

**NEAR EAST UNIVERSITY**  
**GRADUATE SCHOOL OF SOCIAL SCIENCES**  
**BUSINESS ADMINISTRATION**  
**MASTER'S PROGRAMME**  
**MASTER'S THESIS**

**BENEFITS OF FACEBOOK ADVERTISING**

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**NICOSIA**

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## **ABSTRACT**

This study aims to measure the extent of two advertising benefits and their correlation in creating effective advertising campaigns on Facebook.

There is a need to understand if there is a relationship between Facebook advertising effectiveness and benefits gained from such advertising.

This study tested the correlation between two advertising benefits and the effectiveness of Facebook advertising. The benefits tested were “customer relationship management” and “promoting new products”. The correlations of these benefits with the effectiveness of Facebook advertising were measured.

The results supported that Facebook is seen as an effective medium for advertising and there is a strong association with the described benefits of “customer relationship management” and “promoting new products”.

**Key words: Customer Relationship Management, Effective advertising on Facebook, Near East University, Promoting New Products**

## ÖZ

Bu çalışmanın amacı; Facebook üzerinde etkili bir reklam oluşturmada, iki farklı reklam kampanyası çeşidinin etki alanları ve bu reklam çeşitlerinin arasındaki bağlantıyı ortaya çıkarmaktır.

Çalışmada; Facebook'a verilen reklamların etkisi ve facebook reklamlarının getirileri arasında bir bağlantı olup olmadığı anlaşılmaya çalışılmıştır.

Bu çalışmada; iki farklı reklam çeşidi getirisi ile bunların arasındaki etkileşimi ve Facebook reklamcılığının insanlar üzerindeki etkisinin korelasyonu test etmiştir. Ölçülen faydalar; "müşteri ilişkileri yönetimi" ve "yeni ürünlerin tanıtılması" dır. Ortaya çıkarılan faydaların Facebook reklamcılığının insanlar üzerindeki etkisi ve ilişkileri ölçülmüştür.

Sonuçlar desteklemektedir ki; Facebook'un reklamcılıkta insanlar üzerinde etkili bir bağlantı ve etkileşim olarak görüldüğünü ve kullanıldığını, "müşteri ilişkileri yönetimi" nin ve "yeni ürünlerin tanıtılması" nın belirtilen getirileriyle (bulgulara dayanarak) facebook üzerinde güçlü bir etkileşim oluşturduğudur.

**Anahtar kelimeler: Müşteri İlişkileri Yönetimi, Facebook'ta Etkili Reklamcılık, Yakın Doğu Üniversitesi, Yeni Ürünler Teşvik Edilmesi**

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## **CHAPTER I**

### **ORIENTATION**

#### **1.1 Introduction**

This chapter sets out the aims and the scope of this study. It provides an introduction to Facebook and advertising followed by the problem situation, the significance and the limitations of the study. Chapter summaries are also provided.

#### **1.2 Facebook and Social Media Advertising**

Many agree that the Social Media has changed the way we give and receive information. Social media is defined as a connection between brands and consumers offering a personal channel and currency for user-centred networking and social interaction (Chi, 2011). Mangold and Faulds (2009) describe the way business organisations connect with their customers and argue that businesses need to learn using the media in parallel with their business plans. Social Media and thus the Social Networking Sites present an opportunity for businesses to reach larger markets as with their communications as with advertising.

Facebook is a Social Network Site that has been the most important social phenomenon of the last ten years. Over a billion people are known to use it around the globe every day. Businesses are interested in exchanging information, trading products or services, connecting to current and potential customers, ensuring a better understanding of targeted customers and business benefits offered by Facebook. It should be noted, however, that Facebook is not a substitute for the traditional marketing media but it is a complement to the existing systems.

### **1.3 Problem situation**

University students using Facebook are frequently bombarded with advertisements, related or not to their lifestyles, wants and values. Most adverts are mass targeted with little consideration to the demographic backgrounds of customers.

Advertising campaigns aim to create awareness, inform, promote brand differences and in parallel to business objectives. The essence of making advertisements is to attract consumers to patronize the company's product or service, which in turn garner profits from sales to the company. Advertising without understanding the targeted consumers and the nature of advertising media carries risks. Correlations between benefits gained with what considered as effective advertising are one of the issues that need to be understood.

### **1.4 Problem statement**

There is a need to understand if there is a relationship between Facebook advertising effectiveness and benefits gained from such advertising. This study will test the correlation between two advertising benefits and the effectiveness of Facebook advertising. The benefits that will be tested are "customer relationship management" and "introducing new products". The correlations of these benefits with the effectiveness of Facebook advertising will be measured.

### **1.5 Research aims and objectives**

This study aims to measure the extent of two advertising benefits and their correlation in creating effective advertising campaigns on Facebook.

University students comprised the sample of the study as they regularly use Facebook and come into contact with Facebook advertising.

The research questions formulated in parallel to the aims were:

The study aimed to find out the extent to which Facebook advertising is effective in the following benefits:

- a. Is there a customer relation management benefit gained with Facebook advertising?
- b. Is there an effective promotion of new products benefit gained with Facebook advertising?
- c. Do University students think that Facebook advertising is effective?
- d. Is there a positive relationship between customer relationship management and Facebook advertising?
- e. Is there a positive relationship between promoting new products and Facebook advertising?

## **1.6 Significance of the study**

Businesses need to understand Facebook and its benefits in achieving effective advertising. The research in this field has been escalating in the last five years. However, further investigation is still needed to understand how effective social media and specially Facebook is for advertising.

## **1.7 The limitations of the study**

There are two limitations of this study envisaged. One is that there are other benefits of Facebook advertising that need to be explored. For the reasons of parsimony, this study concentrated on two benefits. Two is that, the study results are based on a convenience sampling of university students. Clearly, a better representative sample is needed to be able to generalise the results.

