



# USING FACEBOOK FOR MARKETING

CASE: Picnic Finland Oy

LAHTI UNIVERSITY OF APPLIED SCIENCES Degree Programme in Business Information Technology Bachelor Thesis 6 May 2014 Di Yang Lahti University of Applied Sciences Degree Programme in Business Information Technology

DI, YANG:

Using Facebook for Marketing Case: Picnic Finland Oy

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ABSTRACT

The purpose of this study is to increase the understanding of Facebook marketing within the environment of social media. This study attempts to answer the question: "Why is it necessary for marketers to establish a presence in social media especially on Facebook? What strategies can be developed for Facebook marketing?" The study is based on the following two ideas: marketers are hesitant to establish a presence in social media and/or marketers that have a Facebook site find it contributes little to their marketing. The study was carried out with the case company Picnic Finland Oy which has more than seventy thousand fans on Facebook page.

The theoretical basis, of the study, is formed by the social media theory and the introduction of Facebook. The following information will be covered: social media channels, social media benefits and downsides, marketing via social media, Facebook basics, marketing on Facebook, Facebook marketing strategies.

In the empirical section of the study, mixtures of qualitative and quantitative approaches were utilized. Data was collected in two ways. One method was observation of the Facebook page of the case company. The other one was delivering questionnaires to customers in a store.

According to the study results, it is found that it is meaningful for marketers to establish a presence in social media especially on Facebook. It is proved to be an effective channel for marketers to promote products and build brands. Some strategies relating to the Facebook marketing are also concluded based on the case study.

Keywords: social media, social media marketing, Facebook, Facebook marketing, Facebook marketing strategies, Picnic Finland Oy

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#### 1 INTRODUCTION

Over half of the 50th richest people in the world made their fortunes on the Internet. Many people have taken to the Internet gold rush after the Internet has become widely used in our life. Even though it is a virtual world, its impact is real. The arrival of E-commerce as a shopping method for people has changed the way we look at the Internet. We live in a networked society which creates new opportunities and brings with it the evolution of marketing.

Internet marketing is broken down into three specialized areas: SEM (Search Engine Marketing), E-mail marketing, and social media marketing. (Whittaker, 2008) In the early 2000s, something has changed as the Internet emerged from stock meltdown. Email became more popular. It was considered as the perfect communication technology to apply for mass marketing and mass two-way communication. (Safko, 2013) We developed an ongoing dialogue with e-mail and began to move towards a mass two-way dialogue which was provided by the social media and digital marketing.

Social media marketing, as one form of internet marketing, helps companies increase their brands' visibility and expand customer reach with the social network (Rouse, 2011). Social media is growing at an amazing rate. The Pew Research Center found that 73% of online adults use social networking sites (September, 2013). Since the increased popularity of social networking sites such as Facebook, Twitter, Myspace, LinkedIn, and YouTube, social media marketing has increasingly become a common way to promote products and build customer relationships. A company is given opportunities to reach current customers and potential customers through social media. On the other hand, social media creates the opportunity for customers to voice their opinions. Markets are proved to be conversational. These conversations lead to a high volume of data, and consequently, a number of insights can be gleaned through the social networks. In this way, social interactions between customers and marketers are captured.

## 1.1 Value of thesis

With the popularization of the Internet and rise of social media, people from all over the world are connecting. Even though traditional marketing is still working, it is necessary for companies to broaden their marketing channels in order to quickly reach customers and improve company visibility.

Facebook is the biggest platform among all social media. For marketers, it seems to be a great opportunity to promote their business and market products on Facebook. Therefore, the reasons for using Facebook marketing are worth analyzing. The questions that need to be considered are the following: whether it is an effective way for marketing, whether it is worthwhile to have a Facebook page for companies, and how to build a winning corporate presence on Facebook.

Some ideas can be taken into account for the marketer who hesitates to establish a presence on Facebook or the company that has a poor Facebook page. By analyzing the case company, which has an effective Facebook page, the theory can be generated in order to answer the specified research questions.

# 1.2 Scope of thesis

Facebook pages create value for business-to-customer (B2C) and business-to-business (B2B) marketers to promote their product or organization. (Dunay & Krueger, 2010) Based on the case company, the research mainly focuses on the business-to-customer (B2C) activity. The research results would be used for business-to-customer (B2C) marketers.

Accordingly, the scope of research centers on the Facebook page of the case company, and fans' views. The case company's research can be used for a study to figure out proposal questions.

# 1.3 Overview of thesis

This thesis is divided into six chapters. The background information is given in the first chapter in order to raise the topic. The scope of this thesis is indicated, as well.

In chapter 2, the research methodology of the thesis is illustrated. It indicates the research problem and the research approach. A research framework is also given to show how this research should be conducted. After that, the methods of data collection and data analysis are presented and explained.

There is a literature review provided in Chapter 3 as the theoretical framework of this thesis. The literature review is constructed around the knowledge of social media and Facebook. It covers the social media basics, marketing on social media, Facebook basics, and marketing on Facebook. The literature review introduced the social media environment as the topic of this thesis. Some theories are also presented in order to be identified in the case study.

After the theory is acquired, the case study steps into Chapter 4. There is a brief description of the case company in Chapter 4. The aims of the research are given, as well. After the research data has been introduced, the approach of processing a case study is presented in detail. The research is conducted in two methods: observation and questionnaire. An observation on the Facebook page of the case company is described and the result is presented. The questionnaires are delivered to the Facebook fans of the case company. The questions are used to investigate the customers' behavior on Facebook and their opinions on the case company's Facebook page. The results of the questionnaire are displayed in the charts. All the results from observations and questionnaires are presented in this chapter. Moreover, the findings from the data analysis are shown as generated theories.

The conclusion is made in Chapter 5, which concludes the aims of this thesis, makes an overview of the research process, and provides a findings summary.

The last chapter is regarded as discussion part. In this chapter, the limitations of this thesis are presented. Also, the reliability and validity of the research are indicated.

## 2 RESEARCH METHODOLOGY

#### 2.1 Research problem

This research paper investigates the social media phenomenon, especially the Facebook phenomenon. The goal of this thesis is to explore whether a company should establish a presence in social media especially on Facebook. The data that is collected from analyzing a case study can be used to identify and generate some strategies for Facebook marketing.

Based on the objectives, the author attempts to answer the following research questions:

• Why is it necessary for marketers to establish a presence in social media especially on Facebook? What strategies can be developed for Facebook marketing?

# 2.2 Research approach

This thesis is a case study research. The company Picnic Finland Oy is a selected case company. Inductive and deductive approaches are combined in this thesis. Firstly, a literature review is provided for the theory basis. Then, a case company is analyzed to identify some theories and generate some new concepts. The research starts with a set of methods: observation and questionnaires, in order to collect data based on the specific research questions. After that, the collection work moves to analysis work.

By using the mixed research approach, the phenomenon and fundamental concepts based on the specific research questions are described and explained. Since the research questions focus on "why" and "how" questions, which are more explanatory and exploratory, a case study is the preferred research method (Yin, 2009), as emphasized by Schramm, "*The essence of a case study is that trying to illuminate a decision or set of decisions: why they were taken, how they were implemented, and with what result.*" (Schramm, 1971, December) By analyzing the

case, the operation of Facebook marketing can be understood better, and the result can be shown clearly.

