

## 5.0 Results

### 5.1 Introduction

This chapter sets out the results of the questionnaire, initially assessing the descriptive statistics to establish the control variables and the basic characteristics of the market. This will be followed by an analysis of the remaining variables and aspects of the questionnaire under the headings of (i) attitudes towards Facebook (ii) the effect of Facebook on consumer purchasing decisions and (iii) the perception of Facebook and WOM. This will be followed by a critical discussion of the findings and their linkages to the existing literature and research in order to ascertain whether this new data supports or contradicts the existing information.

### 5.2 Descriptive Statistics

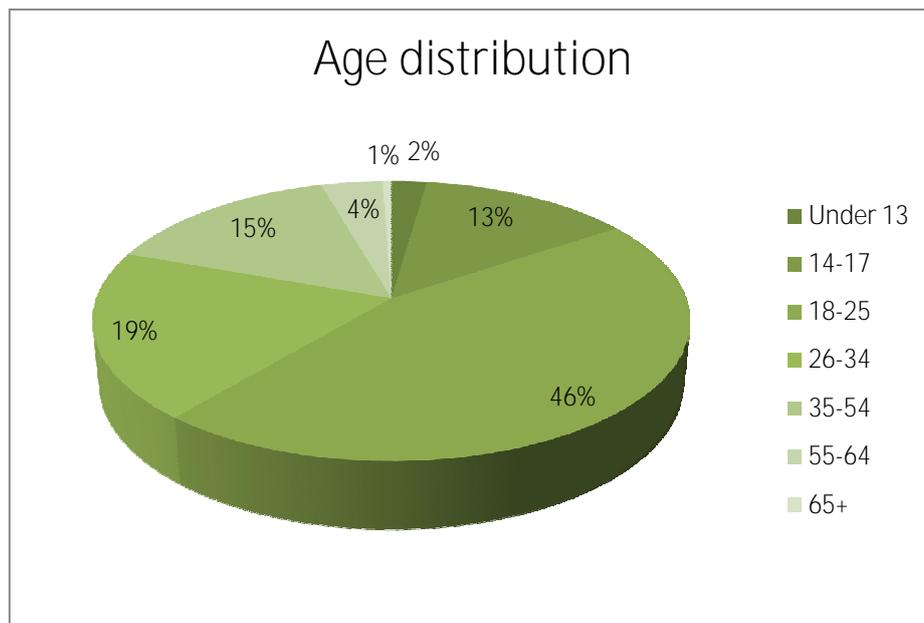
This section of the chapter sets out the descriptive statistics. As noted in the previous chapter, the research population comprised 180 research participants and an electronic method of data collection in order to ensure that there was 100% data collection using a non-purposive sampling approach.

**Gender:** Although ideally the research should have attracted a 50 / 50 split of males and females in the research population in order to ensure a lack of bias, this was not possible due to the uneven gender distribution of Facebook friend list (which also consists users from other countries) in which the research took place and also because more than 100 user out of 288 Did not take up the survey for many reasons. Accordingly the research population gender distribution was calculated as being 77% and 23% female in order to ensure that 180 questionnaires were gathered. This equates to 138 males and 42 females

**Age:** As it is socially apparent that Facebook and other social media instruments have far greater appeal to the younger generation, this study specifically sought to

target younger people to understand their attraction to and relationship with Facebook as an advertising tool. The age distribution of the research population is shown in table 5.1 below:-

**Table 5.1: Age Distribution**

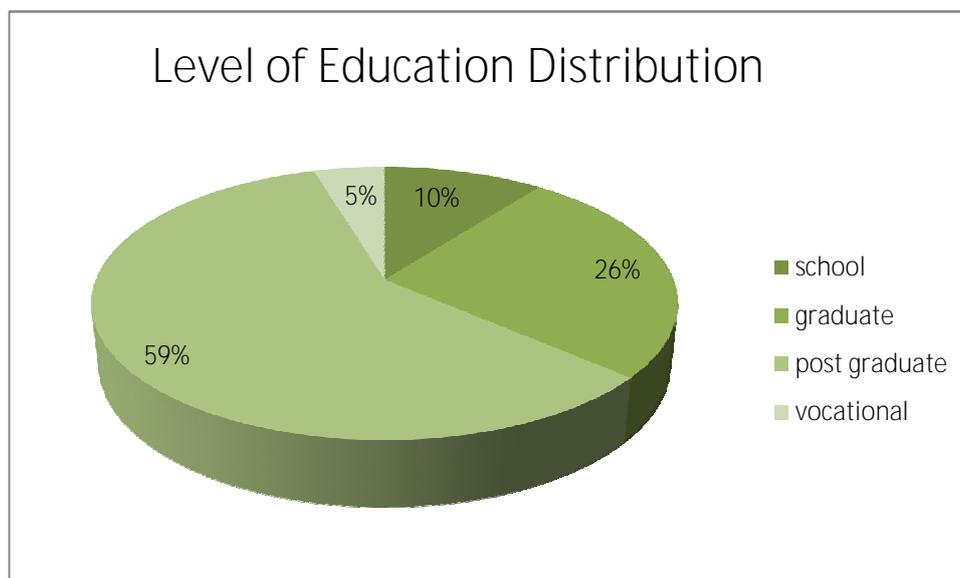


As can be seen from the table above, 78% of the research population are between the ages of 14 to 34, which would suggest that this is the clear target market for businesses and brands that want to use Facebook as a WOM marketing tool. This can also be linked to the work of Assael (1992) who suggests that in socially dependent collectivist cultures the effect of WOM is even stronger. The fact that 17% of the research population were distributed at the tails of the distribution curve is probably more likely to be a reflection of the area chosen for research.

**Highest Level of Education:** This demographic is useful to understand the relationship between social media and level of education, insofar as understanding whether people with a higher level of education are less likely to rely on the opinions of WOM and in fact reach their own opinions about whether or not a product is good value and therefore worth purchasing. The results of this element are shown in table

5.3 overleaf. As can be seen from the table below, by far the greatest proportion of the research population have either a degree or a post graduate degree (85%), this is also aligned with the average age distribution of the research population and the expected demographic of the location. This tells us that the population can be considered representative of the area, and thus adds further weight to the research.

