

NOVA SCHOOL OF BUSINESS AND ECONOMICS

EXPLORING FACEBOOK

IMPACTS OF SOCIAL MEDIA ON CONSUMER BEHAVIOR

CATARINA DA CONCEIÇÃO GODINHO

1/1/2017

A Project carried out under the supervision of

Professor Luís F. Martinez and P&G BRAUN Team



Work Project, presented as part of the requirements for the Award of a Master's Degree in Management from the NOVA – School of Business and Economics.

“Advertising works most effectively when it's in line with what people are already trying to do. And people are trying to communicate in a certain way on Facebook - they share information with their friends, they learn about what their friends are doing - so there's really a whole new opportunity for a new type of advertising model within that.”

Mark Zuckerberg

ACKNOWLEDGMENTS

Thank you to my advisor, Luís Martinez, for guiding me in my way to find a personally and professional relevant topic for my thesis. Also for his support on the topic, which allowed me to develop a more practical and applicable project, which was very relevant for my development of this Thesis.

Thank you to my colleagues Alikí Anagnostopoulou and Andre Gruenwald for all the late hours working together and brainstorming to put together the best tool for BRAUN. Thank you for all the support, help and energy.

Thank you to my colleague and friend Elina Joly who always tried to keep me positive and energized.

Thank you to my parents for all the phone calls, for believing in me and for keeping me focused.

Thank you to my sister Cláudia and her husband João for the crucial support improving this Thesis, keeping me motivated, and always ready to help me.

ABSTRACT:

Online social networks have been growing exponentially and are now one of the most important platforms of communication among users. This study aims to understand the impact of this new place of interaction on consumers' behavior. To measure this impact, a quantitative study was conducted. The sample was randomly selected with 150 men across different nationalities and age groups, and was made in co-operation with the Consumer Goods Company P&G. The objective of the study was twofold: 1) understand the importance of Social Media as a marketing channel; and 2) based on the results, establish the most efficient Facebook media strategy to then be deployed across BRAUN's key markets. The results show that tie strength, attitude towards the product and the amount of time spent online affects the perception and purchase intention of a particular product. Although variables like income and product class play a small role, the purchase intention of the consumer is significantly affected by Facebook activity, attitude towards the product and tie strength.

KEYWORDS:

Facebook, Social Media, Marketing, Consumer Behavior, BRAUN

Contents

1. INTRODUCTION:.....	5
1.1 BACKGROUND	5
1.2 AIMS AND OBJECTIVE	9
1.3 METHOD	10
1.4 STRUCTURE.....	11
1.5 RELEVANCE FOR P&G BUSINESS.....	12
2. LITERATURE REVIEW.....	13
2.1 THE CONSUMER IN SOCIAL MEDIA	13
2.2 ONLINE MARKETING	17
2.3 TRUST.....	19
2.4 DECISION MAKING PROCESS.....	20
3. RESULTS.....	22
4. DISCUSSION	25
4.1 WHAT CAN BRAUN GAIN BY ADVERTISING ON FACEBOOK?	26
4.2 FACEBOOK TOOL.....	27
4.3 FUTURE WORK	29
4.3 LIMITATIONS	29
5. REFERENCES.....	31

1. INTRODUCTION:

How much time do you spend online per day?

- If you ask yourself this question by recalling past hours spending in front of your computer/smartphone/tablet the answer is likely to be ‘a lot’. Desirable if reflecting on *how much of these hours where on a social network*, the response is possible also ‘a lot’.

Online environment is currently being seen from a different perspective – a commercial perspective. People on these platforms have shifted from being users to being consumers, due to the emergence of online shopping. Communication between consumers and marketers has been changed by Social Media (Hennig-Thurau et al., 2004), through the creation of a new channel to get product information using peer communication (Kozinets, 1999).

Social Media grants consumers the possibility to be major influences to other users, through reviews of products or used services. Also, consumers are influenced by other psychosocial characteristics like: income, purchase motivation, company presentation, company or brand's presence on social networks, demographic variable (age, sex, disposable income etc.), workplace method of payment, type of stores (online or physical), etc. As so, all these variants should be taken into consideration to reach a successful use of Social Media as a new awareness/sales channel.

1.1 BACKGROUND

Internet and virtual communities have changed consumers, societies, and corporations with faster and quicker access to information, better social interacting and enhanced communication channels (Kucuk & Krishnamurthy, 2007). Social networks such as Facebook and Twitter are driving new forms of social interaction, dialogue, and collaboration. Social networking sites enable users to swap ideas, comment, or to participate in activities, while sharing their tastes and opinions. Social Networks like MySpace, Facebook or Youtube are websites that link millions of users from

all over the world with same interests, views and hobbies. Accordantly to Facebook Statistics (2016), *there are over 1.79 billion monthly active worldwide Facebook users which is a 16 percent increase year over year. At 1.79 billion, Facebook has more monthly active users than WhatsApp (500 million), Twitter (284 million) and Instagram (200 million) combined.*¹ These online platforms provide tools for consumers to interact with one another, to have access to information, comments, reviews, and rates that can help them on their purchasing decisions in different ways (Heinrichs, Lim & Lim, 2011).

Around 40% of the world population has an internet connection nowadays. If we look back to 1995, it was less than 1%. The number of internet users has increased tenfold from 1999 to 2013, reaching already more than four billion online users across the globe (Figure 1).