## **1.8 Chapters' summaries**

### **1.8.1 Chapter II**

This chapter reviews the literature on how effective the social media advertising is with Facebook as an advertising tool and benefits of Facebook advertising. It also reviews consumer attitudes and motives toward social media.

### **1.8.2 Chapter III**

This chapter explains the conceptual model of this research study. It offers definitions to the concepts used in the model followed by hypotheses formulation.

### **1.8.3 Chapter IV**

This chapter covers the research design and the methodological steps of this research study. It describes the design and the methodological steps used in data collection and analysis. It details the questionnaire designed as the measuring instrument and explains how the sample size was decided. Finally, reveals the method used on testing the consistency of the measuring instrument.

### **1.8.4 Chapter V**

This chapter describes the findings of the empirical investigations carried out on a sample of students from the the Faculty of Economics and Administrative Sciences of Near East University, Northern Cyprus. The aim was to measure their attitudes on the benefits and the effectiveness of Facebook.

The suitability and consistency of the study variables were determined by a reliability analysis. The selected sample of students' profiles were summarised. In order to test the hypotheses developed correlation and line regression analyses were implemented.

### **1.8.5 Chapter VI**

This chapter finalizes the report of this study. Therefore, it starts with the theoretical findings of the study followed by the empirical findings, hypotheses, research aims and questions, the limitations of the study, recommendations for future research as well as the researcher's concluding discussion.

### **1.9 Conclusion**

This chapter formulated the problem of the study. It provided a brief idea on determining the effectiveness of Facebook as an advertising medium amongst students of the faculty of Economics and Administrative Sciences in Near East University, Northern Cyprus. The chapter provided the template for the next chapter which is the literature review of the study.

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter reviews the literature on how effective the social media advertising is with Facebook as an advertising tool and benefits of Facebook advertising. It also reviews consumer attitudes and motives toward social media.

#### **2.2 Advertising on social media**

Advertising has the same meaning with marketing to most people. Advertising, in fact, is just one of the communication mix elements. Kotler and Armstrong (2008) define advertising as the delivers information, reminder and persuasion on products and brands.

The aim of advertising is explained by Quinn (1985) as to create a response in buying or a desire to find more about a product. Advertising has types explains Aaker and Mayasers (1975) such as to inform, persuade and to remind consumers on given products.

The American Marketing Association defines marketing media as “the various mass media that can be hired to convey advertising messages to prospective audiences or target markets for products, services, organizations, or ideas”. The traditional marketing media included radio, television, magazines and newspapers.

There is a decline in the number of people following the traditional media as Gurevitch Coleman and Blumber (2009) reports. The extensive reach to the Internet with smart phones, tablets and other computerised equipment meant more use of Social Network sites by Consumers. Kin (2008) portrays that the popularity of social networks has

escalated more than before. The young population are the major adopters. Teenagers are followed by the 25 to 34 age group. White collar workers use the social network sites more than any other occupations.

This growing trend indicates that the marketers need to explore the effectiveness of different social networks as it will be hard to communicate and create value for consumers in the future.

There is little research carried out on the effectiveness of social media for advertising purposes. The current research on social network Sites is mainly exploratory on topics such as networks and network structure, and similar other issues (Boyd and Ellison, 2007). There is still a gap in understanding the effectiveness of social media advertising on consumers.

Lazer and Kelly's (1973) define social advertising as "concerned with the use of advertising understanding, ideas, and methods to enhance social as well as economic ends. It is also concerned with the analysis of the social penalties of advertising strategies, decisions and events."

Many think that the social media has changed the way businesses interact with their customers and business owners greatly. Mangold and Faulds (2009) suggest that businesses must learn how to use social media in parallel with their business plans. This is because Social Networking Sites present an opportunity for businesses to extend their marketing activities to a many segments. Social media advertising as a "connection between brands and consumers, while offering a personal channel and currency for user centred networking and social interaction." as defined by Chi (2011).

Social media is an advance of the last decade. It is a new medium where consumers interact for information and make buying decisions. It is the environment in which social networking takes place.



So far, studies rarely described the advertising benefits that businesses gain from social media advertising. Research is needed to offer a better understanding of advertising benefits from social media advertising.

### **2.3 Effectiveness of social media advertising**

Considering the amount of spending on advertising, it is essential to understand what advertising effectiveness is and how it is measured. Understanding what leads to advertising effectiveness, however, is far more important as any waste in spending might be avoided in advance. This has become more challenging with the increase use of social media since the 2000s.

A definition of advertising effectiveness was provided by Corvi and Bonera (2010) as the extent to which advertising ends in a desired effect. They also found measuring the effectiveness advertising difficult as it interacts with marketing, financial, environmental, competition and other variables. They further described that that the effects of advertising cannot always be measured with quantitative measures but advertising has effects which are not possible to measure at the time of costs.

Li & Leckenby (2004) and Pavlou & Stewart (2000) argue that social media advertising should be considered the same as the general philosophy of advertising effectiveness. The Nielsen Company (2010) measures the social media advertising effectiveness by using the brand favourability, message equity, brand consideration, purchase propensity, the effectiveness of creative execution, place impact, and frequency of exposure.

## **2.4 Consumer behaviour on social media**

Online social network sites have given consumers an opportunity to create brand information which was previously provided by companies (Heinonen, 2011). Based on his research Chu (2011) argued that Facebook users in brand-related groups tend to give out more personal information than non-group users.

Chu (2011) explains that when users pass on advertisements promoting brands they reveal their personal information and their connection with Facebook groups. He depicts that consumers see Facebook groups as channels useful in seeking self-status in a product class as they pass on information on brands to their Facebook group members.

He also found that members of Facebook groups maintain a more favourable attitude toward social media advertising and are more likely to join a Facebook group of a particular brand to receive promotional messages.