**Table 5.3:** Level of Education Distribution – Next Page



### 5.3 Statistical Analysis

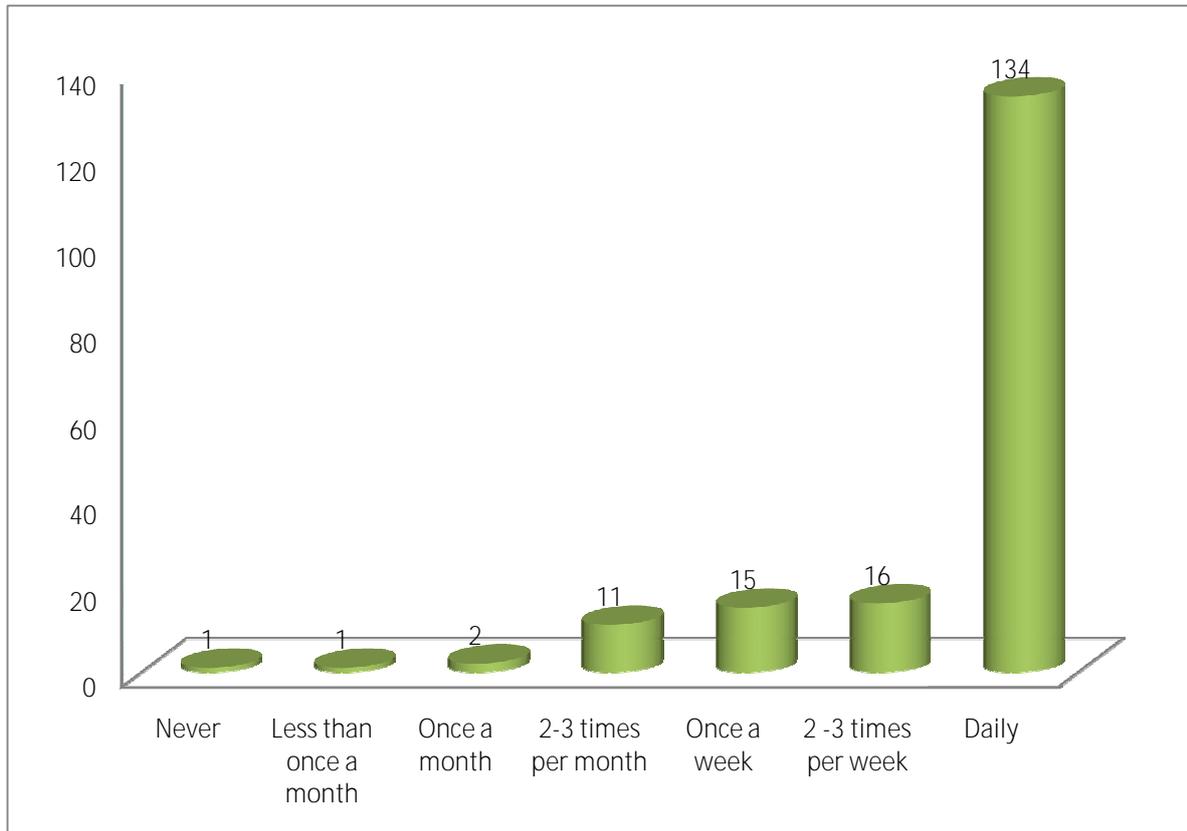
This section of the research is devoted to setting out the results of the statistical analysis under the three themes of (i) attitudes towards Facebook (ii) The effect of Facebook on Consumer Purchasing Decisions and (iii) the Perception of Facebook and WOM advertising. This section of the questionnaire was analysed using a combination of SPSS and excel to provide descriptive statistics and also to create a series of visual displays which help to explain the relationships between the variables examined in this study. It should be noted at the outset of this study that the research population of 180 can be considered sufficiently large for the responses to have statistical meaning and validity under the analysis carried out in the previous chapter (Malhorta, 2009; Saunders et al, 2009).

In order to ensure that each variable was analysed to its greatest extent, the researcher only analysed one variable at a time (univariate) and where a relationship between variables was examined the researcher ensured that there was at least one dependent variable in the analysis.

### **5.3.1 Attitudes towards Facebook**

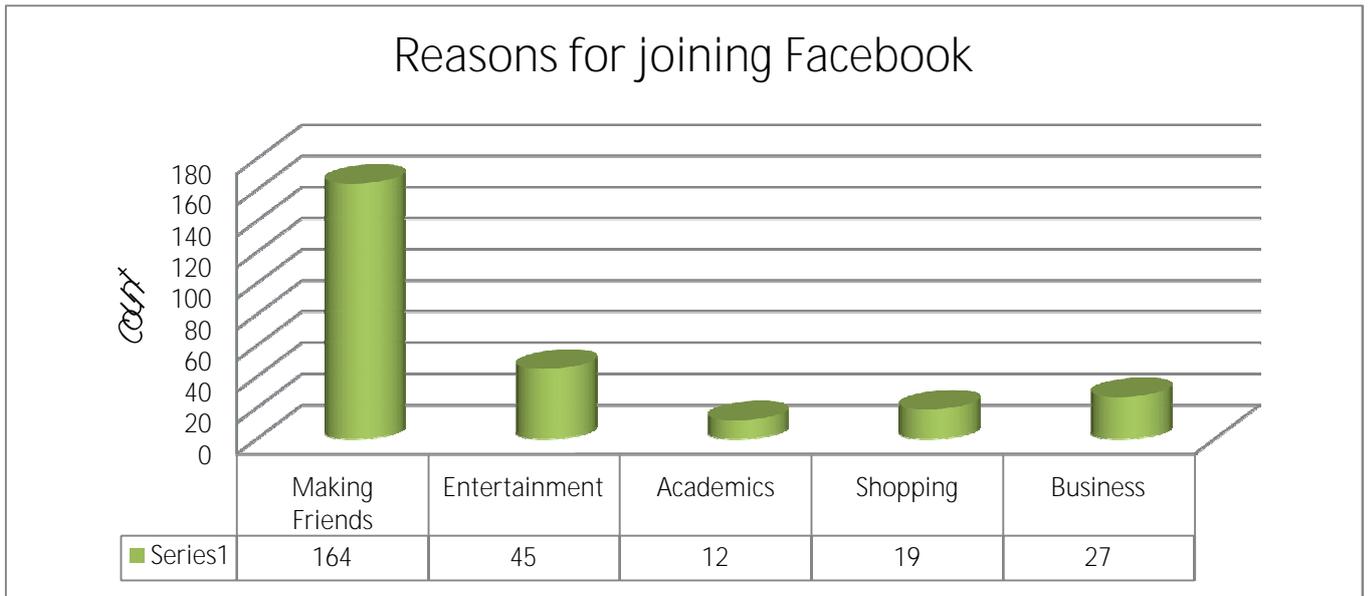
The first question of the second section of the study was a filter question which was used to establish the extent to which participants used Facebook; the results are set out below and help to explain subsequent attitudes towards the use of Facebook as an advertising tool. As can be seen from the responses, a highly significant 74% of respondents use Facebook “daily” indicating that this is an ideal means of communicating with a young target audience or market segment. Not only does this finding correspond with anecdotal evidence on the extent of Facebook use, but also indicates that Facebook use is not confined to any particularly social demographic, class or level of education. Therefore, Facebook can be used as a multi-functional and cross-sectional advertising tool.