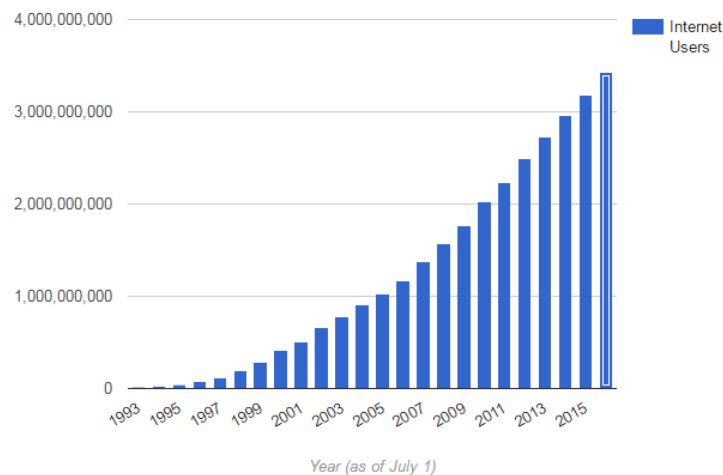


Figure 1 Internet Users in the World (Internet Live Stats Online)

Compared with traditional marketing channels, marketing through Social Media platforms has several advantages. First, connections on Social Media platforms are mainly a replication of networks established in reality, which differentiates them from other online platforms. Marketing

¹ Zephoria Digital marketing website

through media platforms may be more effective as people on these networks have a certain level of confidence previously established. Second, Social Media is one of the fastest channels for spreading information. Third, Social Media encourages interaction and conversation, which means a two way communication. Last and probably most importantly, most Social Media platforms are free of charge and easy to start with, for companies and people in general.

The advantages listed above suggest that, if companies truly value and recognize the benefits on using Social Media for marketing purposes then they need to fully explore the potentialities of these networks.

1.1.1 THE GROOMING INDUSTRY

The desire to “look good” is nearly universal among global consumers. However, the resources spent on it (time/money/effort) vary greatly depending on age, gender, or nationality. Regardless of how much time each person spends in front of the mirror each day, global consumers invest in their appearance. According to Euromonitor International, *global sales of skin care products reached over US\$107 billion in 2013. The industry is predicted to grow over 20% between 2014 and 2018, and latest numbers confirm this trend.*² The demand for products that help consumers look their best, whether they are skin care, hair care, cosmetics, fragrances, clothing, footwear or accessories, make personal care and apparel two of the largest and most dynamic industries in the global marketplace.

The grooming habits and style of each individual consumer have a huge impact on the range of lotions, cleansers, apparel and accessories they choose to buy. A recent study conducted by *apetogentlemen.com* (a popular male grooming information site) explored at which extend men search goods in personal care industry. They found that more than half of males (53%) prefer to

² “Personal appearances: Global consumer survey results on apparel, beauty and grooming”: Euromonitor Report, July 2016

search and buy grooming products from online stores/websites, followed by supermarkets (18.7%). When asked about the motivating factor, men highlighted the convenience and fast delivery offered by most of male grooming Web sites, but also the possible avoidance of sales associates (Ankutse, 2010). Therefore, it is crucial for companies and brands in this industry as P&G/BRAUN to understand the attitudes and grooming preferences motivating and guiding potential customers. In addition, high on the list of information sources impacting men personal care purchases are spouses and partners; nearly two thirds refer to their significant other when buying products for their skin (specially on emerging markets)³.

1.1.2 BRAUN WITHIN THE GROOMING INDUSTRY

BRAUN GmbH, formerly BRAUN AG, is a German consumer products company currently a wholly owned subsidiary of Procter & Gamble, since 2005.

The structure in BRAUN is distinctly divided between Male BRAUN and Female BRAUN focusing on different consumer types, with different needs and wants (Maslow, 1934).

Within the grooming sector, Male BRAUN represents 70% of BRAUN's sales and more than 80% of BRAUN's profit. For this reason, the study will only focus on Male BRAUN Consumer (“*WHO*”) defined according to their specific needs and behaviors.

1.1.2.1 “*WHO*” is Male BRAUN

Internally called as “Jobs to be done”, Male BRAUN is mainly segmented between *Remove Hair* (POME⁴, POC⁵) and *Styling* (appendix 6.4).

³ Based on internal studies – BRAUN CMK confidential archives

⁴ See Glossary – appendix 6.1

⁵ See Glossary – appendix 6.1

The first group is looking for a product that *'gets it done as quickly as possible'*. They want something convenient that *'completes the task'* and durable. For this type of consumer, the price pays an important role; they are not willing to pay a premium price for a device linked to such a practical/routine task. Also, as they are driven by a more functional need, the time spent on searching for the right product is much smaller than the second group.

On the other hand, *Styling* is key for BRAUN as it is the fastest growing segment within the category. *Styling* type of consumer is susceptible to spend more resources looking for the perfect device. This group looks for innovation, comfort & precision, and it is willing to pay a premium price if needed. When looking for the perfect device, consumers within this group spend a considerable amount of time searching and looking for different brands before purchase – as price is not the main driver, innovation and appearance play an important role when driving their attention.

Transversal to both *Remove Hair* and *Styling*, the brand also seasonally targets *Gifters*. This group includes women looking for gifts for men, to whom packaging and appearance of the product plays an extra and important point for decision. For Male BRAUN, the importance of female audience on the purchase action is considerably relevant. As so, during special periods (Christmas, summer, etc.), specific campaigns are also conducted to catch their attention.

1.2 AIMS AND OBJECTIVE

The main purpose of this study is to explore what success means for iMedia⁶: “How can BRAUN implement the most efficient/effective iMedia strategy For Men across each its local markets?”. To answer this question, the study is conducted in partnership with Facebook, BRAUN CMK and Design Marketing to appropriately measure and appraise the aligned key drivers for a

⁶ See Glossary – appendix 6.1

successful iMedia plan. Due to the magnitude of P&G market presence, the scope was restricted to Facebook interaction across top four markets (Germany, UK, Japan, and USA).

The study aims to answer three particular questions:

1. What men are looking for when searching online / interacting on Social Media,
2. How often they are online,
3. How they feel towards products with different level of involvement.

Based on these findings, the goal is to assess how to achieve the most efficient/effective method to of implementing a local iMedia campaign – in order to increase Awareness constrained by the available budget, by effectively targeting the audience.

The method is implemented through the development of a tool that helps local markets to use the data obtained from Communication agencies, following a structured a methodic protocol.

1.3 METHOD

For many businesses, advertising helps bring in new consumers and build brand strength and share. Advertising campaigns can be expensive; therefore the need to pre-evaluate and measure results of every campaign is a reality for most brands.