Chu (2011) further observes that university-aged, young users show the most favourable attitudes toward social media advertising and are the largest growing demographic group. This makes social media sites a better advertising media for companies with targeted segments of younger customers. Cox (2010) also studied the correlation between age and attitude toward social media advertising. She discovered that the attitudes of social network users toward online advertising differed across age groups. She observed that users in the eighteen (18) to twenty-eight (28) age groups have strong positive attitudes towards advertising formats such as blogs, video, and brand channel. She points to the eye-catching, informative and the amusing characteristics of these formats as an explanation. Most users like the characteristics of these formats with younger groups showing a higher preference. However, most network users dislike advertisements interfering with online social networking activities, such as pop up, expandable, or floating formatted advertisements (Cox 2010).

Chi (2011) suggests that the motivations of users on online social networks may play an important role in defining consumer's reactions to social media marketing. He explains that users see advertising differently depending on the social network. Harris and Dennis (2011) determine that consumers, particularly students, have a hierarchy of trust when using Facebook and other social media. Students are noted to go in the descending order of Facebook friends, expert blogs, independent review sites and lastly celebrities and e-retailer sites.

Di Pietro and Pantano (2012) explain enjoyment as the major factor that influences consumers to use social networks in their buying intentions. They depict that Facebook gives fun and the opportunity for users where they can ask for suggestions in an easy and entertaining way.

Individuals are motivated and are more interested on products announced on Facebook. Di Pietro and Pantano (2012) advised businesses to develop their Facebook appearance by adding amusing interactive applications such as games and contests. Heinonen (2011) argues that consumers' activities are not related to one single motivation but a variety of combinations. He finds the classic view of individuals as mere customers out of date. He argues that user generated content is diminishing the effect of traditional marketing strategies and consumers should be viewed as active producers of business value. Businesses can increase consumer awareness on their brands by being imaginative when interacting with customers on social media sites. Shankar et al. (2011) views promotion social media as important. According to Curran et al. (2011), Facebook and other similar social media websites are far superior to other advertising media because they store personal details on all their users which ensure that marketers use the information in reaching their targeted segments.

## **2.5 Facebook**

### **2.5.1 Advertising effectiveness on Facebook**

Facebook has become the most popular social network site that has brought a notable social change into our lives during the last decade. The growth rate of Facebook has been remarkable which attracted a lot of research interest. In 2012 figures, there are over a billion active users on Facebook who enjoy a social network service in 70 different languages (Facebook, 2012).

Facebook is seen useful in understanding and predicting customers and their behaviour (Casteleyn, Mottart, & Rutten, 2009). Facebook users indicate their action on news-feed which is visible to all of their friends. Users exchange notifications through email addresses. However, as Doyle (2007) argues users can make up false identities and profile information does not necessarily reflect correct information to understand customers and behaviour. Marketers find Facebook groups and communities more relevant to their needs (Casteleyn, Mottart, & Rutten, 2009). They can more readily understand how consumers behave and what they prefer through groups so that they can develop segmentation and positioning strategies.

### **2.5.2 The association of Facebook with that of advertising**

Customers are increasingly spending more time on social networks and therefore coming across more with online advertising than on traditional channels Edelman (2007). As also Luke (2009) puts it Facebook allows companies to establish better and more communications with their customers than any other way such as through emails, phone calls and meetings. This creates an advantage in lower marketing costs. Therefore, social network sites like Facebook have provided a communications medium where businesses can manage marketing and advertising campaigns at a lower cost. Facebook has created

opportunities for businesses to communicate interactively and faster with individual customers (Mize, 2009; Palmer & Koenig-Lewis, 2009). Facebook facilitates an advertising medium which has initiated a new era of personalized advertising.

Facebook has changed the way brands are established and developed. Only a decade ago, customers were getting brand information from the traditional media. Companies were able to create an image of the brand in consumers' minds through marketing strategies (Schultz, 2010). Facebook has now made it possible that the customer positions the brand and not the company. Bernhardt et al. (2009) put forward that customers referred to as "the audience" are now actively participating in the creation of brand information as they offer own opinions based on personal experiences. This has great implications on brand management as establishing a good position to a brand not only depends on company efforts but on the comments made in favour or against the brand by users on Social networks.

Bucklin, and Pauwels (2009) has shown that word-of-mouth referrals by family, friends, and other online participants also have had a strong impact on new customer purchases. They also supported the concept that the word-of-mouth has longer-lasting effects on their targeted segments than the traditional marketing communications. Shankar and Malhotra (2007) shown that advertising firms are increasingly following WOM communications online (eWOM) to formulate their communications with customers. Researchers are investigating the link between online advertising and customer purchase intentions. For example, Grewal and Killaris (1998) have named a link between online music newsgroup and recorded music.

Opportunities seem to exist for organisations to benefit from Facebook. Opportunities or some of the benefits which are offered by Facebook amongst many are "Customer Relationship Management" and "Promoting new products".

Marland (2008) explains that Facebook facilitates a channel through which a strong bond between the customer and the business organisation is formed. Thus, advertising on Facebook provides a whole new way of advertising which enables interactivity to users enhancing the relationship between customers and the business organization (Logan, K., Bright, L.F and Gangadharbatla, H. 2012).

Facebook is the least costly way announcing and promoting new products and services as explained by Sarah E Needleman (2011). Facebook is a more convenient way announcing new products and services to targeted segments. Organizations are switching to Facebook advertising for various reasons Bernoff (2008). The existence of electronic Word of Mouth (eWOM) on social media provides significant amount of information for new products where potential buyers can share information that will affect their purchase intentions (Nail & Jim, 2005).