**Table 5.4: Frequency of Facebook Use – Next Page**



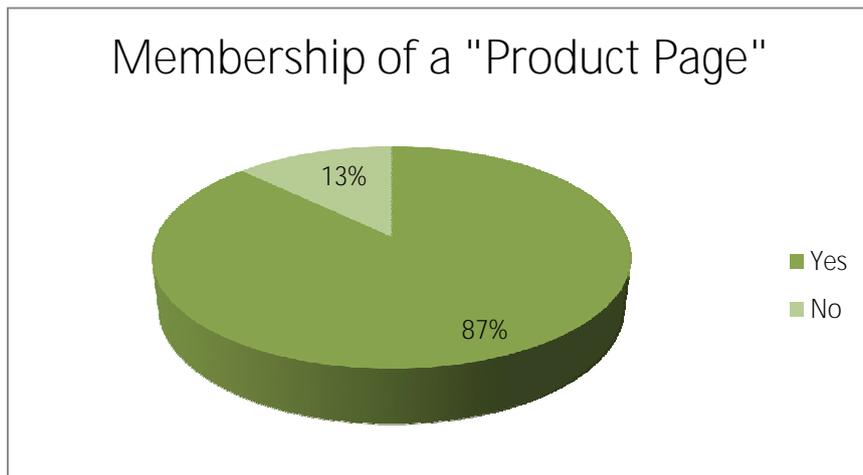
The next question sought to establish reasons for people joining Facebook in order to determine the possible motivations for subsequent use. The results of the question are displayed in table 5.5 below. Respondents could mark more than one response for this question, hence the count is displayed. However it is apparent that the most popular reason for individuals to join Facebook was to make friends with a count of 164 or 91%. Entertainment (25%) and Business (15%) were the next most popular reasons which indicates that there is certainly scope for using Facebook for advertising.

**Table 5.5:** Frequency of Facebook Use- Next Page



The next question sought to establish the extent to which Facebook was already being used as a product advertising tool, and whether users had joined a product page (as yet unspecified). The responses are shown below.

**Table 5.6:** Membership of a “Product Page” on Facebook



It is immediately apparent that with 87% of respondents having joined a product page they are clearly an effective marketing tool. Moreover, as only 86% of respondents stated that they used Facebook “always”, and yet 87% of respondents have joined a product page, this must mean that even people who only use

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Facebook “quite often” or less have joined a product page. This clearly demonstrates the strength of product pages and suggests that there is a correlation between the extent of Facebook use and the likelihood of users to join a product page. As of yet the reasons for so doing are unclear.

The next section of the questionnaire sought to establish the types of product pages that attracted membership. As respondents could mark multiple answers this question was analysed for statistical relevance.

**Table 5.7:** Popularity of “Product Pages” on Facebook

Statements	N	Mea n	Std. Deviation
1 – SLR / Cameras	180	2.02	.632
2- Mobile Phones	180	4.89	.984
3 - Gaming consoles	180	3.18	.723
4 - Beauty products (hair colours, shampoos, cosmetics)	180	3.58	.899
5 – Cars / bikes	180	2.61	.785
6 – Clothes and accessories (perfumes, sunglasses, shoes)	180	3.94	.870
7 – Health drinks	180	1.83	.503
8 – Any other	180	2.22	.696
Valid N	180		

It is immediately apparent from the above table that the most popular product pages related to mobile phones (with almost every respondent indicating membership of at least one mobile phone product page), closely followed by clothes and accessories. The findings from this question support the previous question in that there appears to a relationship between Facebook usage and membership of product pages.

### *5.3.2 Effect of e-WOM on Facebook on Consumer Purchase Decisions*

As the questionnaire was designed to assess the precise point at which the influence of WOM affects the consumer decision making process, and more specifically the influence and effectiveness of Facebook in this process, it was necessary to assess the five reasons to join Facebook and their relationship to the consumer decision making process. This can be set out as follows:-

- To gain information - search stage
- To know what others have to - Evaluation of alternatives stage
- To ascertain my purchase stage (cognitive dissonance)
- I have purchased the product and want to tell other people (post purchase stage – PWOM v/s NWOM depending upon the experience with the product)
- Identification with the users of the brand. How people use WOM to enhance Self esteem by associating with a particular Product.

Of course, the purchase decision has been made at some stage between points one and three, and the research would appear to suggest that when Facebook is involved this is at stage three, principally to reduce cognitive dissonance. This is particularly the case in a collectivist culture whereby collective opinion is particularly important in order to reassure people that they have made the right decision and that they are still accepted by their social group.

