b)no c)don't know

Muncha.com: Yes, definitely

Thamel.com: Somehow, yes

13)Are you getting more feedbacks and comments on Facebook compared to other marketing channels?

- a) yes b)no c)don't know

Muncha.com: Not more, we are getting lots of comments and feedbacks now than before.

Thamel.com: Yes, we are receiving more. Actually we are able to get many comments and feedbacks. It's hard to get feedbacks and comments on other marketing methods.

14)Is Facebook a fruitful place for marketing product/services of your company?

- a) Yes b) No

Muncha.com: Yes, very fruitful and important.

Thamel.com: There is no doubt, it's the best place for marketers.