## **2.6 CONCLUSION**

This chapter reviewed the literature on how effective the social media advertising is with Facebook as an advertising tool and benefits of Facebook advertising. It also reviews consumer attitudes and motives toward social media. The next chapter will portray the conceptual model derived from the literature review reported in this chapter.

## CHAPTER III

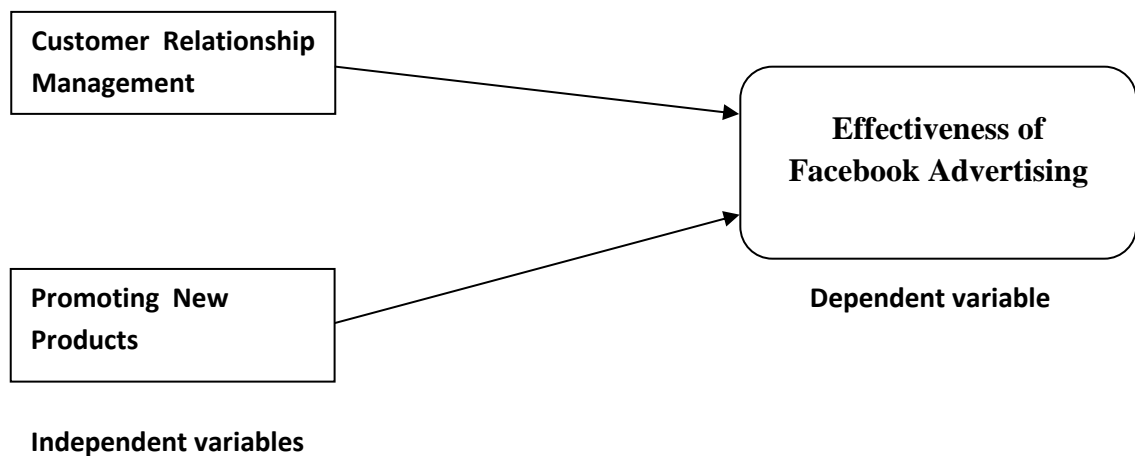
### CONCEPTUAL MODEL

#### 3.1 Introduction

This chapter explains the conceptual model of this research study. It offers definitions to the concepts used in the model followed by hypotheses formulation.

#### 3.2 The conceptual model of study

**Figure 3.1 The conceptual model of the study designed**



The development of the above model was the result of the literature review carried out in Chapter II of this study. The effectiveness of Facebook advertising and benefits were assumed to be correlated and such effectiveness has been the main apprehension of this

study. Being regarded as the research problem the “effectiveness of Facebook advertising” was regarded as the dependent variable. The benefits “customer relations management” and “promoting new products” were considered as the independent or predictor variables.

The model proposes that the effectiveness of Facebook advertising increases by the extent of its benefits to marketing organisations. The more the benefits, the more effective the Facebook advertising results will be. This research study has focused on two benefits: customer relationship management and promoting new products or services:

Customer relationship management is vital to the growth of companies. Facebook enhances customer relationship management by achieving strong bonds between the customer and the organization, therefore adding to the strength of the organization. Facebook allows the company to know more about the customers, their preferences and market trends, celebrate their memorable moments and empathize with them during grief. Knowing the preferences of customers helps in developing more competitive products and developing more effective advertising campaigns.

Facebook is relatively an easier medium to inform the market about new products and services. Announcing new products or services is possible with less effort. It creates a medium that makes it easier to spread information on new products and services through word-of-mouth. Sheryl Sandberg (2010) explains this as "We enable effective word-of-mouth advertising at scale..."



### 3.3 Hypotheses formulation

In parallel to the conceptual model designed in Figure 3.1, the following study hypotheses were formulated;

<b>H1</b>	There is a positive association between customer relationship management and the effectiveness of Facebook Advertising.
<b>H2</b>	There is a positive association between promoting new products and the effectiveness of Facebook advertising.

### 3.4 Conclusion

This chapter has explained the conceptual model of this research study. It provided definitions to the concepts used in the model followed by the two hypotheses formulated.

## **CHAPTER IV**

### **RESEARCH METHODOLOGY**

#### **4.1 Introduction**

This chapter covers the research design and the methodological steps of this research study. It describes the design and the methodological steps used in data collection and analysis. It details the questionnaire designed as the measuring instrument and explains how the sample size was decided. Finally, reveals the method used on testing the consistency of the measuring instrument.

#### **4.2 Research design**

A research design is mostly described as a series of steps that improves the validity of a research results. It is defined as “a blueprint for conducting a study with supreme control over features that may impede with the legitimacy of the findings” Burns & Grove, (2009). Parahoo, (2006), on the other hand defines it as “a plan that depicts how, when and where data are to be gathered and examined”.

This study was interested in describing the relationships between variables to describe the effectiveness of Facebook advertising and the benefits of Facebook advertising. This study can be describes as descriptive by its nature and correlation as a type of investigation. In addition, hypothesis testing was also carried out.

The study took place in a natural environment and was conducted with a minimal interference. It can be described as a field study which was conducted at university campus. Individual students were regarded as the unit of analysis. The aim of the study

was to define the benefits of Facebook advertising from the eyes of the individual university student users. The study was regarded as cross-sectional in time horizon as it was carried out over a single period of time.

### **4.3 Data collection method and the measuring instrument**

A questionnaire was used as a survey method was used to collect quantitative data. Fink (2003) describes the survey system as “setting objectives for data collection, designing the study, preparing a reliable and a valid instrument, administering the survey, managing and analysing data and reporting the results.” The survey questionnaire was developed from the literature review in chapter II and the conceptual model developed in Chapter III as also illustrated in Figure 3.1.