Having established that there is a clear relationship between Facebook use and membership of product pages, the next form of analysis sought to determine the effect of WOM on Facebook on consumer purchasing decisions. The results of the next question are displayed in tables 5.7 below.

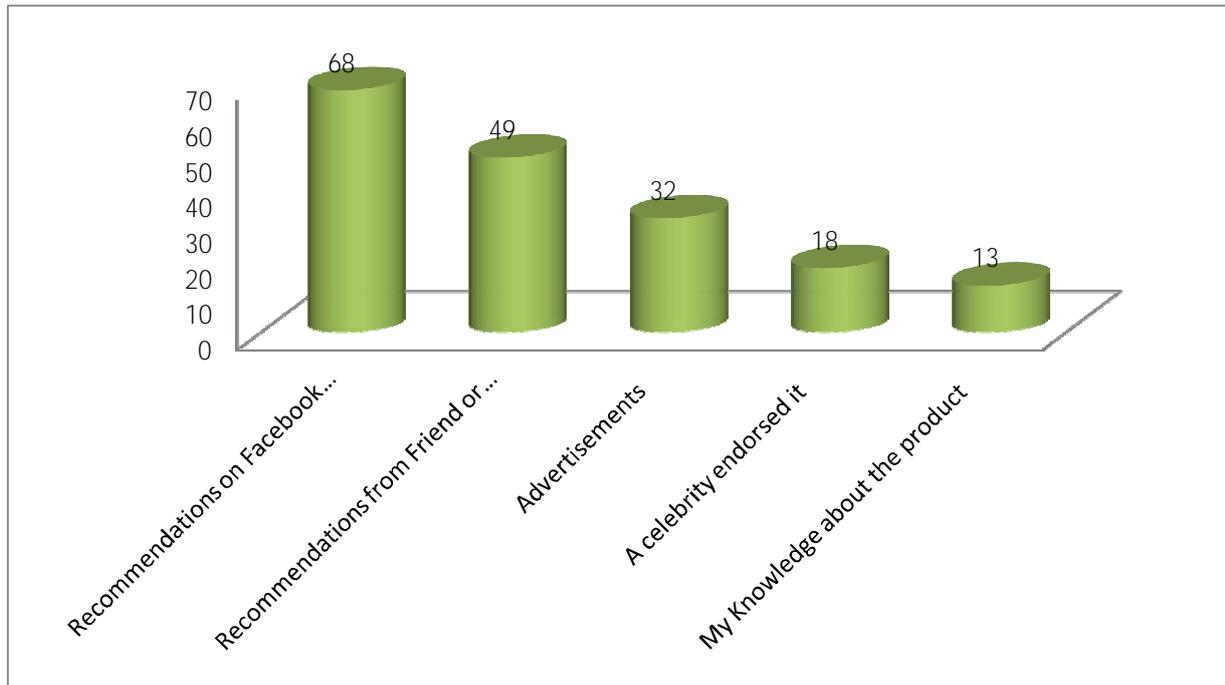
***Table 5.8: Reasons for joining a Product Page – Next Page***



The strongest reason for joining a product page was to know what others are saying about it at 32.7%. This was closely followed by identification with other users of the brand at 26.1% and sharing experiences at 18.3%. Thus it can be concluded from these findings that product pages have a strong and significant influence on consumer purchasing decisions. However it was quite surprising that in a collectivist setting the proportion of users who wished to associate themselves with the brand was not higher. It is also clear that for many consumers a brand “presence” is more important than the actual content, as the lowest proportion of people sought information via product pages.

The next question sought to establish the most likely influencing factors for product purchases, the results of which are shown in the table below:

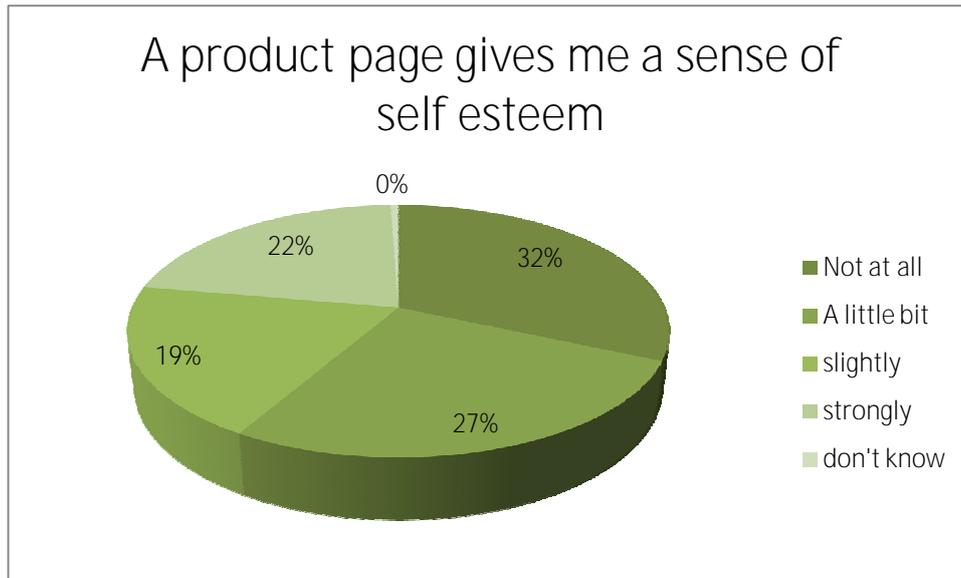
**Table 5.9: Product Influences – Next Page**



It is immediately apparent that recommendations on Facebook are the strongest indicator with 38% of the responses closely followed by 27% of people being influenced by family and friends. Remembering that Facebook recommendations will largely be comprised of like-minded people, it might also be suggested that this figure is slightly distorted and in fact it is more accurate to meld the two, giving an overall figure of 65% for personal recommendations. Overall it is clear that Facebook is an extremely effective influencing mechanism when consumers make purchase decisions.