This study uses a mixed-method approach. Several methods are combined for the data collection: observation and questionnaires. The observation method is used to investigate the Picnic Facebook page. Additionally, questionnaires are sent to the customers in the Picnic Lahti store. Qualitative data comes from data collection and are used to develop theories related to Facebook marketing. Observations on the Facebook page can investigate user behavior and marketer activities. Questionnaires are necessary for explaining the reasons of using Facebook marketing. Qualitative methodology focuses on how to collect data, people's words, and people's behavior (Taylor & Bogdan, 1997) .The statement verifies that the qualitative method is the suitable method for the research. The quantitative method is also used in this research, *"quantitative method can be used effectively in interpretive research"* (Belk, 2006). Quantitative method is used for organizing data in the questionnaire. Qualitative data and quantitative data are combined to analyze the research questions.

# 2.3 Reseach framework

A clear conceptual framework is always applied to clarify the research questions. The term conceptual framework is defined as "*the conceptual status of things being studied, and their relationship to each other*" (Punch, 2006).

In this thesis, the focus is on marketing research. There is a theory background of the research. It covers social media and Facebook knowledge. Through a case study, theories can be identified and developed. The framework can be presented like this:

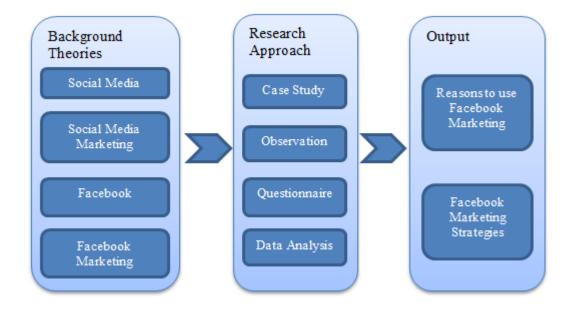


Figure 1: Framework diagram of study

#### 2.4 Data collection

The primary data are collected through observation and questionnaires. Observation is conducted on the Facebook page of the case company. The user behaviors and marketer activities are observed. Observation method is a common way to study any behaviors. "*The most advantage of this method is that subjective bias is eliminated, if observation is done accurately*." (Kothari, 2004) With the observation method, some data on the Facebook page of the case company will be collected. For instance, how many fans do they have on the Facebook page, which post gets the best feedback rates and what is the characteristic of that post.

The questionnaire is also used in the research for data collection. The questionnaire method can be used for collecting data about opinions, behaviors and attributes for descriptive or explanatory research. (Saunders;Lewis;& Thornhill, 2007) In this research paper, the questionnaire is self-administered which is completed by the respondents. Furthermore, the types of data variables that are collected through questionnaires are opinion variables and behavioral variables. The questionnaire is constructed with list questions, category questions, and rating questions. The questionnaire focuses on people's behavior and their opinions on Picnic Facebook page. The objective of the questionnaire is investigating the Facebook phenomenon and the necessity of using Facebook for marketing. Questionnaires are delivered to

the customers in Lahti Picnic store and collected later. The questionnaire is attached in the appendix part of this thesis.

#### 2.5 Data analysis

The purpose of data analysis is to explain and then convert the data into a concept that describes the phenomenon or people's attitudes and views. (Kawulich, 2004) In this thesis, the method of data analysis is coding. The findings are highlighted by emphasizing some data and then used for summarizing the important concepts relating to the study. And then the findings are displayed in graphic representations. A conclusion is made later by verifying findings with literature reviews and generating new theories. Coding is an important data analysis method. In qualitative research, "Coding is a way of developing and refining interpretations of the data. The coding process involves bringing together and analyzing all the data bearing on major themes, ideas, concepts, interpretations, and propositions." (Taylor & Bogdan, 1997). This method is used for coding numerical data and categorical data in the thesis. By observation, the actual number will be noted, such as the number of fans on the Facebook page and the number of likes on each post. By using questionnaires, the results are categorized and displayed by figures. Classifying codes is the most important procedure during the data analysis. The data that comes from different research methods with common features can be used for generating concepts and developing theories. Just like Taylor claims, coding is helpful for you to develop insights and generate theoretical understanding.

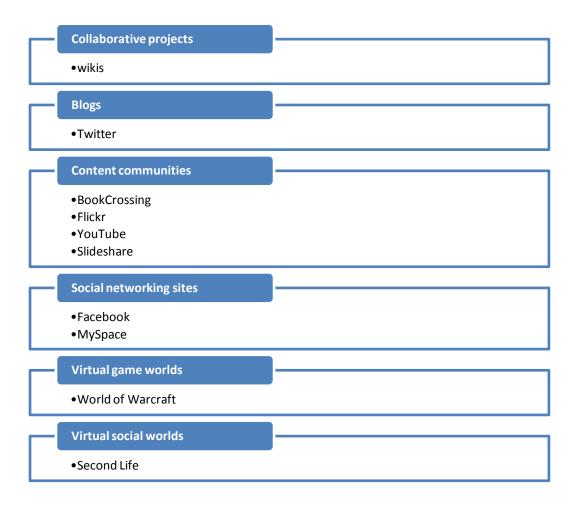
# 3 USING FACEBOOK FOR MARKETING

# 3.1 Social media

# 3.1.1 Social media landscape

The term social media has been defined 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*" (Kaplan & Haenlein, 2010). Social media are media for social interaction (Neti, 2011). Social media provides people a platform to connect with others by using the Internet and a host of services. In that way, information and data are collected, aggregated, disseminated, and exchanged in seconds.

In the article of *Business Horizons* (2010), Kaplan and Haenlein classified social media into six types:



#### Figure 2: Classification of social media (Kaplan & Haenlein, 2010)

However, with service expanding, the boundaries between all social media are blurred. No matter what kind of tools they belong to, social media is more about behavior than a set of tools (Lincoln, 2009). In other words, social media is more about participation instead of observation. Ordinary people are given power to create and share ideas by using the social media. The role of us has changed from audiences to producers in the environment of social media.

#### 3.1.2 Social media channels

Social media involves different social channels. It would be a nightmare for marketers to try all types of social media and then develop a marketing strategy. As a marketer, it is necessary to make sense of social media channels and to catch the right one to integrate a marketing program. According to the functions of social media, social media channels are divided into three groups by marketing technology consultant Evans: platforms, content, and interactions.

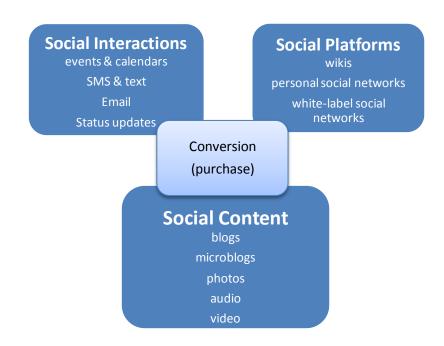


Figure 3: Social media channels (Evans, 2008)

Social platforms include wikis (content management platforms that allow people to create content around ideas, external used for customers or internal used for employees and partners), social networks (e.g. Facebook, LinkedIn, MySpace, etc.), and white-label platforms that provide community and support services.

The next group is social content, which are all things people create and share, including ratings, reviews, photos, videos, blogs, and comments. You can create and share any content relating to your business, service, or brand. The existing social content will help you evaluate reception and reputation.

Social interactions are the final group of channels. After the content has been created, social web participants should keep track of what's going on, such as status updates on Facebook, "Follow" notices on Twitter, and Google alerts. They are expressed with "connective threads" (Evans, 2008). The connective threads, a kind of information flow around updates, feeds, and emails that tell participants something new is waiting for them.