The questionnaire included four sections. The sample selected was from the Faculty of Economics and Administrative Sciences and so The Section I consisted of one (1) screening question to ensure that the students came from the selected Faculty and two (2) personal details questions of the respondents asking their gender and age group. The remaining parts of the questionnaire consisted of attitude statements measurable on a 5-point Likert Scale. The section II consisted of five (5) statements on Customer Relationship Management, Section III three (3) statements on promoting new products and finally Section IV five (5) statements on the effectiveness of Facebook advertising. A pilot test was first carried out on an initial sample of 20. The questionnaires were prepared in both English and Turkish languages as the sample of students comprised of speakers of both languages. The pilot test was to ensure that the questionnaires were free of error, comprehensible, consistent and easily could be completed by the responding students.

A total number of two hundred and fifty (250) questionnaire forms were to individual students selected randomly at the faculty of Economics and Administrative Sciences.

#### **4.4 Hypotheses formulated**

As with the conceptual model developed and illustrated in Figure 3.1, Chapter III the following hypotheses were formulated:

<b>H1</b>	Customer relationship management is positively associated with the effectiveness of Facebook Advertising.
<b>H2</b>	Promoting new products is positively associated with effectiveness of Facebook advertising.

#### **4.5 Sampling design**

A convenient, non-probability sampling design was adopted as the responding students were readily available during the period of the investigations. All respondents were requested to complete the questionnaire based on their experiences.

The sample size set for this study was two hundred and fifty (250) as a large sample size was assumed right for this descriptive study. A sample size is defined by Malhorta (2010) as the number of elements that are included in a study. Malhorta (2010) suggests that sample size for the study of advertising, the minimum should be one hundred and fifty (150) and the typical range of around two hundred (200) to three hundred (300). Whereas, Sekaran (2003) suggests that sample size which are larger than thirty (30) and less than three hundred (300) are normally applicable for most research, and recommends the sample size should be ten (10) times the number of variables in the study.

Respondents in this study were 250 students of the faculty of Economics and Administrative Sciences of Near East University in Northern Cyprus. The study was originally aimed at the entire students of the university but after days of deliberation, it was agreed that it should be limited to only the faculty in order to have a robust and constructive research considering the limited period of time available at the researcher's disposal. The respondents were carefully selected to comprise both English and Turkish languages speaking students of the case study faculty in order to have a generally acceptable result, robust and accurate study results.

#### **4.6 Data analysis**

Statistical Package for Social Science 21® (SPSS) was used to analyse the data obtained from the questionnaire forms. Each questionnaire was coded and entered into the SPSS data view. The first survey instrument used was the reliability analysis, which shows the “extent to which a scale produces consistent results if repeated measurements are made on the characteristic” (Malhorta, 2007). This was followed by the descriptive analyses which were carried out on the demographics of the respondents indicating the profile sample by age and by gender.

The correlation analyses were carried out to demonstrate the influence and direction of the relationship between the variables which results were used for the hypothesis testing. The regression analyses were run in order to determine the relative importance of the independent variables on effectiveness of Facebook advertising.

#### **4.7 The validity and reliability of the measuring instrument**

The validity and reliability of the questionnaires were estimated by using Cronbach's Alpha as a coefficient of internal consistency. This show the extent to which a scale produces consistent results if repeated measurements are made on the characteristic as described by Malhotra, 2007).

#### **4.8 Conclusion**

This chapter explained the research design and the methodological steps of this research study. It described the design and the methodological steps used in data collection and analysis. It explained the questionnaire designed as the measuring instrument and also explained how the sample size was decided. Finally, it revealed the method used on testing the consistency of the measuring instrument.

## **CHAPTER V**

### **DATA ANALYSIS AND FINDINGS**

#### **5.1 Introduction**

This chapter describes the findings of the empirical investigations carried out on a sample of students from the Faculty of Economics and Administrative Sciences of Near East University, Northern Cyprus. The aim was to measure their attitudes on the benefits and the effectiveness of Facebook.

The suitability and consistency of the study variables were determined by a reliability analysis. The selected sample of students' profiles were summarised. In order to test the hypotheses developed correlation and line regression analyses were implemented.

#### **5.2 Realization rate**

A convenience sampling method was adopted. A total of 250 questionnaire forms were distributed to 250 different students within the premises of the faculty during December 2016. There were twenty-five (25) questionnaire forms screened out because they were not students of the Faculty while four (4) questionnaire forms were not returned. The total number of questionnaires realized were two hundred and twenty-one (221).

**Table 5.1: Realization rate**

Total questionnaires distributed	250
Questionnaires screened out	25
Questionnaires not returned	4
<b>Total questionnaires realized</b>	<b>221</b>

The data collected on the questionnaire forms were then transferred to Statistical Package for Social Sciences (SPSS 21) software program before being analyzed.

### **5.2.1 Consistency of the measuring instrument**

Cronbach's (alpha) as coefficient of internal consistency was used to estimate the reliability of the questionnaires responses. The Cronbach's coefficient alpha of the 21 items was 0.883, suggesting that the items had optimal reliability and relatively high internal consistency as shown in the reliability statistics table below. This is a popular test for consistency reliability and a coefficient above 0.60 is sufficient for most social science studies (Sekaran and Bougie 2009).



**Table 5.2: Case processing summary****Case Processing Summary**

		N	%
Cases	Valid	221	100.0
	Excluded <sup>a</sup>	0	.0
	Total	221	100.0

a. Listwise deletion based on all variables in the procedure.

**Table 5.3: Reliability Statistics****Reliability Statistics**

Cronbach's Alpha	N of Items
.883	21

The reliability level reached was 0.883 (88.3%). This is seen as reliable and sufficient (Sekaran and Bougie 2009).