Question 6 of the questionnaire sought to establish the perceptions and value of Facebook as an advertising channel by asking whether it provided the user with a sense of self-esteem. The results are given in table 5.10 overleaf

**Table 5.10:** *Product Page and self esteem – Next Page*



The responses to this question were quite evenly distributed, with 32% of respondents suggesting not at all. However further statistical correlation revealed that there was a relationship between the age of the respondent and the sense of self esteem, with younger people being more inclined to answer that there was a link as shown in the table below:-

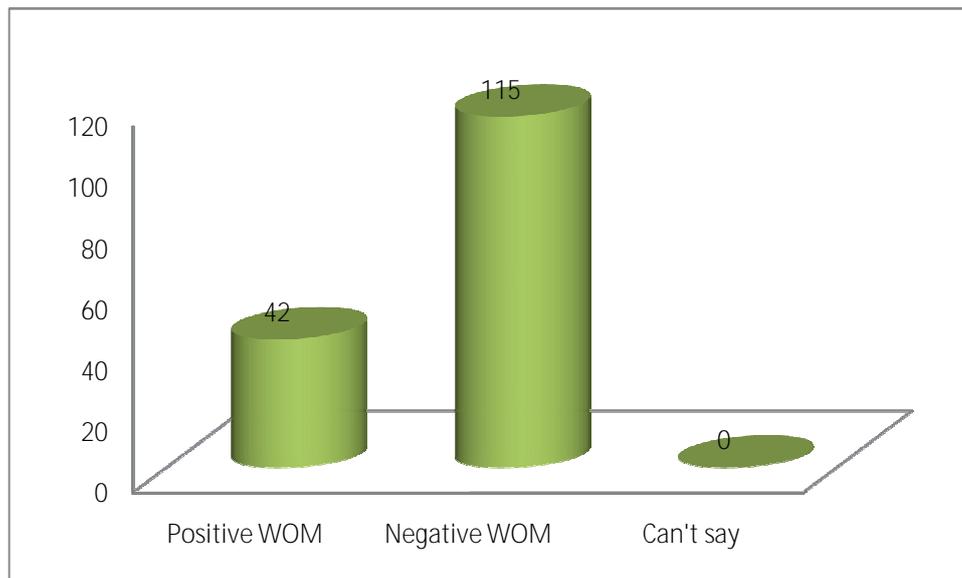
**Table 5.11:** Product Page and self esteem Pearson Correlation

		AGE	SELF EST
AGE	Pearson Correlation	1	.76 (**)
	Sig. (2-tailed)		.000
	N	180	180
SELF EST	Pearson Correlation	.76 (**)	1
	Sig. (2-tailed)	.000	
	N	180	180

The significant relationship between the two is evident in the score of 0.76 which for a Pearson Correlation Coefficient indicates that there is a strong influential relationship between two variables.

Question 7 sought to understand whether people had ever been influenced by a product review on Facebook which caused them either to buy or not to buy a product. Overwhelmingly, 79% (142 people) said that they had been influenced by either positive or negative reviews which had been provided by users of Facebook. This linked closely to question 8 which sought to understand the underlying reasons for people to be influenced by reviews. The responses are given in tables 5.12 as shown overleaf

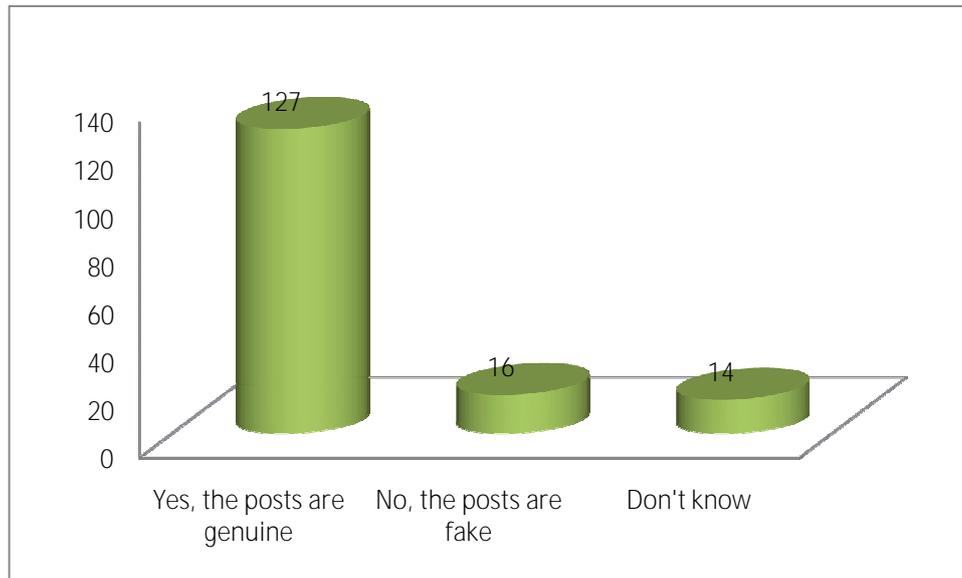
**Table 5.12: Influence of Reviews**



What was particularly striking about this question was the high level of respondents (73%) who indicated that they were more strongly influenced by negative reviews, although this could be attributed to the fact that people are more cautious about how they spend their disposable income, and people are often more inclined to believe negative reviews. It is also interesting to observe that there was no ambivalence about the result, and no-one stated that they did not have an opinion on this matter.