One of the most common approaches when evaluating advertising programs is through their gross expenditure. This approach assumes there is a constant relationship between each dollar spent on advertising and its impact on sales. Another measure of advertising exposure is Gross Rating Point (GRP), which has been frequently used in the marketing literature as a key measure of effectiveness (John A. Davis, 2013). GRP is a product of the advertisement's reach and the average of its distribution of exposures delivered to a target audience. GRPs are a known, fundamental, derivable measure of the tonnage of advertising bought, and the metric allows that tonnage to be compared across media Although GRPs is commonly used within the marketing communities, most

recent studies have already highlighted the importance of balancing both Effectiveness with Efficiency (ROI) and Reach (quantity), to enable sustainable Business Growth⁷. In a nutshell, experts believe that every iMedia strategy should focus its Primary Objective in getting the right **REACH⁸ & FREQUENCY⁹** behind high **EFFECTIVENESS** touchpoints¹⁰ (appendix 6.5).

Based on these three pillars, the Tool developed was separated between measuring Awareness (catch) and Performance (Consideration/Close), across two different approaches: 1) starting with a Reach objective, or 2) start with a Sales goal (performance campaign). On top, Facebook's input in terms of Costs and Potential Reach levels/groups, enable it to add another important measure on top: Budget. The budget has been a standard measure of advertising for the evaluation of advertising programs for two reasons: 1) access to spending data is relatively easy, and 2) results are easily translated into cash terms. Since most studies use constant parameter models, they typically assume advertising effectiveness is constant over different time periods or cross-sectional observations. In this case, expenditure has been used as a gross measure of advertising exposure based on a given cost-per-mille¹¹ (CPM) provided by Facebook for each target group selected.

1.4 STRUCTURE

This study is based on previous studies about the impact of Social Media in Consumer Behavior, and intends to highlight the benefits of an effective use of social networks like Facebook for a Brand, such as P&G. The study follows this structure:

⁷ BRAUN's confidential data

⁸ See Glossary – appendix 6.1

⁹ See Glossary – appendix 6.1

¹⁰ P&G CMK internal guidance

¹¹ See Glossary – appendix 6.1

1. Review of literature of previous studies related with the impact of Social Media on consumers and their decision making process;
2. Development of the main argument by contrasting purchasing behaviors related to personal care products of Highly online-involved vs. Low online-involved individuals;
3. Assessment of the motivations that drive and catch the attention of each group on online platforms;
4. Construct the model based on the study conducted, involving both internal BRAUN Team and Facebook input;
5. Conclusion.

1.5 RELEVANCE FOR P&G BUSINESS

This study intends to increase the Business Knowledge and action driven, through the development of a tool that allocates resources for an appropriate iMedia strategy - *how to spend 'the extra \$' to generate better reach and, as end result, increase sales*. This is the first model developed for this purpose, which aims to measure the effect of Facebook on consumers (and overall sales), through the activation of efficient levels of targeting. This study provides a contribution to the P&L¹² of the Company, as it sets a template and adds key insights that can be used for future developments on each local market.

Further investigations can be made, in order to increase the Knowledge acquisition in terms of Best Practices for other brands like ORAL-B, which follow the same business' lines as BRAUN.

¹² See Glossary – appendix 6.1

2. LITERATURE REVIEW

Authors and researchers have been debating a general definition of Social Media, as it has been constantly changing and integrating into the budding expansion of new media. Dann & Dann (2011) addressed Social Media by examining its role and influence on customer equity. According to the authors, content, social interactions and communication media constitute the primary foundation of Social Media.

Social Media provides a different dimension of socialization interaction, so information flow has become faster and easier: a larger number of people are able to disseminate their beliefs, opinions, or insights to a broader audience, leading to a worldwide effect. It offers a platform for engagements and attitudes between different people that connect over the internet to share thoughts and knowledge, through an easy, faster and free process of editing, creating, commenting, and sharing.

Nowadays, ahead of other networks, Facebook grants a very easy access to information. Members on Facebook can easily find information by simply consulting their home pages or their friends' homepages. As such, it is crucial for any brand to be able to understand which variables may lead to a successful purchase intention, and how BRAUN may efficiently target the ones inside this niche.

2.1 THE CONSUMER IN SOCIAL MEDIA

2.1.1 SOCIAL MEDIA BEHAVIOR SEGMENT

The shopping direction of an individual can influence the purchase intention. Darden & Howell (1987) defend that the degree to which an individual takes pleasure or personal satisfaction from the act of shopping has been the most influential predictor of consumer behavior. Social

Media networks are social vehicles which are also being used for pleasurable activities and for many people represent a significant and important part of their life. However, others do not enjoy shopping or using Facebook, even if they have a profile page.

Online Behaviors

According to Riegner (2007), each person is different and has an individual style. However regarding individuals online attitudes, the author defends that they can be clustered into five main groups, distinguished by their behaviors on the web:

- The first group is very socially oriented: internet is seen as a way to maintain relationships with friends and family, and to meet new people. Communication is their main online activity, and they spend a considerable amount of their time on chats or on blogs/posts, commenting on blogs/posts. These people are very online proactive, and often share their preferences. They usually function as a key influencer for friends and family indirectly through their personal pages. Riegner (2007) calls this group “Social Clickers”.
- A second group spends approximately the same amount of time on communication activities as Social Clickers, and are also online shoppers who tend to review and rate products. Their reviews and opinions, not only on social media platforms, have typically a high influence in other buyers. Riegner (2007) calls this group “Online Insiders”.
- The third group is usually constituted by young males, with a very strong addiction to games and other forms of online entertainment. This group only communicates in order to achieve their main objective of finding more types of online entertainment. Riegner (2007) calls this group “Content Kings”.

- A fourth group is more closely linked to online shopping activities. This group is characterized by often engage with E-Retailers¹³ and services online like banking/investing, and they typically spend more than average online. Riegner (2007) calls this group “Everyday Pros”.
- The last group defined by Riegner uses the internet in order to fulfill immediate needs such as consulting information sources (news, weather, etc), not spending too much time in communication. This group does not generate much content, and acts primarily as information receiver, and wants it quickly, efficiently and painlessly. Riegner (2007) calls this group “Fast Trackers”.