It would be easier for marketers to look at the channels as a whole. And then, try to find a tool from a specific group of social media channels which can be effectively used to satisfy their need. A right medium should be chosen based on the target group one wishes to reach and the message one wishes to deliver. (Kaplan & Haenlein, 2010)

# 3.1.3 Social media benefits and downsides

Social media marketing brings a lot of benefits. The most important point is that it should be the cheapest way to market your business. You do not have to invest a lot of money for most social media services. However, the downside cannot be overlooked: you have to invest a lot of time to initiate and maintain your social media marketing campaigns. (Zimmerman & Ng, 2013)

Some benefits are highlighted by Zimmerman and Ng:

- Penetration Social media owns huge audiences. According to the Global Digital Statistics 2014 report by the social media agency WeAreSocialSG, there are 2.5 billion Internet users all over the world in the beginning of 2014. Among them, there are two billion active social network users and 6.5 billion mobile subscribers. (Peltea, 2014) That does not mean there are 6.5 billion subscriptions with different people. Most people own more than one subscription such as mobile phone, tablet, and so on. The Internet helps you cast a wide net to catch the target market. Using the mainstream social media can also help you capture more potential visitors.
- Branding Social media works for building brand awareness as long as you capture the right people. Looking for more targeted groups within audiences can help you get your word out about your products and services.
- Building relationship Social media engagement is always the key point in social media marketing. The social media provides an excellent platform for marketers to build relationships with customers. Spend time on listening to customers' voices and responding to comments to build a meaningful conversation. You will get a strong engagement and gain an edge in the market.

- Improving business processes Social media can be used to improve business processes. On the social media platform, you can deal with customer problems or complaints. Also, the feedback you get from customers can help you improve the product or service. Lastly, you can gain enlightenment from competitors in the same industry by analyzing competitors' efforts. A good example brings good ideas; a failed case reminds you to avoid errors.
- Improving search engine ranking You can gain additional front page for your company on search engines if you create a presence on social media sites such as Facebook and Twitter. When people search your company name or some keywords relating to your products, it is a chance to become known to them.

At the same time, social media has some downsides. The biggest problem is that the result takes you amount of time to see and maintain. Once you decide to create a presence on a social media site, you need to keep updates and manage the relationship well with customers. You should remember to make an ongoing commitment to communicate and connect with fans on page. Besides that, you also have to consider human resources. Will you hire someone to manage your social media or will you do it yourself? If you plan to manage it yourself, do you have abundant knowledge or experience to run it? You are required to think about these questions carefully before you plan to use a social media tool.

#### 3.1.4 Marketing via social media

A research made by MDG Advertising indicates that 76% of businesses are using social network for business objectives and social media marketing is integrated into marketing plans by 64% of marketers. (MDG Advertising, 2011) Social network brings a revolution in marketing especially in the Web 2.0 world. The statistics, gathered by the Huffington Post, are incredible: more than one million websites integrate with Facebook; Facebook is checked five or more times daily by 23% of users; 34% of marketers generate leads by using Twitter; more than five million photos are uploaded on Instagram every 24 hours. (Honigman, 2013) The powerful social networking sites are deemed to create a new world for marketers.

Before talking about social media marketing, we should be clear on what social media marketing is. One definition is: "Social media marketing is a technique that employs social media (content created by everyday people using highly accessible and scalable technologies such as blogs, message boards, podcasts, microblogs, bookmarks, social networks, communities, wikis, and Vlogs)"(Singh & Diamond, 2012). It is not hard to understand that social media marketing is a marketing pattern which is used by social media.

Social media creates a fundamental power shift. Customers care more about other reviews about the products or services instead of the pushed message by companies. (Safko, 2013) The market control capability is transferred from marketers to customers. However, most marketers do not really understand how to take advantage of social media for their business. Singh and Diamond develop a roadmap for marketers to establish the campaign structure:

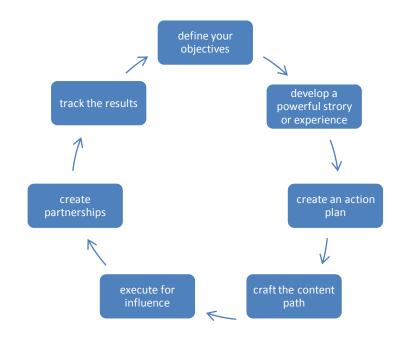


Figure 4: Social media marketing roadmap (Singh & Diamond, 2012)

The social media roadmap is a loop with seven steps. Firstly, you should define your objectives. Do you use it for sales, to increase brand awareness, or do you have multiple objectives? Secondly, you should develop a powerful story or experience. You need to let people know what drives you to start your business and what you care about, what values you can bring to the customer. Thirdly, you need to create an action plan. Something you should consider is: sign up for social media tools, create a hash tag for people following your conversation, do some addition and subtraction on your different platforms to make it easier for people to participate. Fourthly, you should craft the content path. Creating a mind map to help you map out each channel you are using. The next step is executing for influence. A social media marketing campaign should accomplish two goals. On the one hand, it needs to engage the target audience. On the other hand, the campaign should be designed for target audience to share or discuss information with others. In this way, a network effect can be reached by the campaign. For some large brands, there are ad hoc user groups as well. They have a strong addiction with your brand or products. For a successful social media marketing campaign, you need to engage with them. They can be your partners to help you promote your brand and product. At last, you need to track the results of your social media marketing campaigns. It is important for you to measure the results after you kick off the campaign. You can easily track them by using some measurement tools to check how many people you have reached, how much influence you have generated, how much sales you have led, and so on.

#### 3.1.5 Social media marketing objectives

Before you take to a social media marketing program, it is necessary to identify your objectives. Otherwise, you may waste much valuable time and resource.

There are some common objectives served by using social media marketing:

- Increasing brand awareness for your products and services.
- Building brand loyalty by establishing a deep customer relationship with social media.
- Listening to customers' voice, processing feedback, and responding complaints.
- Displaying new products and informing the promotion activity information.
- Gaining insight into a community of interest by running customer surveys. (Odden, 2008)

Determining your objectives will help you to choose the right tools for social media marketing as well as valid actions. Invest time on right tools and take actions with requisite resources, and align with your objectives on social platforms.

#### 3.1.6 Social media marketing vs. traditional marketing

Even though both of social media and traditional media have the ability to convey information to users, social media allows users to create and develop the contents. As a result, information can be shared online by using web-based applications and tools. (Charles;Matthew;& Jurate, 2010)

Lon Safko (2013) concludes the top 20 traditional marketing tools. (See Figure 4) According to him, on one hand, for customers, they are pushed into traditional sales channels. On the other hand, for marketers, the cost for traditional marketing media is expensive. Some reasons are mentioned:

- Print (such as journals, magazines, and newspaper) advertising rates are depended on readership, subscriptions, or impressions. Even ad costs have dropped, the circulation of newspaper has declined as well.
- For radio and TV ad costs, it is hard for marketers to reach enough people with the audiences are getting smaller. There is likelihood for marketers of reaching people who are not interested in their products or services.
- The cost of direct mail is getting higher with the costs of printing, envelops, and labor increases.
- Billboards are sold based on the size and location. Actually, most passerbys will not notice or care about a billboard. Also a lot of them will not remember the brand name. So it wastes a lot of money for marketers.

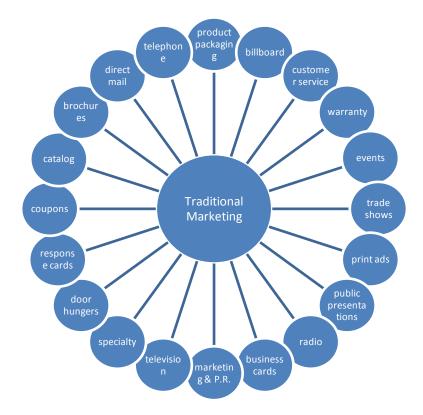


Figure 5: Traditional marketing tools (Safko, 2013)

The biggest problem of traditional marketing is lack of community. In contrast, social media marketing owns the biggest advantage of building community. With social networks increasingly replacing more traditional communities, billions of people are drawn into social networks and spend significant time engaging in the social network. (Hausman, 2012) Every user can join your brand community and contribute to the content creation and sharing.