The next stage of this line of research was to establish whether people felt that the product reviews posted on Facebook were genuine or not. The responses are given in tables 5.13 below

**Table 5.13: Legitimacy of Reviews**

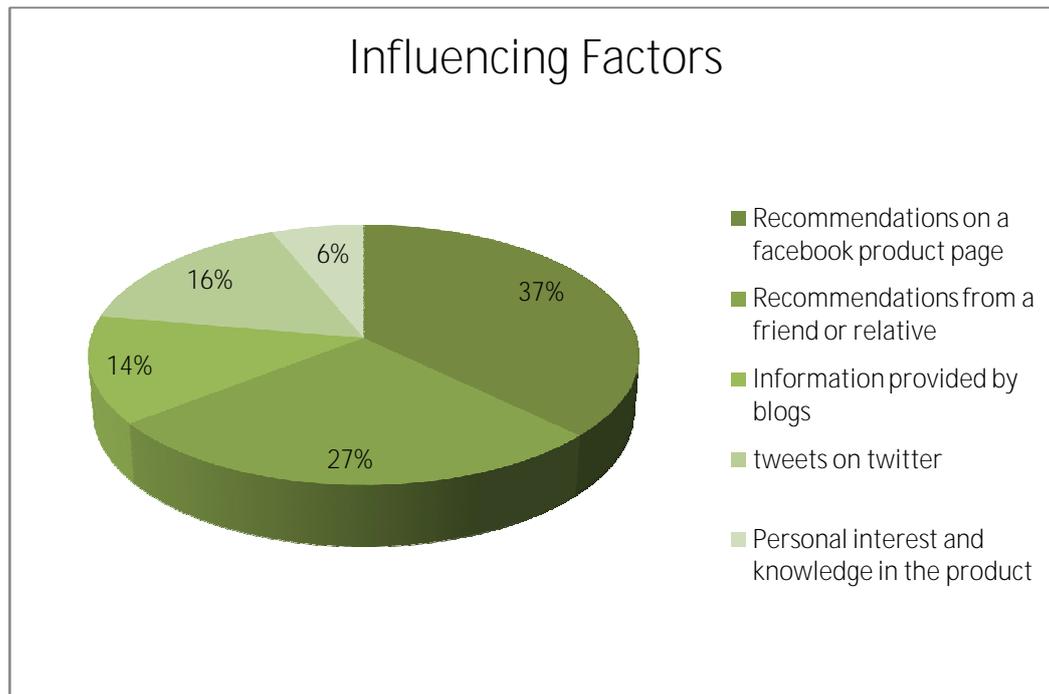


It can be seen from the preceding table that 81% of people think that the reviews posted on the Facebook product pages are genuine, with 10% believing that they are fake and 9% who are unsure.

### **5.3.3 Perception of Facebook and e-WOM**

The last three questions were designed to establish the perceptions of Facebook as a means of e-WOM marketing, and the influence that it could have on consumer perceptions of the products and brands in question. Accordingly, the next question sought to establish the factors that have the greatest influence on consumer purchase behaviour and decision making. The results are shown in table 5.14 below:

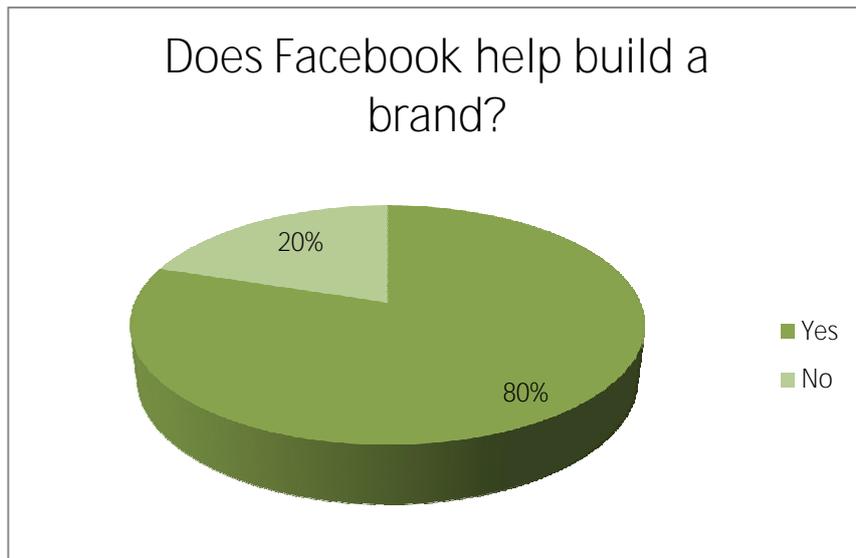
**Table 5.14: Influencing Factors**



Interestingly, the greatest proportions of respondents were influenced by recommendations on a Facebook page (weak ties), thus clearly indicating its popularity among other Social networking platform like blogs and Twitter and that this is the strong means of generating interest. This also tallies with the findings of the previous questions which highlighted the power of Facebook product pages as a marketing tool. Similarly, recommendations from friends and family scored highly, which is supported by the literature as many people would take recommendations from friends and family (strong ties) in preference to other forms of advertising.

Question 11 asked participants directly whether they felt that Facebook is an effective use of Word of Mouth (in electronic form) to build a brand. The results are displayed in table 5.15 overleaf. There was an overwhelmingly positive response for this question with 80% of people (144) agreeing that Facebook can help to build a brand. This response is entirely aligned with the existing literature in this area, although it must be noted that as this was a closed question there was no opportunity for people to explain their answer. However, it was briefly hypothesised that there was probably a relationship between the number of people who said they were not members of product pages and the belief that it could build a brand. This was tested using the Pearson correlation coefficient as shown in table 5.16

**Table 5.15:** Does Facebook help to build a brand? – Next Page



**Table 5.16:** Product Page membership and perception of band Pearson Correlation

		P PAGE	BRAND
P PAGE	Pearson Correlation	1	-.29 (**)
	Sig. (2-tailed)		.000
	N	180	180
BRAND	Pearson Correlation	-.29 (**)	1
	Sig. (2-tailed)	.000	
	N	180	180