2.1.2 INVOLVEMENT

Different types of products evoke different purchase intentions. According to Alba et al. (1997), quality of information and a consumer’s ability to predict post-purchase satisfaction with products will be more accurate predictors of a product’s suitability for online purchase. Although these predictors are a more complex type of classification, they provide a very simple message: the likelihood of some products being searched and bought on the web is higher than for others.

Traditional marketing theory has considered that the level of involvement of the consumer with its purchase leads to different ways to process the information. Engel et al. (1986) have also suggested that it is the level of involvement that arbitrates between extended decision making (for high involvement) and limited problem solving (for low involvement). Engel et al. (1986) developed the idea that involvement affects the way of decision processing at the selection stage. The *level of involvement* reflects how many resources, both physical and emotional, do consumers spend considering the acquisition of a product, and how much information they need to make a

¹³ See Glossary – appendix 6.1

decision. Low involvement relates to products that entail minimal effort and consideration from the consumer prior to the purchase, since they do not have a substantial effect on the buyer's lifestyle or budget (they are typically low-priced products). A low involvement product can also be an item that is bought on a daily basis, and so the decision to do so requires little effort.

A high involvement product is typically expensive and also implies a significant impact on the lifestyle of a person, as well as on their self-concept. Other way of understanding the high-involvement products is their durability: they are also for a longer period of time and consumers want their products to be durable and reliable to compensate the price paid for it (Subhani et al, 2010). Whether a decision is low, or high involvement varies by consumer, not only by product, although some products (house, car, etc.) typically require a high-involvement for all consumers. In addition, consumers with no experience purchasing a product may have more involvement than someone who is replacing a product (Subhani et al, 2010).

Thus, it is proposed that for a high-involvement product like a BRAUN one, Social Media interaction should enhance its products attributes and points-of-difference in order to grab consumers' attention towards the brand. For these types of consumers, the intent to purchase already exists; the role of a Brand is to link the need to its product.

2.1.3 INCOME EFFECT

The available income of a consumer is another key variable. If the income of a consumer changes, while the price of goods and his/her preferences remain the same, demand will be directly affected. This is what is known as the income effect. When evaluating an action of purchase, consumers pass through a process called 'decision making process', which according to Kotler (1999) consists of five different stages:

1. **Need Recognition:** it is the first stage of consumer decision making process and it can be explained as a “result of an imbalance between actual and desired needs” (Lamb et al, 2011). This stage relates to an actual need of a potential customer for a specific product or service, as well as a ‘perceived’ need imposed by businesses through effective marketing communication strategies.
2. **Information Search:** Once a need is recognized by a perspective customer, he/she would seek for information about the available ways to satisfy the need.
3. **Evaluation of Alternatives:** during this stage, consumers consider the relative importance of each attribute of the product-service mix.
4. **Purchase Decision:** corresponds to the fourth stage of customer decision making process.
5. **Post-Purchase Behavior:** in the last phase, the consumers compare the purchased product to other products. The level of satisfaction or dissatisfaction associated with specific shopping experience influences how customer will value brand and their repeat – purchase behavior.

Having enough resources and a positive attitude towards the products mostly affects phase 3 and 4; if money is not an issue and the consumer already have a positive attitude towards the product, he/she will save time to consider if the products attributes will benefit him/her. A consumer with high income has to sacrifice relative fewer efforts/ budget than people with low incomes.

2.2 ONLINE MARKETING

The last decade has witnessed the growth and increasing popularity of online communities, concentrating specially on communication and social bonding between individuals (Brown et al., 2007). Given the opportunity to improve customer relationships by engaging with consumers,

marketers are becoming more and more interested in exploring, creating and utilizing virtual communities (Bagozzi & Dholakia, 2002).¹⁴

Social Media, as a new factor, has complicated even further the *old-fashioned* purchasing behavior process theory wherein consumers attitudes are not only impacted by the traditional channels but extend to the online mediums. Preferences and decision making are jammed by parties beyond the control of online marketers, though their opinion shared on reviews, blogs, social networks, and other forms of user-generated content. According to Hoyer et al. (2012) social factors as interactions among different consumers in various levels and circumstances gradually impact their behavior. Social media interactions help developing trusty relationships among different users, supporting the appearance of Opinion leaders, who prove to be an effective strategy when marketing. Due to their potential to influence behavior of other consumers, and impact their perception of a brand/company, the usage of opinion leaders has been increasing in influence marketing strategies.

Constantinides & Fountain (2008) conceptualize social media as an ‘unlimited’ source of information and knowledge, ‘*providing users with unlimited choices that are just a click away*’. Due to the increasing usage of Social Media, they have suggested an innovative Stimuli and Response model based on Kotler’s (1994) framework. The diagram of Figure 2 shows that, on a traditional shopping environment where physical stores play the main role, the traditional marketing mix (e.g. advertisement on radio, television, among others) and other uncontrollable incentives (e.g. values, cultures, demographics, perceptions, and so on) is more likely to affect consumers; yet, Social Media (Kaplan A. M. & Haenlein M., 2010) and Web 2.0 (O’Reilly, 2005), extend the marketing mix to a broader range of online marketing platforms and new ways of advertising (e.g. emails, banners, cooperate websites, and so on), which are far beyond marketer’s control.