Despite all of this, it does not mean social media marketing is a replacement of traditional marketing. Traditional marketing still works for a lot of marketing campaigns. Social media marketing is considered as a critical component for an effective marketing strategy, but not the only one. You may combine social media marketing with other marketing activities (such as email marketing, and search engine optimization) when needed.

## 3.2 Facebook

#### 3.2.1 Facebook basics

"No social network can match Facebook's current momentum or broad international customer adoption. It hosts a range of social applications and has been the market leader in social media since April 2008." (Treadaway & Smith, 2010) As the world's largest social network, Facebook owns more than one billion users all over the world now. Facebook was founded in 2004 by Harvard student Mark Zuckerberg. In the beginning, it was used for only Harvard students, and then it expanded to other colleges and universities, and then high schools. Now, Facebook accepts any users aged 13 or older.

Facebook has grown rapidly over the past 10 years, and it remains the dominant social networking platform (Duggan & Smith, 2013). In April of 2012, Facebook announced the acquisition of another social media platform Instagram. As Maeve Duggan and Aaron Smith said in *Social Media Update 2013*, Facebook and Instagram show extraordinarily high levels of user engagement since a large proportion of users on these sites check them on a daily basis. The news was just announced in February 2014 that Facebook had agreed to buy the leading instant messaging platform WhatsApp. Facebook is getting huge – more than we could have imagined. Just like the CEO Mark Zuckerberg of Facebook said, "*Facebook was not originally created to be a company. It was built to accomplish a social mission — to make the world more open and connected*". Facebook plays an important role in the social media world and it has penetrated into every aspect of our life. The figure below shows the number of monthly users on Facebook worldwide.

# **Facebook monthly users**

<b>1m</b> 2004				SOUF	CE: FACEBOOK
<b>6m</b> 2005					
<b>12m</b> 2006					
<b>58m</b> 2007					
2008 145m					
2009	360m				
2010	608m				
2011		845m			
2012				1,056m	
2013					1,230m

Figure 6: Facebook monthly users (Kiss, 2014)

Before creating a Facebook page, it is necessary to figure out some Facebook page components.

- **Profile photo.** Most companies use their logo as the profile photo.
- **Cover photo.** It is the biggest photo on the timeline. Use the photo which captures the essence of business and showcase of products and services as cover. (Garg, 2012)
- About. Adding text into "About" to tell people the basic information of your company and business, such as the mission, foundation time, contact information, and life events.
- Views and Apps. Photos, events, and apps are all presented there. The order can be changed to make people aware of what matters to you first. (Garg, 2012)
- Admin panel. You can use it to check notifications, respond messages, view page insights, and edit contents. You can see an example of Facebook Admin Panel with Figure 6.
- **Pinned post.** Post the important status on the top of timeline for up to seven days.



Figure 7: An example of Facebook Admin Panel (Beese, 2013)

# 3.2.2 Marketing on Facebook

With more than one billion active people on Facebook (Facebook newsroom, 2014), Facebook provides a great opportunity for marketers to reach customers all over the world. Marketers quickly realize the value of brand promotion by using Facebook. Why not market your business to one billion people? What's more, it is free to build a Facebook page. A lot of renowned companies are attracted to promote their brands on Facebook, such as Coca-Cola, Samsung Mobile, Starbucks, Nike Football, Pringles, and so on. They carry out marketing campaigns by leveraging Facebook's features. Effective marketing strategies help them build an engagement with current customers and attract potential customers. Facebook is a platform which satisfies marketers' needs to take part in a conversation with customers. It provides an open and transparent circumstance where information can flow freely between consumers and marketers. (Dunay & Krueger, 2010)

#### 3.2.3 Reasons to use Facebook for marketing

Facebook marketing owns benefits to both B2C (business-to-customer) marketers and B2B (business-to-business) marketers.

For business-to-customer marketers, the main reasons to have a presence on Facebook are as follows: (Dunay & Krueger, 2010)

- Facebook provides an excellent environment for marketers to build brand, and as a result of it viral marketing capabilities.
- Facebook creates a platform to allow companies to build interaction with customers, thereby getting valuable customer views.
- A Facebook page can help the search engine ranking of a company become higher.

The benefits for business-to-business marketers are also highlighted:

- Facebook page can be a recruitment tool for companies by post positions through the Facebook Marketplace, or related groups with their industry on Facebook, or targeted advertising campaigns.
- Facebook can be a feedback loop for B2B marketers to hear customers' voice.
- Facebook can be a centralized hub for companies with interaction, knowledge sharing, and employee communication facilitation even though they come from different office.

Facebook opens a door for marketers to market their products and build their brand image online. It becomes possible for companies to reach a huge number of customers in one region, even all over the world. Besides that, Facebook is a good platform for interaction between customers and companies. It is helpful for companies to get feedback from customers and improve service. For customers, they can instantly get the information of subscribed Facebook page online. For example, what new product is released by the company, what promotion activity is launched, where is the new branch, and so on. Additionally, they can see other customers' views towards the products and exchange experiences with each other.

# 3.2.4 Developing a Facebook marketing strategy

After figuring out the Facebook page components, companies should develop a plan to start their Facebook marketing. The plan includes the following activities (Haydon, 2013):

- Understanding the containment in your marketing plan, including your value proposition, your audience, your marketing goals, the content strategy, measurement activities, and integration campaigns.
- Defining your value proposition. Your marketing plan should detail the value of your business: What is the difference of your product or service from your competitors? Why should customers choose your product?
- Understanding your audience. Try to understand the culture and viewpoint of your audience. That will help you create marketing messages.
- Identifying your marketing goals. Some common objectives in social media marketing are: building brand awareness, driving sales, creating a community with people, or getting feedback from customers.
- Developing your content strategy. Content has the ability to drive the engagement. It is important to develop a valuable content strategy for your social media marketing. For example, you can provide some discounts and special offers to attract Facebook fans.
- Measuring your progress and keeping track of your strategy performance. Using Facebook insights to track the performance of your page and then adjusting your marketing strategies.
- Integrating your offline campaigns with Facebook marketing activities. You can promote the face-to-face event via your Facebook page. Posting the information of the event online lets more people know.

As for the execution, what specific tasks are required to establish and maintain a successful presence on Facebook? The figure below displays a basic social media workflow in social network marketing.



Figure 8: Social media flow (Treadaway & Smith, 2010)

#### Set up campaign

Firstly, you should create a campaign to kick off the workflow. The whole workflow starts with an idea that will drive the execution of the work along with the tone of the project. (Treadaway & Smith, 2010) Once you get started, you are in creative mode. Creative professionals can help you to come up with conventional ideas that may resonate unexpectedly well based on your customer. You can task an agency to manage this process. But you need to remember that you are the decision maker. Choose the appropriate idea to execute and make sure you have the enough money and resource to do so.

# **Procure content**

Once you define your goal of marketing, you should develop a content strategy to lead your goal. If your goal is sales, your content should drive a sale but not be a sales pitch. (Zimmerman & Ng, 2013) If your goal is building a community with customers, the content should be more conversional. If your goal is building awareness, you can share news and updates relating to your brand. That people share your content will help you get the word out about your brand. If you have multiple goals, you can combine different content strategy to serve your different

purpose. Moreover, effectively use different tools (photo, video, question posts, links, etc.) to target your content.