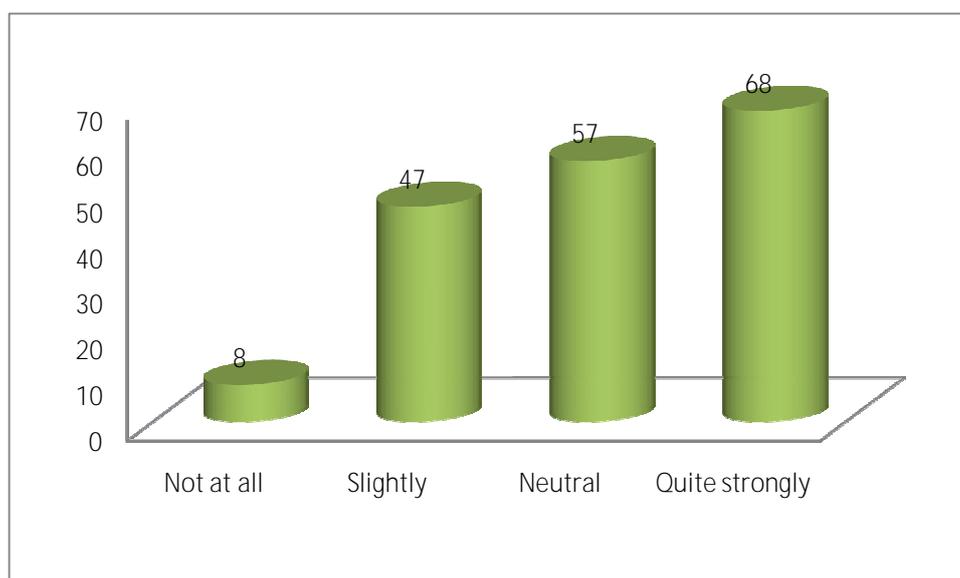
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The Pearson correlation coefficient between the two variables shows a strong and significant negative relationship, meaning that if people have **not** joined a Facebook product page they are similarly **unlikely** to believe that Facebook can help build a brand. This is a useful piece of information for marketers because it means that they can identify people who are unlikely to be part of their target market and stop wasting resources trying to attract them, but instead focus on more likely targets.

Finally, the last question in the questionnaire asked people whether they would post reviews on Facebook if they were satisfied with a product. The responses are given overleaf in table 5.17. It is immediately apparent that people do like to use Facebook to spread positive messages and reviews about products they are happy with, as demonstrated by the fact that 37.7% of respondents quite strongly agreed that they would use Facebook for positive product reviews. Moreover, only 4% of people said they would not use Facebook for product reviews at all. This further supports the other findings in this study which have demonstrated that Facebook is an effective means of advertising specific products and raising brand awareness.

**Table 5.17:** Use of Facebook for product reviews



### **5.4 Critical Discussion**

This chapter is devoted to providing a critical discussion of the findings and initial analysis, when set against the existing literature as discussed in chapter two. The overall aim of this study was to examine the effect of WOM on consumer purchasing behaviour with specific reference to the effect of\* (this is the correct pronoun to use here). the social networking site Facebook. As noted in the literature review, there is a wide body of literature which already exists which demonstrates the power of WOM and e-WOM on consumer decision making. Scholars such as File et al (1994) and Buttle (1998) demonstrated that WOM can take many forms, and despite that fact that it is not always a physical manifestation it has tremendous power to influence the consumer decision making process. This view is shared by Christopher et al (1991) who demonstrated that WOM in all of its various forms can positively influence the consumer decision making process, and it appears that it is most effective at the decision-making stage. This is strongly evidenced in the questionnaire which determined that over 74% of people used Facebook daily, and of that 74% 87% had joined a product page because they felt drawn to the product or the brand. Thus the findings of the study clearly support the literature insofar as there is a strong positive link between the use of Facebook and the support of a product.

Further granular analysis of this relationship revealed that more people were inclined to support the product pages of highly desirable consumer items such as mobile phones and cameras (with almost 100% agreement), and that they were also strongly influenced by product pages, with 32.7% of people using them to make a purchase decision, and 38% of people relying on the opinions of friends and/or relatives. It is therefore obvious that Facebook product pages satisfy the conditions established in the literature for WOM and e-WOM insofar as it helps to generate volumetric sales. It is further argued that as the vast majority of people would link to a product page if they saw that their friends and family had done so, which further demonstrates the viral power of Facebook as a WOM marketing tool. Building on this theme Asseal et al (1992) also observed that effective WOM is actually a two-way process, which means that if friends and family (i.e. people that the consumer

trusts) have recommended a product via a product page, this has an exponentially more powerful effect. The value of  this knowledge lies in the fact that if organisations can persuade people to “ ” a product page, it is then easier to spread the word about a product and raise its profile amongst like-minded people.

Furthermore, Wilson (1994) argued that WOM is a particularly powerful and cost-effective means of quickly and accurately targeting a desired market segment. Thus having demonstrated in the primary research that people who are interested in Facebook are typically interested in product pages; means in turn that it is relatively easy for an organisation to clearly define its target market. Moreover the research also demonstrated the existence of a negative relationship between product pages and brand development. This negative information is actually useful for organizations and they should use Facebook pages to build a product brand by using Facebook features like “polls, unique page layout /colour schemes, apps or contests” .They need to identify consumers who would simply not be interested in a product or brand, and then they do not need to waste time trying to pursue them.

However it is also important to recognise that in the same way that positive WOM recommendation from friends and family are exponentially more powerful, negative WOM reports are even more powerful than that – a phenomenon observed by both Cunningham (1966) and Richins and Root-Schaffer (1997). This was also observed in the primary analysis of this study which further supported the literature in this regard. Moreover, the study was specifically conducted in a collectivist setting (India), which it was further summarised in the literature review by both Mooij (2004) and Laroche et al (2005) who confirm that people in collectivist societies are more likely to be influenced by WOM, which the primary data also supports.

### **5.5 Acceptance or Rejection of Hypotheses**

This section of the chapter addresses whether or not the data gathered and analysed earlier in this chapter serves to prove or disprove the hypotheses as initially set out in chapter three. They are discussed briefly below.

**H1a:** consumers rely on Word of mouth communication on Facebook pages to gain knowledge about High Involvement products. This is accepted based on the responses to question Q4.

**H1b:** consumers rely on Word of mouth communication on Facebook pages to gain knowledge about Low Involvement products. This is also accepted based on the responses to question Q4, however it is clear that consumers seek greater levels on information based on high involvement products.