¹⁴ Computer-Mediated Marketing Strategies: Social Media and Online Brand Communities” by Bowen, Gordon

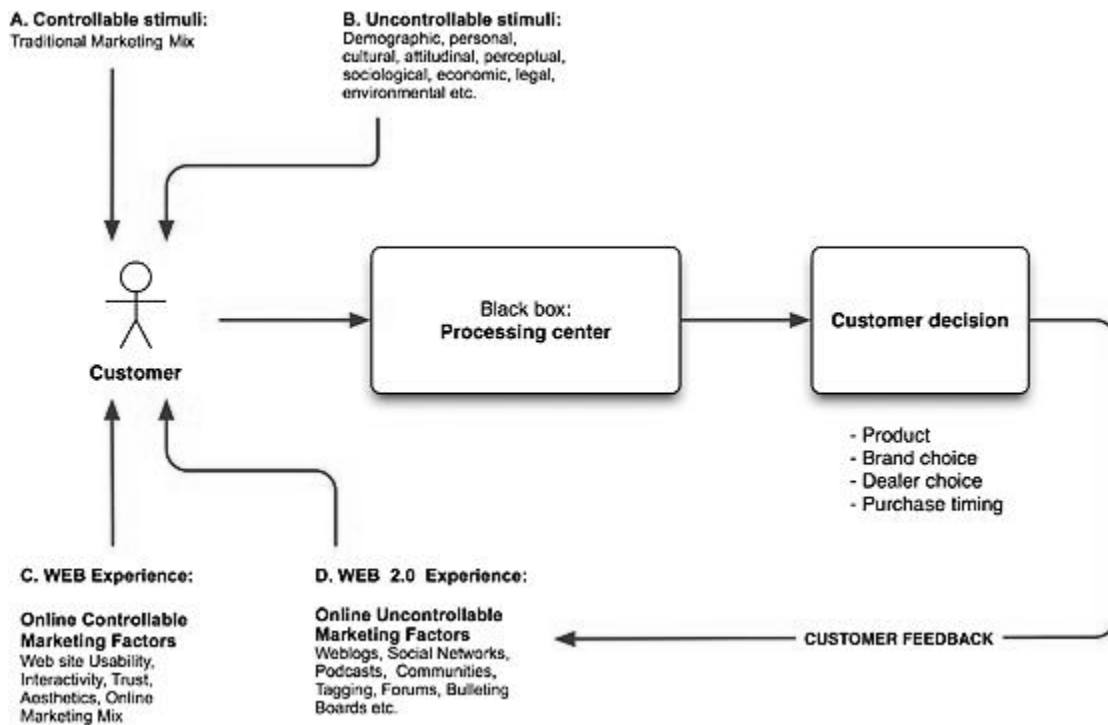


Figure 2 Stimuli and Response model (Constantinides & Fountain, 2008)

2.3 TRUST

Trust is another key attribute for influencing consumers. Silverman (2001) highlighted that reviews and user-generated contents on Social Media are involved on a high degree of personal preferences and subjectivity to users, with a *powerful and unmatched* attribute – trust; individuals tend to trust and rely on these contents so as to filter, screen, and evaluate the available information (Silverman, 2001).

“More than a quarter of Social Media users say they are more likely to pay attention to an ad shared by one of their social connection” Bannon noted. *“Additionally, more than a quarter of consumers are OK with seeing ads on social networking sites tailored to them based on their profile information”* (Miller, 2012).

The appeal of engaging influencers is centered on trust. These individuals have built an audience by sharing their personal beliefs, opinions and insights and are seen as reliable sources of information. They are constantly in a running dialogue with other users, feeding a word-of-mouth and buzz effect; influencers are seen as specialists with the power to influence potential buyers (Brown, D. & Hayes, N., 2008).

2.4 DECISION MAKING PROCESS

For years, the different stages along the purchase decision process have been understood through the metaphor of a “funnel”— consumers start with a number of potential brands in mind, then marketing takes place triggering a brand filter process as they move through the funnel, and at the end the decision is taken as consumers execute purchase (McKinsey & Company, 2009).

Regarding the importance of Social Media for an effective online marketing strategy, Evans (2008) suggested a purchase funnel model as an indicator of the impact of Social Media on the different stages of the decision making process of the consumer (Figure 3).

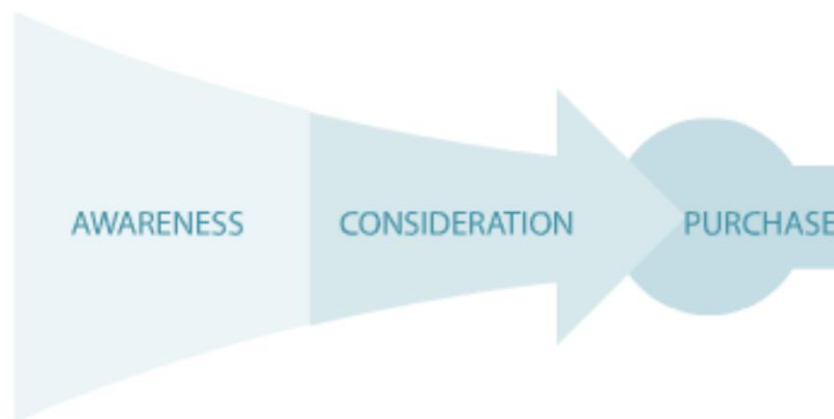


Figure 3 Classic Purchase Funnel (Evan, 2008)

Consideration links the first stage - when consumers are faced with the product - to the very last phase of closure; it connects awareness and the final purchase. Due to its crucial connection function, it is during the consideration phase that factors, such as brand equity, function, performance and reputation, act as the most influences on the decision making process. In comparison to traditional media, Social Media connects and involves consumers, guiding them from awareness all the way through consideration and close, strongly 'coaching' consumers across the entire process.

Google (2012) has made a study in Brazil, U.K, France, U.S, Germany, France, Canada and Japan, in which the customer journey was associated with the online purchase. This study has shown that different marketing channels influence the customer at different points in the path to purchase. In all the targeted countries, Social Media serves as an assisting channel for building awareness, consideration, and intent earlier in the purchase funnel – it's responsible to build the link between consumers' needs and the products able to fulfil them. Silverman (2009) has also stated that there are many brands competing for attention, therefore an interesting blog post or video can be '*game changing piece*' in which a viewer pays attentions. As Evans (2008) stated: *during the stages of consumer decision process, Social Media is applicable as both a prompt -awareness- and as a validation -support the purchase decision takes place.*

Social Media allowed consumers to have access to new and transparent sources of information such as reviews made by users or stories based on individual previous experiences. This main feature of Social Media consists on the ability of easing the act of sharing a personal view about a product or service which, at the end, will influence future consumers.