### **5.3 Descriptive statistics**

#### **5.3.1 Analysis of the respondents' personal detail**

There was a screening question in Section I of the questionnaire to ensure that only the students of the Faculty of Economics and Administrative Sciences completed the forms, the section also asked personal details of the respondents. The results are stated below:

### 5.3.1.1 Gender

A total of 110 were male which represents 49.8% while 111 were female which represents 50.2% as depicted in Table 5.4 below;

**Table 5.4: Composition of gender**

Your gender				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Female	111	50,2	50,2	50,2
Male	110	49,8	49,8	100,0
Total	221	100,0	100,0	

**Major finding: Almost same number of male and female respondents recorded.**

### 5.3.1.2 Age group

The age of the respondents were classified into three age groups namely 18-20, 21-23, 24 and above. The results revealed the following;

**Table 5.5: Composition of age**

What is your age group				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-20	49	22,2	22,2	22,2
21-23	81	36,7	36,7	58,8
24plus	91	41,2	41,2	100,0
Total	221	100,0	100,0	

**Major finding: Almost 60% of the respondents were under 24years old.**

### **5.3.2 Analysis of the attitude statements**

Section II of the questionnaire contained 10 attitude statements; five for Customer Relationship Management, three for promoting new products and five for the effectiveness of advertising on Facebook. The following represents the average responses;

**Table 5.6: Customer Relationship Management****One-Sample Statistics**

	N	Mean	Std. Deviation	Std. Error Mean
Facebook creates a bond between the customer and the seller	221	1,9864	,96991	,06524
Facebook allows me to know more about the current trends and preferences in the market	221	2,0271	,90412	,06082
Facebook facilitates a two-way communication between customers and sellers	221	2,0090	,82015	,05517
With two-way communications possible, Facebook increases my satisfaction of the product even after sales (customer satisfaction)	221	2,1855	,95202	,06404
Facebook makes my enquiries on faulty goods easier	221	2,3348	1,03840	,06985

Respondents generally agreed that Facebook creates a bond between the customer and the seller.

**Major finding: Responding students agreed that Facebook is effective in Customers Relationship Management and that it creates a bond between the customer and the seller.**

**Table 5.7: Promoting New Products****One-Sample Statistics**

	N	Mean	Std. Deviation	Std. Error Mean
Facebook allows easier spread of new products to targeted customers	221	1.9367	.91232	.06137
Facebook enables effective word of mouth advertising worldwide	221	2.0769	.94314	.06344
Facebook mobile application platform enables 24hours delivery of new product advertisement	221	2.4118	1.15114	.07743

Most responding students agreed that Facebook is a good media for promoting new products.

**Major finding: Respondents agreed that Facebook is an effective tool in creating promoting new products.**

**Table 5.8: the effectiveness of advertising on Facebook****One-Sample Statistics**

	N	Mean	Std. Deviation	Std. Error Mean
Facebook adverts are appealing and engaging	221	2, 3837	1,1638	,07820
Facebook adverts are neither too long or too short	221	2,4325	1,0849	,08184
Facebook adverts convey the intended message	221	2,4108	,98410	,06620
Facebook adverts are convincing	221	2,6226	1,14240	,07684
Facebook adverts are better than other advertisements for the same product	221	2,8817	1,24608	,08382

Responding students mainly agreed that Facebook is an effective medium for advertising

**Major finding: Respondents agreed that Facebook is an effective tool in creating promoting new products.**

#### **5.4 Testing the research hypotheses**

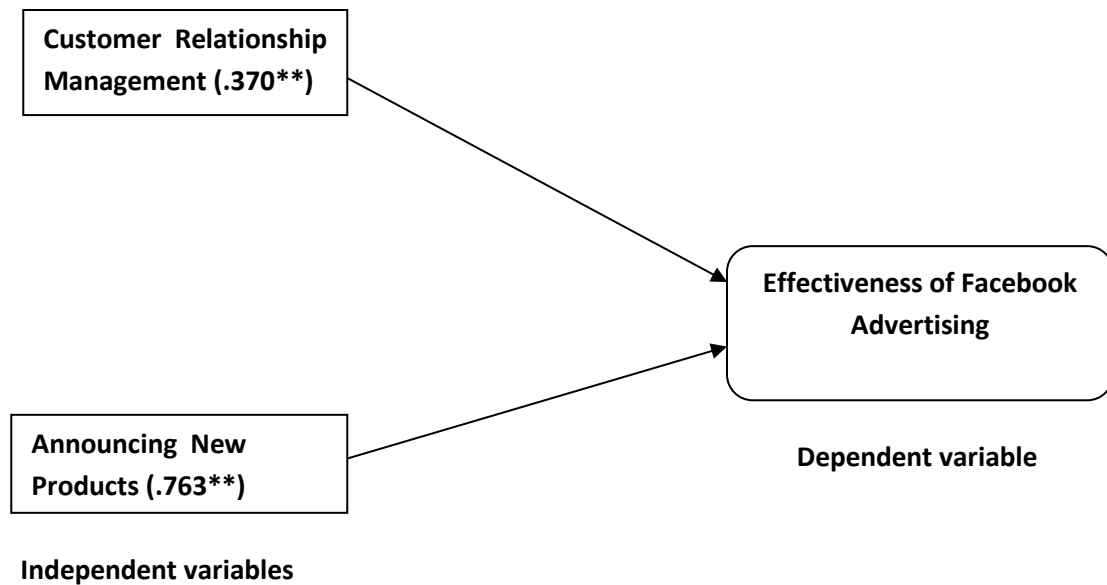
A model was designed in research methodology of this study. This study aims to examine five hypotheses designed regarding the relationship between the independent variables Customer Relationship Management, Customers, Enhancing Brand Reputation, Building Brand Attributes, Announcing New Products and the dependent one, which is the effectiveness of Facebook advertising. Correlation analysis was adopted to test the

relationship between the variables and to determine whether the hypotheses were supported or not.

The analysis verifies the hypotheses of the study (H1 to H2) using SPSS version 21 software. In order to validate the hypotheses, a regression analysis was run to uncover which of the independent variables account for the variance in the dependent variable.