#### **Update content**

After you create content on the Facebook page, it is essential for you to keep content updated and respond to feedback. In order to maintain a competitive page on Facebook, you need to consistently update your content. Social writing is a unique skill since the writing needs to be conversational. (Dunay & Krueger, 2010) You can hire an online writer to keep the content of the Facebook page updated and fresh.

# **Track metrics**

You should collect a few core metrics which are created as a result of your activities to track and optimize. The metrics include unique users, page views, and other important data. Google Analytics and Facebook Insight can help you collect such data and to monitor the conversation on your Facebook page. One recommendation is to prepare a database to store data for analyzation.

#### Analyze and revise

In order to better promote your Facebook page, it is critical to analyze your Facebook Timeline. Facebook Insight is an analytical tool to help you keep track of your activities and measure engagement. It allows an administrator to keep track of user interaction on your site such as likes, unlike, reach, talking about this. Facebook insights help you better understand page performance by tracking the number of active users. Through Facebook insights you can know the best time of day to post, the best day of week to post, and what type of contents are most attractive to customers. (Joss, 2012) The role of Facebook Insights is not just to provide some graphs; the key is to for some meaningful patterns to emerge so you can improve your strategy by analyzing the data.

Until now, it is time for you to make some changes if needed. You can modify your strategy and make some coordination according to the result of page performance. For instance, you may consider increasing or decreasing advertising, combine with

E-mail marketing, improve the content strategy, or communicate more with customers. The Figures 9 displays the overview of the Facebook Insight dashboard. You can see the number of total likes and friends of fans on your page. You can also track the growth of interaction, of your fans, with your page, by the graph.



Figure 9: Overview of the Facebook Insight dashboard (Joss, 2012)

The Insights Dashboard can also show detailed information of your fans, such as gender, nationality, and language, as shown in Figure 10. In this way, you can identify who your audience is.

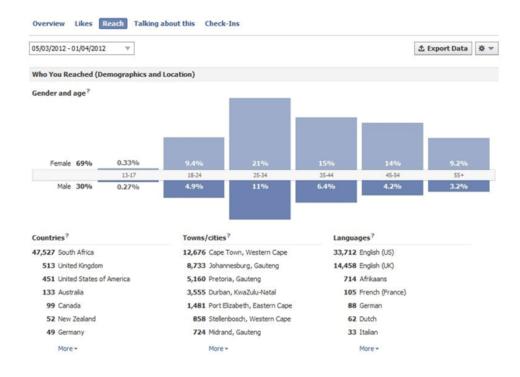


Figure 10: Information of your audience provided by Facebook Insights (Joss, 2012)

# 4 CASE ANALYSIS

#### 4.1 Case company description

The case company, Picnic Finland Oy, was founded in 1989. As its name suggests, it is a coffee chain which provides food such as soups, fresh pasta, salads, baguettes, bread rolls, sandwiches, cakes, beverages, smoothies, snacks, and so on. The main office is located in Helsinki. Most Picnic stores can be found in Helsinki, with other stores being located in other cities, such as Hyvink ää, Jyv äskyl ä, Kouvola, Kuopio, Lahti, Porvoo, Rovaniemi, Tampere, Tornio, and Turku. (picnic.fi, 2014)

Their business idea is based on the cutting edge of living. The freshness and quality of the food are supervised and they want to guarantee the customers' satisfaction. The range of products is Finland's unique circumstances. But French baguette and Danish pastry are also provided. The raw materials are imported from the country itself. They keep on improving their business idea and expanding their business chains.

Picnic Finland Oy has an official website with address http://www.picnic.fi/. You can find their menu on the website as well as special offers information. They joined Facebook on February 2012. Now, they have more than seventy thousand fans on Facebook. So, they have succeeded in getting fans quickly on Facebook.

# 4.2 Aim of the research

This research is seen as a descriptive and explanatory study. By observing the behaviors of customers and marketers on Facebook, the Facebook marketing phenomenon get description within the social media environment. The aim of this study is to identify the theories which have been gathered in the theoretical framework. Furthermore, some concepts relating to Facebook marketing strategy are hoped to be generated by research. Through the case study, the concepts of social media marketing especially Facebook marketing can be better understood and people's behavior under social media environment can be better identified.

#### 4.3 Observation of Facebook page

Picnic Finland Oy uses the same name Picnic on the Facebook page. Until 23 April 2014, they got 72,708 likes and 960 talking about this. Even though the company just created their Facebook page the year before last, they have gotten more than seven million fans on Facebook in two years. Moreover, this number continues to grow every day. The profile photo is used with their logo, the company name in art of style. In "About" component, the founded time and life events of this company are shown and the official website is linked. The contact photo number and the office address are indicated as well.



Figure 11: Picnic Finland Oy Facebook page (Picnic Facebook page, 2014)

By observing their page and going through their timeline, some results can be found:

- Picnic Facebook keeps updating. The company updates almost every day except during the holidays. Sometimes the content is updated several times a day.
- 2. The cover photo is updated frequently. The cover photo is timely changed according to the latest activity of this company. And the image chosen as the cover photo has good quality and high attraction.
- There are all kinds of contents on their Facebook page. It includes photo, video, link, question, offer, and event. And most of the contents are photos with text descriptions.
- 4. The photos are used mostly for promotion. Through observation, most photos are uploaded for introducing the latest products, special offer information, and the newly opened store information.
- 5. The video is shared with their YouTube account named Picnic Finland, and it is used for recording the production process of their food. The video gets a lot of likes both on Facebook and YouTube.
- 6. Another usage of links is linking a prize competition to encourage customers to take part in. The result seems good as there are many likes on that post.
- 7. The question contents also attract a lot of fans to vote.
- The post which asks the customer's opinions and attaches a photo usually gets the best feedback rates with most likes and comments. (see Figure 12 & 13)



Figure 12: One post that gets high feedback rates on Picnic Facebook page (Picnic Facebook page, 2014)

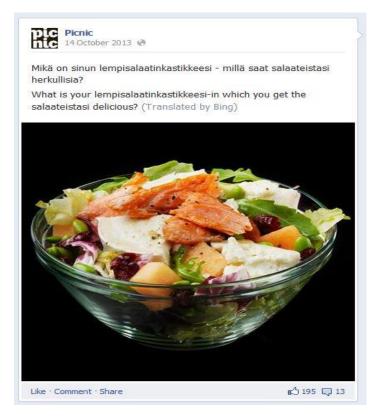
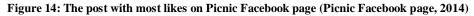


Figure 13: One post that gets high feedback rates on Picnic Facebook page (Picnic Facebook page, 2014)

 The post with most likes is a movie ticket promotion in Picnic store. (see Figure 14)





# 4.4 Results of questionnaire

Questionnaires were prepared and left in the Lahti Picnic store. Help was asked from the salesperson to distribute questionnaires to customers for completion if the customer is willing. There were 16 questions in total, on the questionnaire form. Two questions investigated social media, and seven questions prepared for Facebook survey, and the remaining seven questions focused on the Picnic Facebook page. The survey was conducted from 10 in the morning to 8 in the evening. Ten questionnaires were returned from the store.

## 1. Facebook is the main social media site which respondents are using

The first question investigated whether Facebook is the respondent's main social media site. It is surprising to find that all ten respondents vote for Facebook. The completely consistent result shows that Facebook is, in fact, the absolute competition superiority in the social media market.