The emergence of Social Media is linked with the regression of traditional media from a marketing point of view. However, conventional mediums of communication – TV, Radio, Magazines – still play a significant role, as they activate attention on the primary phase of

awareness, followed by a verification stage on the web (Evans, 2008). Social feedback expressed in Social Media generates an important tool for online users to validate their purchases. Social Media also expands the traditional model, generating post-purchase information, based on users' inputs and word of mouth. Once word of mouth is validated by different online consumers, it becomes an important source for Marketing.

Word of mouth is self-generating, self-contained, and free of charge, besides it is increasingly manifesting itself through Social Media (Silverman, 2001). The exposure of an ad in traditional media is limited to the direct or pass-along readers. It is noticeable that the delivery of word-of-mouth is an efficient way to make a decision easier, where trust and credibility play an important role, with a distinct impact on how people view their ability to gather unbiased information both before and after purchase (Silverman, 2001).

The credibility factor associated to Social Media can heavily impact Brands reputation; thus it is crucial for marketers to incentive users on sharing their positive experiences and to accelerate the spread of these online contents.

3. RESULTS

The purpose of the present study is to endorse Social Media as beneficial contribute for BRAUN equity and overall sales. As such, the aim of the survey is to find out how, why, and how Social Media has influenced individuals in the process of decision making, as well as, hopefully, to identify new insights that companies may take advantage of.

The survey was carried out in the form of questionnaire, focusing on the motivations behind men attitudes towards the usage of Social Media, according to the role of internet in the multiple dimensions of their life.

3.1 THE SURVEY

The survey structure was based on previous studies conducted to measure the same variables¹⁵. The initial population (n=150) of the survey consisted of the Men who currently have a Facebook profile. They were divided into three groups across three rooms on P&G Geneva offices. The session started with a 5-minute introduction on the topic and purpose of the study; followed by 20 minutes to answer questions, and finished with a 30 minute open discussion (appendix 6.6).

3.1.1 MEASURES AND RESULTS

Time spent

Respondents were asked to indicate the numbers of hours per week spent online, specifically on Social Media; by selecting one of the three intervals described below.

- i. Less than 1h per week
- ii. From 2h to 4h per week
- iii. More than 4h per week

Among the users, the average time spent online on a Social Media Platform was around 3h per week, which led to answer 2.

Facebook behavior

Respondents were asked to judge the type of activities generated on Facebook: frequency of “posts”, “likes”, “chats” or “games”, usage of Facebook mobile app or product reviews. The answers were rated on a five point scale, Likert Scale, commonly used in surveys about behavior (Parra et al, 2000).

¹⁵ “What is the impact of Facebook tie strength and behavior on purchase intention?” UNIVERSITY ROTTERDAM

- i. Never
- ii. Rarely
- iii. Sometimes
- iv. Often
- v. Always.

The index shows a collection of all the activities generated on Facebook, a low value (at least a score of 7) reveals a poor use of Facebook, while a high value shows that the user is very active on this social network.

Results show that the option number four (“often”) is the most chosen by respondents, with a median value of 22. The average index value was 22.30 with a deviation of 4.23 from the standard values. The minimum value perceived was 6, in opposition to the maximum value registered of 39.

Attitude

The audience was then subjected to two different campaign graphics: one of a high-involvement product part of BRAUN portfolio (the new electric shaver Serie 9) and another of a low-involvement one (detergent HDL¹⁶ – Ariel Mountain Spring). Respondents were asked about their attitude towards both presented products. The five point scale was based on a national survey of practicing psychologists' attitudes (Berndt et al, 1986) in a functional relevant expression.

- i. Strongly negative
- ii. Somewhat negative
- iii. Neutral
- iv. Somewhat positive
- v. Strongly positive

¹⁶ See Glossary – appendix 6.1

The average attitude towards the high-involvement product was 4.01 (somewhat positive) vs. a 3.06 for the low-involvement (coded as neutral).

Purchase Intention

Using a five-point scale based on the work of Brewer et al (2001) on consumer purchase intention, respondents rated the likelihood of purchasing both products.

- i. Definitely wouldn't buy
- ii. Probably wouldn't buy
- iii. Might buy product
- iv. Probably would buy
- v. Definitely would buy

The most selected answer was option iii (“might buy the product”), and the purchase intention had an average value of 2.65. It is worth mentioning that answers for both products were quite different; for low-involvement product, respondents purchase intention was not more than 1.95; instead, the average increased to a 3.25 value when the respondent was faced with the high-involvement product.

4. DISCUSSION

This study was motivated and triggered by a personal and professional interest in comprehending the Digital Age has modified consumer behavior (McKinsey & Company, 2016), in particular with Social Media. The amount of information in Social Web is overwhelming, and, people have never been so exposed to different kinds of information. Social Media provided consumers with accessible and transparent sources of information, which changed the way they

position themselves in the market. Companies have to be prepared and equipped for this new paradigm.

The study was carried out in the perception of consumers, with the goal to understand how Social Media impacts their everyday life. By finding out how consumers perceive and use Social Media, to better understand how brands can benefit from this information.

Additionally, the study helps P&G to gather new insights and to identify potential pitfalls and opportunities via Social Media, by effectively defining targets, and by developing a tool that contributes to the decision making process. The study also contributes for a better understanding on the reasons why the performance of their Social Media marketing campaigns may not be as successful as expected.

4.1 WHAT CAN BRAUN GAIN BY ADVERTISING ON FACEBOOK?

The type of behavior described from the interviewed men is likely to promote the development of a more valuable use of Facebook as a media channel. As the study suggests, we can say that social networks have a role in everyday life of consumers, and influence their behavior, that can vary accordantly to the degree of exposure to messages and information given.