The following part indicates analysis of the proposed model tested using the correlation analysis on the SPSS version 21 software.

**Figure 5.1: The correlation coefficient between the study variables**



\*\* Correlation is significant at the 0.01 level (2 tailed).

### 5.4.1 Testing Hypothesis One

**H1:** There is a positive association between customer relationship management and the effectiveness of Facebook Advertising.

**Table 5.9: Customer Relationship Management Correlations**

Correlations		Effectiveness of Facebook Advertising	A_CRM
Effectiveness of Facebook Advertising	Pearson Correlation	1	.370**
	Sig. (2-tailed)		.000
	N	221	221
A_CRM	Pearson Correlation	.370**	1
	Sig. (2-tailed)	.000	
	N	221	221

\*\*. Correlation is significant at the 0.01 level (2-tailed).

Table 5.11 showed that Customer Relationship Management has a significant positive relationship with effectiveness of Facebook advertising at a variance of  $r(221) = 0.37$  and  $p=0.01$ . This relationship is considered moderately strong hence H1 is supported.



### 5.4.2 Testing Hypothesis Two

**H2:** There is a positive association between promoting new products and the effectiveness of Facebook advertising.

**Table 5.10: Announcing New Products Correlations**

Correlations		Effectiveness of Facebook Advertising	A_NEWPROD
Effectiveness of Facebook Advertising	Pearson Correlation	1	.763**
	Sig. (2-tailed)		.000
	N	221	221
A_NEWPROD	Pearson Correlation	.763**	1
	Sig. (2-tailed)	.000	
	N	221	221

\*\*. Correlation is significant at the 0.01 level (2-tailed).

Table 5.15 showed that Announcing New Products has a significant positive relationship with effectiveness of Facebook advertising at a variance of  $r(221) = 0.76$  and  $p=0.01$ . This relationship is considered very strong hence H5 is supported.

## 5.5 Regression Analysis

A simple linear regression analysis was carried out to determine the degree of association between the independent variables (customer relationship management, customers, enhancing brand reputation, building brand attributes and announcing new products) and the dependent variable (Effectiveness of Facebook Advertising).

The table indicates whether the proposed model for the determination of effectiveness of Facebook advertising. The table depicts the significance of the model and relative impact of each of the variables. The results of the analysis are presented in the table below.

**Table 5.11: Model summary**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.770 <sup>a</sup>	.592	.583	.60914

a. Predictors: (Constant), A\_NEWPROD, A\_CRM,

b. Dependent Variable: Effectiveness of Facebook Advertising

**Table 5.12: Anova****ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	115.916	5	23.183	62.480	.000 <sup>b</sup>
	Residual	79.776	215	.371		
	Total	195.692	220			

a. Dependent Variable: Effectiveness of Facebook Advertising

b. Predictors: (Constant), A\_NEWPROD, A\_CRM,

In Table 5.16 all the independent variables together explained a 59 per cent of the variance (R Square) in effectiveness of Facebook advertising which is significant as indicated below by the F-value of 62.480 in Table 5.17.

**Table 5.13: Variables analysis of the study****Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.067	.169		-.393	.694
	A_CRM	.172	.079	.120	2.182	.030
	A_NEWPROD	.901	.065	.742	13.860	.000

a. Dependent Variable: Effectiveness of Facebook Advertising

The results from Table 5.18 indicate the contribution of the independent variables; Customer Relationship Management, Customers, Enhancing Brand Reputation, Building Brand Attributes and Announcing New Products as related to effectiveness of Facebook advertising. The results showed that the variables new product and customer relationship management were significant as their significance value were 0.000 and 0.030 respectively which is less than 0.05.

The variables have the following standardized regression coefficients; customer relationship management ( $\beta = 0.120$ ,  $p < 0.01$ ), customer ( $\beta = -0.063$ ,  $p < 0.01$ ), enhancing brand reputation ( $\beta = 0.021$ ,  $p < 0.01$ ), building brand attributes ( $\beta = 0.016$ ,  $p < 0.01$ ), and announcing new product ( $\beta = 0.742$ ,  $p < 0.01$ ).

The results showed that the most influenced variable as regards to effectiveness of Facebook advertising is announcing new product followed by customer relationship management. The results also showed customers were less influenced while enhancing brand reputation and building brand attributes were the least influenced.

## **5.6 Conclusion**

This chapter presented a list of the major findings based on the empirical research of this study. The reliability test gave a 88.3 per cent result which showed that all the variables were reliable, the descriptive test which showed the suitability of the variables formulated, the correlation analysis which showed the relationship between the independent variables (customer relationship management, customers, enhancing brand reputation, building brand attributes and announcing new products) and dependent variable (Effectiveness of Facebook Advertising) which all showed significant correlations as well as regression analysis which was to determine the significance of the variables.

The regression analysis results showed that customer relationship management and announcing new products were the most influenced of all the variables. The next chapter will discuss the findings and offer answers to the original research questions.

## **CHAPTER VI**

### **CONCLUSION**

#### **6.1 Introduction**

This chapter finalizes the report of this study. Therefore, it starts with the theoretical findings of the study followed by the empirical findings, hypotheses, research aims and questions, the limitations of the study, recommendations for future research as well as the researcher's concluding discussion.

#### **6.2 Theoretical findings**

- 6.2.1** The aim of advertising is explained by Quinn (1985) as to create a response in buying or a desire to find more about a product. Advertising has types explains Aaker and Mayaers (1975) such as to inform, persuade and to remind consumers on given products.
- 6.2.2** There is a decline in the number of people following the traditional media as Gurevitch Coleman and Blumber (2009) reports.
- 6.2.3** There is little research carried out on the effectiveness of social media for advertising purposes. The current research on social network Sites is mainly exploratory on topics such as networks and network structure, and similar other issues (Boyd and Ellison, 2007). There is still a gap in understanding the effectiveness of social media advertising on consumers.