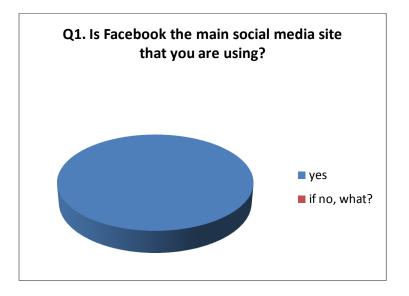


Figure 15: Is Facebook the main social media site that you are using?

## 2. YouTube and Instagram also has large share in the social media market

The second question focused on the other social media. The respondents needed to state the other social media they are using. YouTube and Instagram stand out in the results, in which, whereby every respondent used YouTube and seven respondents used Instagram.

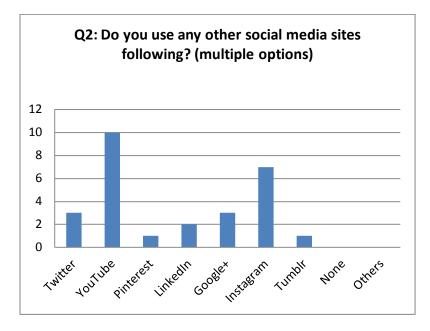


Figure 16: Do you use any other social media sites following?

## 3. Facebook is daily checked by most respondents

The frequency of Facebook checking is also asked in the questionnaire. Eight respondents said they checked Facebook anytime and only two respondents checked it weekly.

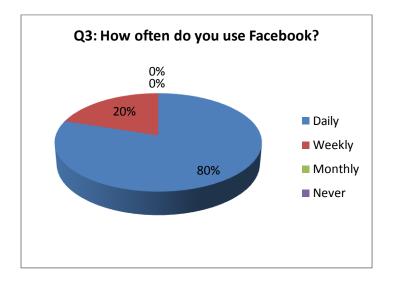


Figure 17: How often do you use Facebook?

## 4. Most respondents check their Facebook anytime

The questionnaire also asks the time of Facebook checking during a single day from the respondents. The result presents that 80 percent of them check Facebook

anytime. Only two respondents check it in the afternoon and in the evening respectively.

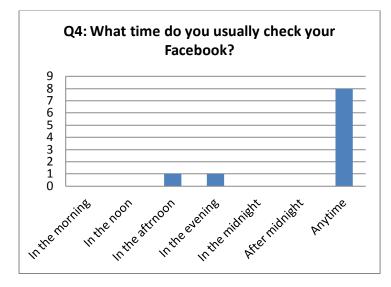


Figure 18: What time do you usually check your Facebook?

## 5. Facebook is mainly used for people's social life

The usage of Facebook is necessary to investigate in order to understand people's behavior within a social media environment. The outcome reveals that all respondents use Facebook for contacting friends and nine of them also use it to create or share own thoughts, photos, or other contents. We could see that Facebook plays an important role in people's social life. Another finding is that half of the respondents also use Facebook to follow interesting products or brands. This proves that Facebook indeed provides an opportunity for companies to build brand awareness and to promote their products.

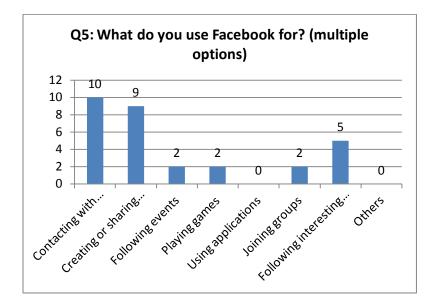


Figure 19: What do you use Facebook for?

## 6. The use of Facebook advertising is viewed as moderate

As an important component of Facebook, Facebook advertising is also included in the questionnaire. The result would be a reference for marketers to decide whether to post advertising on Facebook. Consequently, it shows that almost all respondents think the use of Facebook advertising is moderate. Only one respondent views it to be very useful. It seems that the effectiveness of Facebook advertising is not so positive with customers.

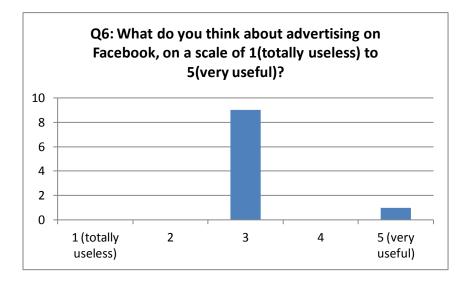


Figure 20: What do you think about advertising on Facebook, on a scale of 1(totally useless) to 5(very useful)?

### 7. Photos catch the most attention from Facebook fans

The content of the Facebook page is crucial for marketers to consider. The questionnaire results show that most people (80%) are interested in photos. Links and videos are tied for second place; most interested by 60% of respondents. Question and event separately gets one vote.

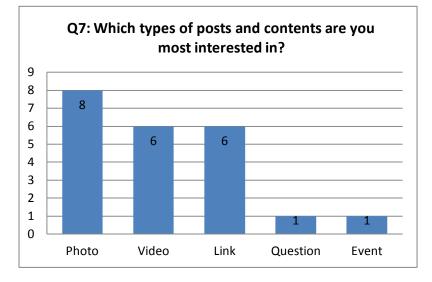


Figure 21: Which types of posts and contents are you most interested in?

## 8. Picnic Facebook page is known mostly by Facebook research

As the literature review part of the study mentioned, a company can gain additional front page on search engines by creating a Facebook page. This point is questioned in the questionnaire. The outcome indicates that 40% of respondents research Picnic page by Facebook research. However, the function of improving the search engine ranking through a Facebook presence establishment is remarkable as well. Three respondents search Picnic page by Google or other search engines. The third place is Facebook advertising, which gets two votes. Only one respondent knows picnic page by friend invitation.

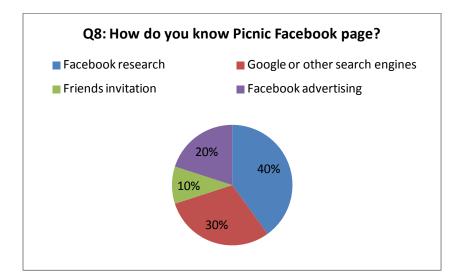


Figure 22: How do you know Picnic Facebook page?

## 9. The main reason for fans to follow Picnic Facebook page is the special offers or deals information

Understanding customer's focus on Facebook page can help marketers develop a valuable content strategy and reach their Facebook marketing goals. Therefore, the reason for following the Picnic Facebook page is investigated. The results show that 80 percent of respondents following the Picnic Facebook page are to get special offers or deals information and 60 percent of respondents follow to get new product information. Only these two points are focused on by the respondents, nobody mentions any other reasons.

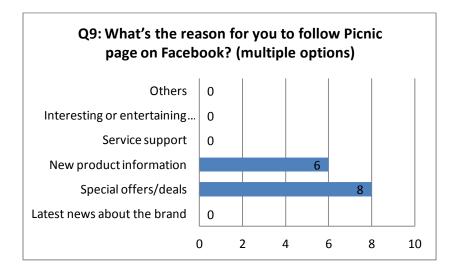


Figure 23: What's the reason for you to follow Picnic page on Facebook?

### 10. Most respondents never saw Picnic advertising on Facebook

A question about Picnic Facebook advertising is asked in the questionnaire. The result is that 70% of the respondents never saw the Picnic Facebook page. Just 30% of the respondents ever saw their advertising on Facebook.