**H2a:** Customers' seek word of mouth advice on Facebook pages to evaluate High involvement products. This is accepted based on the responses to questions 4, 5 and 6.

**H2b:** Customers' seek word of mouth advice on Facebook pages to evaluate Low involvement products. This is accepted, but the strength of the relationship is much weaker than that for high involvement products.

**H3:** consumer seeks WOM to reduce cognitive dissonance whether the purchase decision that was made was a right decision or not. This is accepted based on the responses to Questions 5 and 6, and the relationship is stronger when the product has a higher level of involvement.

**H4a:** Positive word of mouth of other members about a product on Facebook pages leads to purchase satisfaction. This is accepted based on the responses to questions 7 and 10.

**H4b:** Negative word of mouth of other members about a product on Facebook pages leads to purchase dissatisfaction. This is accepted based on the responses to questions 8, 9 and 12, moreover, a negative WOM experience has a stronger effect than a positive one.

**H5 a:** A satisfied consumer spreads positive word of mouth about the product on the Facebook Page to suggest others to buy the product thus increasing product sales. This is accepted based on the responses to question 12.

**H5 b:** A dissatisfied consumer spreads negative word of mouth about the product on the Facebook Page to stop others from buying the product thus adversely affecting the product sales. This is accepted based on the responses to questions 7, 8, 9 and 12.

**H6:** Negative word of mouth affects other consumers more than Positive word of mouth in their purchase decisions. This is accepted based on the responses to questions 8, 9 and 12, moreover, a negative WOM experience has a stronger effect than a positive one.

**H7:** People join Facebook page because to want to be associated to a product they like or own but do not indulge in WOM communication at any phase of decision making. This is rejected as it became clear during the course of the questionnaire that people, especially in a collectivist society rely heavily on Facebook and other sources of personal recommendation in order to make decisions. This is evidenced in the responses to questions 5,6 and 7.

### **5.6 Summary**

In summary of this chapter it is evident that Facebook is an effective means of advertising products and brands by means of product pages. It is also clear that although it is primarily the younger generations who are attracted by Facebook as a marketing tool, there is also scope for other generations. Finally, this research has revealed a number of relationships between variables which add particularly insight to this topic. Thus, the following chapter provides final conclusions to the study and poses a series of recommendations for practitioners and academics for areas of further research.

## 6.0 Recommendations and Conclusions

### 6.1 Recommendations

Taking into account the foregoing discussions and analysis in respect of the power of Word of Mouth, as determined in both primary and secondary study and research, has led to the following conclusions. These can apply both to practitioners and organisations who are hoping to harness the power of word of mouth on Facebook as a means of increasing their brand awareness and directly promoting their products to their desired target market.

Firstly, as Facebook product pages have been shown to have a direct positive influence on the consumer decision making process, specifically at the precise point of determining which item to purchase, to reduce cognitive dissonance and to encourage consumers to co-create in building the brand of a product, it is strongly advised that organisations develop a Facebook product page and actively promote it in order to raise product awareness. Marketers should understand at what stage consumers seek WOM the most and should develop specific strategies for different stages to engage more consumers so as to avoid consumers' switching brands.

Secondly, the research has demonstrated that the majority of consumers believe the  product reviews that are placed on Facebook product pages, and that they are more influenced by reviews and the opinions of their friends and family. Therefore there may be some benefit in incentivising people to leave reviews, (for example by offering them the chance to win prizes or discounts in return for leaving reviews), or to  a Facebook product page.

Thirdly, the research also demonstrates that there is a stronger incentive for consumers to believe the reviews in collectivist cultures (such as India), therefore organisations should possibly consider setting up different or linked product pages for different cultures and/or nations as the effect that they will have will differ.

Fourthly, it was clear from the research that negative word of mouth reviews and postings have an exponentially more powerful effect than positive reviews.

Accordingly, marketers should try to convert NWOM to PWOM by techniques such as query management as “a satisfied consumer is the best marketer”. Moreover, as the majority of people believe that Facebook reviews are real, organisations would be well advised to find a means of responding and communicating with people who post negative reviews in order to determine the nature of the issue. As noted by Buttle (1998), communication during WOM is two-way, and social media facilitates a platform for exchange. \*

Finally, the research demonstrated that there is a direct correlation between age and the power of Facebook insofar as younger people were more influenced by collective opinion than older people. This information is useful as it helps organisations directly target their desired market, and through the existence of known non-supporters then can save resources by not directly trying to attract them.

### **6.2 Conclusions**

In conclusion of this research study it can be seen that there is a strong and direct relationship between WOM and e-WOM and consumer decision making. This research has demonstrated that where a product review exists in either spoken or electronic form, consumers are more inclined to purchase a product, and that this likelihood increases with volume. The primary findings of this study fully concur with their literature, and extend the findings to take account of the fact that these relationships and correlations are magnified in a collectivist culture, and amongst younger people who are more inclined to trust the opinions of others than to trust their own opinions. The primary findings of the study also revealed that negative WOM exchanges have an exponentially more powerful effect than positive ones insofar as one or a few negative reviews significantly outweigh the volumetric effect of many positive reviews. This phenomenon had also been observed in the literature; however the primary research in this study further confirmed its existence, and especially so in a collectivist setting.

Ultimately the recommendations set out above provide the opportunity for organisations to carefully target their desired market segment and use the power of co-creation to build their brand and simultaneously advance the perceptions of their

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products. This can be achieved through careful placement of product pages, through encouraging people to leave reviews and to “like” Facebook pages, and also through communicating with customers who leave negative reviews in order to help build the personality of the brand so that people feel more inclined to communicate and offer constructive feedback. All of the evidence, both primary and secondary indicates that the use of social media platforms such as Facebook have unequivocal power when it comes to influencing consumer decision-making and building up the products and their brands. This is especially the case for products which are targeted at a younger market segment, and as of yet there is no discernable reason for an organisation not to have a product page if it complements the rest of their marketing strategy.