- 6.2.4** Social media is an advance of the last decade. It is a new medium where consumers interact for information and make buying decisions. It is the environment in which social networking takes place.
- 6.2.5** A definition of advertising effectiveness was provided by Corvi and Bonera (2010) as the extent to which advertising ends in a desired effect.
- 6.2.6** Based on his research Chu (2011) argued that Facebook users in brand-related groups tend to give out more personal information than non-group users.
- 6.2.7** Facebook has become the most popular social network site that has brought a notable social change into our lives during the last decade
- 6.2.8** Opportunities seem to exist for organisations to benefit from Facebook. Opportunities or some of the benefits which are offered by Facebook amongst many are “Customer Relationship Management” and “Promoting new products”.
- 6.2.9** Facebook is the least costly way announcing and promoting new products and services as explained by Sarah E Needleman (2011).

### **6.3 Empirical findings**

- 6.3.1** The number of male and female respondents recorded was almost the same.
- 6.3.2** Most of the respondents were under 24 years old.
- 6.3.3** Responding students agreed that Facebook is effective in Customer Relationship Management and that it creates a bond between the customer and the seller.

**6.3.4** Respondents agreed that Facebook is an effective tool in creating promoting new products.

**6.3.5** Respondents agreed that Facebook is an effective tool in creating promoting new products.

## **6.4 Hypotheses**

**H1:** There is a positive association between customer relationship management and the effectiveness of Facebook Advertising.

**This hypothesis was supported.**

**H2:** There is a positive association between promoting new products and the effectiveness of Facebook advertising.

**This hypothesis was supported.**

## **6.5 Research aims and questions**

**6.5.1** Is there a customer relation management benefit gained with Facebook advertising?

The empirical findings of this study have shown that Facebook advertising builds a positive customer relations management. There is also evidence that Facebook creates a bond between the customer and the seller.



**6.5.2** Is there an effective promotion of new products benefit gained with Facebook advertising?

Facebook was described by the respondents as an effective way in propoting new products.

**6.5.3** Do University students think that Facebook advertising is effective?

Most of the students expressed a positive attitude to Facebook advertising and they find it effective.

**6.5.4** Is there a positive relationship between customer relationship management and Facebook advertising?

The correlation tests have proved that there is a positive relationship between Facebook advertising and customer relations management.

**6.5.5** Is there a positive relationship between promoting new products and Facebook advertising

The study showed that promoting new products have a positive relationship with effectiveness of Facebook advertising.

## **6.6 Limitations and recommendations for future research**

There were two limitations of this study envisaged. One is that there are other benefits of Facebook advertising that need to be explored. For the reasons of parsimony, this study concentrated on two benefits. Two is that, the study results are based on a convenience sampling of university students. Clearly, a better representative sample is needed to be able to generalise the results.

Further research is advised to explore, identify and test the association of other benefits of Facebook advertising.

## **6.7 Discussion**

This research study was set up to determine the effectiveness of Facebook advertising. A sample of university students from the Faculty of Economics and Administrative Sciences were selected. A conceptual model was proposed consisting of two advertising benefits to test their relationship with advertising effectiveness on Facebook

It was clear from this research study that Facebook has created a new and an effective medium for advertising. Customer relationship management and promoting products are regarded as benefits gained from Facebook advertising.

## **6.8 Conclusions**

The final chapter of this research report explained the theoretical findings followed by the empirical findings, hypotheses, research questions and answers, the limitations of the study, recommendations for future research as well as the researcher's concluding discussion.

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## **APPENDIX**

**Near East University**

**Faculty of Economics and Administrative Sciences**

**MBA**

December, 2016.

### **The Benefits of Facebook Advertising**

Dear participant,

The questionnaire below is designed as part of my masters' thesis study that focuses on determining the benefits Facebook advertising. Information that will be obtained as a result of the completed questionnaires will be used for scientific purposes only. Under no circumstances will your contributions other than general findings be shared with other persons or organizations. Your kind assistance on the completion of the questionnaire is needed which will directly affect the out-come of my thesis.

Thank you for your time.

**Yours faithfully,  
Fatih Savaş Kanca**

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### **Section I**

#### **Personal details**

Tick as you see appropriate (✓).

**1. Are you a student of the faculty of Economics and Administrative Sciences?**

Yes ☐ No ☐ If no, please hand back the form as you do not need to carry on.

**2. Your gender**

Female ☐ Male ☐

**3. What is your age group?**

18-20 ☐ 21-23 ☐ 24+ ☐

**Please Flip Over....**

## APPENDIX

### Section II

#### Facebook on advertising efficiency

Tick as you see appropriate (✓).

I completely agree	I agree	I neither agree nor disagree	I disagree	I completely disagree
1	2	3	4	5

#### Customer Relationship Management

		1	2	3	4	5
1	Facebook creates a bond between the customer and the seller					
2	Facebook allows me to know more about the current trends and preferences in the market					
3	Facebook facilitates a two-way communication between customers and sellers					
4	With two-way communications possible, Facebook increases my satisfaction of the product even after sales (customer satisfaction)					
5	Facebook makes my enquiries on faulty goods easier					

### Section III

#### Promoting New Products

6	Facebook allows easier spread of new products to targeted customers					
7	Facebook enables effective word of mouth advertising worldwide					
8	Facebook mobile application platform enables 24hours delivery of new product advertisement					

### Section IV

#### The effectiveness of advertising on Facebook

6	Facebook adverts are appealing and engaging					
7	Facebook adverts are neither too long or too short					
8	Facebook adverts convey the intended message					
9	Facebook adverts are convincing					
10	Facebook adverts are better than other advertisements for the same product					

Thank you for your time...