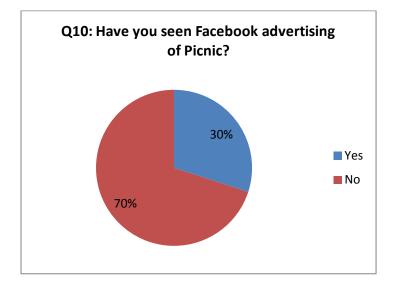
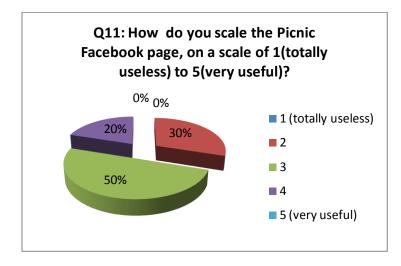
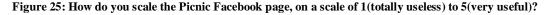


Figure 24: Have you seen Facebook advertising of Picnic?

## 11. Half of the respondents regard the use of Picnic Facebook page as fair

In order to know the result of Picnic Facebook page performance, the use of it is asked from the respondents. The results show that half of them think it is neither useful nor useless. And 30% of them think it is somehow useless and only 20% of them think it is somehow useful.





## 12. Half of the respondents give a medium score to the interestingness of Picnic Facebook page content

Then, the same situation happened when asked about the interestingness of Picnic Facebook page content. Half of the respondents give a medium score, but three respondents think the content is somehow interesting. Two respondents feel the content can be further improved to increase its interestingness.

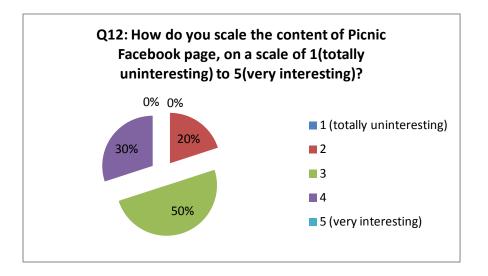


Figure 26: How do you scale the content of Picnic Facebook page, on a scale of 1(totally uninteresting) to 5(very interesting)?

13. Most respondents not influenced by Picnic Facebook page to buy their product

When asked about the influence of the Picnic Facebook page, 70% of respondents express that they are never influenced by Picnic Facebook status to buy their product, while the rest of the respondents, 30%, bought a product which was introduced by their Facebook status.

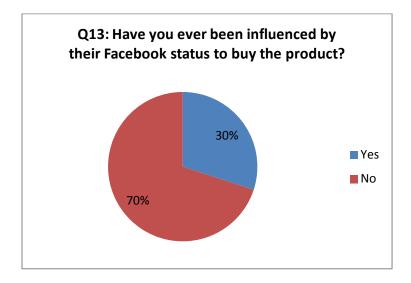


Figure 27: Have you ever been influenced by their Facebook status to buy the product?

# 14. Most respondents occasionally view other customers' comments on the status before they are going to buy one product

Picnic Facebook page allows all users to make comments on their status. When they introduce a new product on Facebook, some customers who have purchasing experience leave their comments on it. When asked about whether people view others' comments to decide to buy a product or not, 60% of the respondents say sometimes they do. Half of the rest of the respondents say they always do that, while the remaining respondents express that they never view other people's comments before they buy a product.

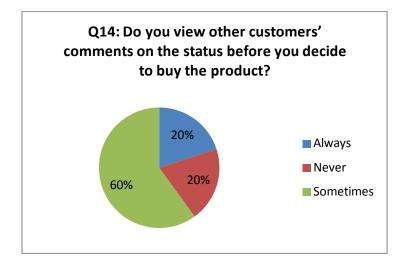


Figure 28: Do you view other customers' comments of the status before you decide to buy the product?

## 4.5 Data analysis

This research is conducted in observation and with a questionnaire. Conclusions are drawn based on the findings from observations and the results of the questionnaire.

It is necessary for companies to establish a presence on social media sites especially on Facebook. Firstly, from the research, Facebook and other social media networks (e.g. YouTube and Instagram) show a high engagement with users. They provide a great opportunity for companies to reach a wide range of customers for the purpose of promoting their products and building brand awareness. Secondly, companies can gain an additional front page on search engines by establishing a presence on social media. Moreover, based on the results of the questionnaire, 30% of the respondents know the Facebook page of the company in the case study through Google or other search engines. This means it is beneficial for a company to have a presence on social media. In this way, the company's search engine ranking can be improved. Lastly, it is a cheap way to promote the company, as compared to traditional marketing. There is no cost involved in establishing a presence on social media.

Moreover, it is important for marketers to develop a Facebook content strategy and keep it updated. According to the previous theory study, marketers should develop a content strategy to be competitive. The company can take advantage of Facebook content to achieve various business purposes. Having valuable content can help marketers get the attention of customers and then help drive their business goal. It is crucial to keep your content updated and to respond to comments. After you create the content, you should consistently update the content, and respond to comments to keep the page fresh and conversational. Research shows that most respondents check Facebook and review the comments before purchase. Therefore, the company should keep in mind keeping a fresh page and responding to comments, especially negative ones, from customers. Updating the content that relates to your latest product or promotion activity can help get the word out about your product or service in a free and fast way.

Some marketing strategies can be developed by reviewing the literature and research.

- Remember to change your cover photo in a timely way. Once you push a new product, you should change the cover photo relating to the product or event. Another reminder is to use a high-quality, eye-catching poster.
- 2. Making full use of photos to help you create content. The research shows that the photo is the element that attracts the most attention from customers. There are some social media sites especially aimed at picture sharing, such as Flickr and Instagram. Sales can be generated by sharing the images of a variety of products, and a customer can demonstrate the professionalism of your operation by sharing photos of your production facilities. (Safko, 2013) Therefore, remember to use photos to help you market your business.
- 3. Increasing brand exposure and broadening customer reach with other social media. As the questionnaire showed, 60% of respondents are interested in videos and links. What's more, YouTube and Instagram show a high engagement with respondents in the second question. The video produced by Picnic gets high likes rates on YouTube. That is a good opportunity to increase your brand exposure now. Creating accounts on other social media and linking a video or photo on Facebook, a customer will get more information and your brand will be remembered. Since Facebook has purchased Instagram, once you have an Instagram account, your dynamic

updates can be shown on Facebook as well. Your brand can get double exposure in that way. That should be a better deal for marketers.

- 4. Asking questions on Facebook to help you get more conversations. One of the easiest and most common ways to trigger an interaction with users on Facebook is simply to ask a question. (Carter & Levy, 2012) Even questions show low interest rates among the types of Facebook contents in the research, the observation on the Picnic Facebook page shows a good result by asking questions on the page. It is best to ask questions that relate to customers' lives or seek customers' opinions about something. This strategy would be helpful in attracting more customers to join in the conversation and in increasing the feedback rate of your Facebook page. As more people join in the conversation, your status updates will keep floating at the top of the stream.
- 5. Integrating online and offline campaigns. According to the study of Picnic's Facebook page, the post that received the most likes was an event held in cooperation with a cinema to promote movie tickets sold in the Picnic store. The inquiry in the questionnaire also revealed that most people follow Picnic's Facebook page to get special offers or deal information. It would be a good idea for marketers to set up offline campaigns with other organizations or integrating the Facebook marketing with offline campaigns. For example, some companies offer discounts to customers who like their Facebook page. Sharing a status related to a promoted product with their friends on Facebook may earn customers a free product. Or, when you are setting up the offline promotion events, take some photos to record the lively scene and post them on Facebook. It is helpful for marketers to leverage the offline campaigns with social networks regardless of whether you want to promote a product or your brand.
- From the results of research, Facebook advertising showed a moderate impact on respondents. Marketers should consider investing advertising on Facebook appropriately. Do not put too much money and time on it and

remember to place it in the right way. Mobile advertising and traditional advertising may help you achieve greater effectiveness.