Improving the precision on targeting and budget control helps the company promoting the relationship with real potential buyers, the ‘Everyday Pro’ (Riegner, 2007) who continuously follow social networks and most probably will close the search with a purchase action. As so, the company should use the tool of mixed control policies to increase sales, and therefore, the net sales and market share.

All available platforms on Social Media have offered a two-way communication flow, as highlighted in this study, both theoretically and practically. This main feature of Social Media has created a new landscape that promotes the socialization of information, and has pressed marketers

to rethink the way of handling mass media marketing. The gathered data from the survey confirms this trend showing that, particularly in Social Media, consumers are more willing to accept the feedback from customer experience and word of mouth, and these tactics are more effective than the traditional marketing and advertising game.

The results of this study support BRAUN's internal perception on the importance of the Social media, proposing the use of communication strategies, through interactive games and banners on Facebook that lead the consumer to the company website, or behavioral communication (persuading the audience to adopt certain ideas or practices by posting relevant information about the product, short ads, movies, links, etc.). The goal of the study is not to provide a jam-packed content guidance, but to propose a closer team-work between local market and media agencies in order to 1) understand the size of their audience on Facebook (and later, tracking other online channels), 2) assess the cost of reaching them, and 3) manage their annual budget according to the number of initiatives each market intend to implement.

4.2 FACEBOOK TOOL

The main result of this thesis is the development of a user-friendly and standard Tool that allows every local market to better target its audience on Facebook and to better allocate its limited resources. This tool was designed using Excel and aims to give an answer to the so many times raised questions: *Who should I reach with my campaign?* ; *What should be the frequency?* ; *How much will it cost?* ; This Tool will help markets improving sales and brand equity, through an effective use of Social Media.

The outcome is achieved following a standard and systematic process:

1. **Market Size: Identification of target audience** – based on the Initiative’s goals, markets are responsible to state “What is the objective of the campaign” and “Who is the main target” – demographics (age, gender, income and education level, etc) and psychographics (attitudes, hobbies, interests).
2. **Potential Group: Measure potential target group on Facebook** – once the market size is defined, markets use the input provided by the agencies to set a sample size present on the social media platform. With this information, an imbedded calculation easily states what the Facebook Penetration of the selected group is. At this stage, the penetration must be always higher than 80% otherwise; the guidance is ‘not to proceed’.
3. **Frequency¹⁷ and Reach: Classification of % reached target** – in this section, the data should be fully provided by the Media agencies. The threshold, defined internally, is a 70% reach¹⁸. As such, markets need to balance a minimum number of weeks and times per week that enable this level. Media agencies hold this information, with which it is possible to identify the effective frequency levels per campaign and the size of the sample reached with the selected frequency. This data is used on an imbedded calculation, allowing the markets to assess 1) the highest potentially level of reach, and 2) how many Impressions¹⁹ are expected to be generated.
4. **Cost: Assessment and management the required budget** - after selecting all the parameters of the campaign, as well as the size of the expected sample, the agency

¹⁷ See Glossary – appendix 6.1

¹⁸ See Glossary – appendix 6.1

¹⁹ See Glossary – appendix 6.1

provides a CPM. This value varies across different targets, and can be adjusted based on the chosen sample. The total budget is achieved through the multiplication of this value with the number of expected impressions quoted before.

Using this tool, Local markets may design their strategy per initiative in a schematic a structured way, simply following the four steps described above. Appendix 6.7 provides a complete process description, and template design of this tool.

4.3 FUTURE WORK

The developed tool not only measures awareness, but also intends to enable markets to measure Performance (Consideration/Close), not only linked to Facebook but by including important KPIs to Ecommerce (appendix 6.8).

The second part of the tool is still under development so its full potential is still to be achieved. The objective is to be able to measure every campaign upon its established sales goal. Through the understanding of the retailer multiplier (CR²⁰) that ‘converts’ the reached target into effective sales, markets will be able to effective select and optimize the minimum resources needed to achieve their goals.

4.3 LIMITATIONS

During the process of writing the dissertation, some factors appeared as limitations to the study. Time and distance have been important constraints. For academic reasons, the study had to be conducted in a short span of time to be handed in January. As previously mentioned, during the time dedicated to write this thesis, I was also working for P&G in Geneva and it was thus

²⁰See Glossary – appendix 6.1

sometimes complicated to find the time and energy necessary to best carry out the study and write the dissertation, as to physical meet Professor Luís Martinez.

There were also several limitations regarding data collection, mainly in terms of historical information. For a company like P&G, BRAUN's business is considerable small when compared with the standard P&G market. An average BRAUN's shopper buys its products every 1 to 2 years (and gaps can even go up to 5 years), a value far from the typical P&G buyer: their purchase intention is also performance oriented, but the search/purchase frequency is at least one product every week (avg: 4/5 times per week). As so, one of the key limitations for the study was the limited historical data and results on BRAUN's previous iMedia strategies.

For the time being and due to the size of a company like P&G, the scope of the study will be kept only for Facebook interaction, with the intention of extending its application and adaption for Google. Regarding the full scope and time, the model will be deployed to UK, Germany, Japan and USA by Jan17, so results would be reflected only on FY1718.

5. REFERENCES

- ACNielsen (2007), *“Trust in Advertising: A Global Nielsen Consumer Report”*.
- Adamson, A.P. (2009), *“Brand Digital: simple ways top brands succeed in the digital world”*. Basingstoke: Palgrave Macmillan.
- Armstrong, G. & Kotler, P. (2009), *“Marketing: an introduction”*. 9th edition Upper Saddle River: Pearson Education.
- Belch, G.E. & Belch, M.A. (2003), *“Advertising and promotion: an integrated marketing communications perspective”*. 6th edition Berkshire, England: McGraw-Hill.
- Bennett P. (1989), *“Dictionary of marketing term”*. McGraw-Hill.
- Berndt, T.J. & Perry, T. B. (1986), *“Children's Perceptions of Friendships as Supportive Relationships”*. Developmental Psychology, Vol 22 640-648
- Bhagat, P., Klein, A. & Sharma V. (2009), *“The Impact of New Media On Internet-Based Group Consumer Behavior”*. Journal of the Academy of Business & Economics, Vol.9 Issue 3, P 83-94
- Blackwell R.D, Miniard P.W, Engel J.F. (2001), *“Consumer behavior”*. 9th edition Manson, OH: South-Western.
- Brewer, M.S., Zhu, L.G., McKeith, F.K. (2001), *“Marbling effects on quality characteristics of pork loin chops: consumer purchase intent, visual and sensory characteristics”*. Meat Science - Elsevier
- Brown, D. and Hayes, N. (2008), *“Influencer marketing: who really influences your customers?”*. Oxford: Butterworth-Heinemann.
- Burke, M., Marlow, C., Lento, T. (2009), *“Feed me: motivating newcomer contribution in social network sites”*. Carnegie Mellon University, Pittsburgh, PA, USA
- Dann, S. & Dann. S. (2011), *“E-Marketing: Theory and Application”*. London, U.K: Palgrave Macmillan.
- Darden, W.R., & Howell, R.D. (1987), *“Socialization Effects of Retail Work Experience on Shopping Orientations”* Journal of the Academy of Marketing Science P 15, 3: 52-63.
- Davis. John A. (2013), *“Measuring Marketing: 110+ Key Metrics Every Marketer Needs”* 2nd Edition
- Constantinides E. (2004), *“Influencing the online consumer's behavior: the Web experience”* Internet Study, Vol. 14 Iss: 2 P 111 – 126.

- East R, Wright M, Vanhuele M. (2008), *“Consumer Behaviour: Applications in marketing”*. London: SAGE
- Euromonitor International (2016), *“Personal appearances: Global consumer survey results on apparel, beauty and grooming”*
- Evans, L. (2010), *“Social Media marketing: strategies for engaging in Facebook, Twitter & other Social Media”*. Indianapolis, IN: Que Publishing.
- Evans M, Jamal A, Foxall G. (2009), *“Consumer behavior”*. 2nd edition John Wiley & Sons Ltd.
- Google (2012), *“The Customer Journey to Online Purchase”*.
- Guion Lisa A., Diehl David C., McDonald Debra (2001), *“Conducting an In-dept Interview”*. University of Florida.
- Hagel, J. & Armstrong, A. (1997), *“Net gain: expanding markets through virtual communities”*. United States of America: Harvard Business Press.
- Hanna, R., Rohm, A. & Crittenden, V. (2011), *“We’re all connected: The power of the Social Media ecosystem”*, Business Horizons, P 54, 265-273.
- Hawkins Del I., Mothersbaugh David L. (2010), *“Consumer Behavior: building marketing strategy”*. 11th edition New York: McGraw-Hill Irwin.
- Heinrichs J.H, Jeen-SU Lim, Kee Sook Lim (2011), *“Influence of social networking site and user access method on Social Media evaluation”*. Journal of Consumer Behaviour, Vol. 10 P 347-355.
- Hennig-Thurau, T., & Walsh, G. (2003), *“Electronic word-of-mouth: Motives for and consequences of reading customer articulations on the Internet”*. International Journal of Electronic Commerce, 8(2), P 51-74.
- Hennig-Thurau, T., Gwinner, K. P., Walsh, G., & Gremler, D. D. (2004), *“Electronic word of mouth via consumer opinion platforms: What motivates consumers to articulate themselves on the Internet?”*. Journal of Interactive Marketing, 18(1), 38-52.
- Kaplan A. & Haenlein M. (2010), *“Users of the world unite! The challenges and opportunities of Social Media”*. Business Horizons, P 53, 59-68.
- Klaus, P. & Maklan, S. (2011), *“Customer Experience: Are We Measuring the Right Things”*. International Journal of Market Study, Vol.53, No.6.

- Kozinets, R. V. (1999), *"E-tribalized Marketing? The Strategic Implications of Virtual Communities of Consumption"*. *European Management Journal*, 17(3), P 252–64.
- Kuruk K. (2007), *"An analysis of consumer power on the Internet, Technovation"*. 27 (1–2), 47–56.
- Mangold G.W., Faulds D.J. (2006), *"Social Media: The new hybrid element of the promotion mix"*. *Business Horizons*, Vol. 52, P 357–365
- Miller, M. (2008), *"Online marketing heroes: Interviews with 25 successful online marketing gurus"*. Indianapolis: John Wiley & Sons.
- Miller, M. (2012), *"Consumers Spend 20-30% of Time Online in Social"*. *Ad Tolerance Improving*.
- Olenski S. (2012), *"Three Of Four CMOs Say Social Media Impacts Sales"*.
- Parker, C. (2011), *"301 ways to use Social Media to boost your marketing"*. New York, NY: McGraw-Hill.
- Parra,O., Arboix, A., Bechich, S., Garcia-Eroles, L., Montserrat, J.M., Lopez, J.A., Ballester, E., Guerra, J.M., Sopena, J.J. (2000), *"Time Course of Sleep-related Breathing Disorders in First-Ever Stroke or Transient Ischemic Attack"*, *American Journal of Respiratory and Critical Care Medicine*, Vol. 161, No. 2, P 375-380.
- Petty, R., Cacioppo, J., Schuman, D. (1983), *"Central and Peripheral Routes to Advertising Effectiveness"*. *Journal of Consumer Study*
- Riegner C. (2007), *"Word of mouth on the web: the impact of Web 2.0 on consumer purchase decisions"*. *Journal of Advertising Study*
- Silverman, G. (2001), *"The Secrets of Word-of-Mouth Marketing"*.
- Stelzner, M.A. (2012), *"Social Media Marketing Industry Report: How Marketers Are Using Social Media to Grow Their Businesses"*.
- Subhani, M.I., Hasan S.A., Osman, A. (2010), *"Consumers' Versatile Buying Behavior Irrespective to High and Low Involvement Products"*
- Taining, Y. (2012), *"The Decision Behavior of Facebook Users"*. *Journal of Computer Information Systems*, Vol.52 Issue 3, P 50-59