7. Handle negative comments and complaints in an appropriate way. According to survey results, most respondents occasionally view other customers' comments before purchasing. The comments on your Facebook page should be dealt with appropriately. It is normal for a company to receive some negative words or complaints from customers. The key is to understand how to handle them correctly. First, it is unwise to delete or ignore any complaints from your customers (offended customers should be considered otherwise) on your Facebook page. Second, you should respond to them as soon as possible. Third, respond to comments publicly and inquire about the details of complaints. Last, address the issues in a positive and smart way. Sometimes, you may provide some additional compensation for your customers. Marketers should remember that reputation is the soul of the brand. Building a good brand reputation is on-going work for companies.

## 5 CONCLUSION

This thesis started with the general environment of social media, understanding social media channels and their effects, to better perception of social media marketing. The biggest social media site, Facebook, was given special attention. From Facebook basic introduction to Facebook marketing strategy development, a literature review of Facebook guided this thesis to a case study.

The primary aim of this thesis was to find out whether a company should establish a presence on Facebook in the social media environment. A second goal of this thesis was to explore the working of Facebook marketing strategies within the case study; in addition, some recommendations were given by analyzing the research data.

The case study was conducted with the company Picnic Finland Oy. A description of the company and objectives of the research were presented. The research data was collected in two ways: observation on their Facebook page and a questionnaire for their Facebook fans. The result showed that Facebook is a meaningful social media site for a company's investment. Not only does it provide a good platform for marketers to build brand awareness and promote product, but it also provides an additional front page on a search engine for the company.

Based on the results of observation and the questionnaire, the implications of developing a Facebook content strategy stand out. Creating valuable content on Facebook is crucial for a company. It is helpful for a company to take advantage of Facebook content to achieve various business purposes. What's more, it is important to keep content updated and respond to comments in order to build a competitive presence on Facebook.

In summary, it is beneficial for companies to carry out social media marketing for their business in today's environment. Facebook, especially, creates a great opportunity for marketers to set up marketing campaigns and build brand awareness. Some marketing strategies have been drawn from the case study. It is helpful for marketers to prepare appropriate strategies before they create a Facebook page or improve their strategies if they already have a Facebook page.

## 6 DISCUSSION

## 6.1 Limitation

This research focuses on Facebook marketing within a whole social media environment. Due to limited research time, the researcher could not do research on other social media such as YouTube and Instagram, which also showed a lot of members in the survey. It would be better to do more research on other social media and compare them, to figure out the appropriate marketing channel for different marketers and come up with more comprehensive marketing strategies for marketers.

As for the research, a limitation that cannot be ignored is the study population. All of the investigation is conducted in the Picnic Lahti store, and only ten respondents replied. The researcher is limited to investigating over seven million fans on the Picnic Facebook page. The other limitation is that the research does not investigate the marketer of Picnic Finland Oy. As a result, the marketer's view on Facebook cannot be gotten, such as the goals and strategies of their Facebook marketing, and whether they use any metrics to track and analyze their Facebook marketing performance.

## 6.2 Reliability and validity

The definition of reliability is the consistency and stability of the findings that generates the replicated findings. (Burns & Burns, 2008) The way of testing reliability is test-retest. In this research paper, the research is processed by observation and questionnaire. The observation on Picnic Facebook page is conducted in repeated times and in different days. And the results are received in the same.

The other way to estimate the reliability is internal consistency. In the questionnaire, some questions are grouped together to measure the same concept. For example, the first two questions are used for investigating Facebook phenomenon in the general social media environment. Later, two questions are

used for investigating the frequency of using Facebook by respondents. After the data collection, correlations between different groups of different questions are run to determine if the method is reliably using the concepts.

As Phelan and Wren defined, "Validity refers to how well a test measures that it is purported to measure". (Phelan & Wren, 2005) In this research, validity is examined by using construct validity. This thesis intends to study Facebook marketing within the social media environment. According to this aim, firstly a literature review based on social media and Facebook is gathered, and then a case company is selected for further research. The literature review introduced the information about social media including social media basics, social media effects, social media marketing basics, social media marketing objectives, and the comparison of social media marketing and traditional marketing. Next, the largest social media site Facebook is introduced. The information contains the Facebook basics, Facebook marketing basics, reasons of using Facebook marketing, and Facebook marketing strategies.

After the theoretical framework has been constructed, a case company is given attention to for more research. The aim of the research is to understand the working of Facebook marketing and people's attitudes on social media especially on Facebook. In the implementation stage, an observation on Facebook of a case company is conducted. The target is to observe users and marketers behavior on Facebook. The next stage is to do a questionnaire for Facebook fans of the case company. The questionnaire focuses on people's behaviors and opinions on social media especially on Facebook and some views on the case company Facebook.

The measurement of this study shows progress toward the goal and the results of the research are clear against the target. By combining the observation and the questionnaire, some characteristics of social media marketing especially Facebook marketing, are concluded to identify previous theories and to develop new concepts.

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Appendix: Questionnaire

- 1. Is Facebook the main social media that you are using?
  - a) Yes
  - b) If no, what\_\_\_\_\_
- 2. Do you use any other social media sites following? (multiple options)
  - a) Twitter
  - b) YouTube
  - c) Pinterest
  - d) LinkedIn
  - e) Google+
  - f) Instagram
  - g) Tumblr
  - h) None
  - i) Others\_\_\_\_\_
- 3. How often do you use Facebook?
  - a) Daily
  - b) Weekly
  - c) Monthly
  - d) Never
- 4. What time do you usually check your Facebook?
  - a) In the morning
  - b) In the noon
  - c) In the afternoon
  - d) In the evening
  - e) In the midnight
  - f) After midnight
  - g) Anytime
- 5. What do you use Facebook for? (multiple options)
  - a) Contacting with friends
  - b) Creating or sharing thoughts, photos, or other contents
  - c) Following events

- d) Playing games
- e) Using applications
- f) Joining groups
- g) Following interesting products or brands
- h) Others\_\_\_\_\_
- 6. What do you think about advertising on Facebook, on a scale of 1(totally useless) to 5(very useful)?
  - a) 1
  - b) 2
  - c) 3
  - d) 4
  - e) 5
- 7. Which types of posts and contents are you most interested in?
  - a) Photo
  - b) Video
  - c) Link
  - d) Question
  - e) Event
- 8. How do you know Picnic Facebook page?
  - a) Facebook research
  - b) Google or other research engines
  - c) Friends invitation
  - d) Facebook advertising
  - e) Others\_\_\_\_\_
- 9. What's the reason for you to follow Picnic page on Facebook? (multiple options)
  - a) Latest news about the brand
  - b) Special offers/deals
  - c) New product information
  - d) Service support
  - e) Interesting or entertaining content
  - f) Others\_\_\_\_\_
- 10. Have you seen Facebook advertising of Picnic?

- a) Yes
- b) No
- 11. How do you scale the Picnic Facebook page, on a scale of 1(totally useless) to 5(very useful)?
  - a) 1
  - b) 2
  - c) 3
  - d) 4
  - e) 5

12. How do you scale the content of Picnic Facebook page, on a scale of 1(totally uninteresting) to 5(very interesting)?

- a) 1
- b) 2
- c) 3
- d) 4
- e) 5

13. Have you ever been influenced by their Facebook status to buy the product?

- a) Yes
- b) No
- 14. Do you view other customers' comments of the status before you decide to buy the product?
  - a) Always
  - b) Never
  - c) Sometimes

Thank you for taking the time to complete this questionnaire!