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# Customer Engagement on Facebook:

## *A Social Brand Experience?*

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## ABSTRACT

Service-dominant logic has become a central perspective on marketing and comes along with several other trends that have evolved over the past decades. In this paradigm it has been shown that strong brand experience leads to several positive consequences such as loyalty and satisfaction, brands should therefore consider how they create experiences for their customers and users. Lately it is the influence of The Internet and Social Media that has been central in development of the relatively new customer engagement perspective on brands which is under development by leading academics.

I have combined these perspectives with data from Facebook to measure their effects on actual behaviour with a non-anonymous survey conducted directly on Facebook in a custom built application. I also included an experimental friendliness dimension in this survey to help the search for the effect of being "on Facebook".

The results showed that brand experience on Facebook is better explained by an experience measure that excludes the physical dimensions, sensory and physical, and rather include the relational and friendliness dimension, together with the intellectual and affective dimensions into something that I would like to call the Social Brand Experience. I show how this explains both customer engagement and actual user activity. The linking between actual Facebook activities and customer engagement, customer engagement leads to a higher level of user activity. The role of network activity on Facebook is explored and shown to have significant effects on both experience and engagement.

There is also evidence for a feedback loop through customer engagement explained by variations in the dimensions of Social Brand Experience and network activities on Facebook.

## PREFACE

This master's thesis is one of a series of papers and reports published by the Centre for Service Innovation (CSI). Centre for Service Innovation (CSI) is a coordinated effort by NHH to focus on the innovation challenges facing the service sector and involves 20 business and academic partners. It aims to increase the quality, efficiency and commercial success of service innovations and to enhance the innovation capabilities of its business and academic partners. CSI is funded through a significant eight year grant from the Research Council of Norway and has recently obtained status as a Centre for Research-based Innovation (SFI).

This thesis is a green thesis. No paper was ever printed except the three copies demanded from the university in the final delivery, no physical books were used and all articles were read on screen. This includes sketches and notes, never held a pen and paper through the entire process. Even though marketing not always make the world a better place, we can at least keep our CO<sub>2</sub>-footprint tiny.

Special thanks goes to my supervisors Herbjørn Nysveen and Per Egil Pedersen. Birgit for items, Øystein for his paternal guidance through this and others who have helped me with feedback on technical stuff. I am grateful to the brands that helped me share the survey with their fans on Facebook, the 150 cool Facebook friends that helping me by responding to my survey and to my mother for mothering through just one last time.

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# 1 INTRODUCTION

The evangelizing of Social Media is a widespread practice in the marketing consultancy business, and amongst tech bloggers and other more or less self-proclaimed experts. This hyped, semi-religious, social media wave gives a promise to deliver a new, disruptive way to do marketing for free, and sometimes presents itself as an alternative to traditional media (Libai et al. 2010). But so far few have walked on the water and Kaushik's (2009) tweet is a great description of the gold rush in this business:

'Social media is like teen sex. Everyone wants to do it. No one actually knows how. When finally done, there is surprise it's not better.'

Many brands have bought into the message, trying to understand the secrets of their consumer's newfound media habits, maybe figuring out how to create value through their new and expensive marketing toys. There seem to be an endless stream of courses, presentations and best practices in the blog-sphere fuelling the social media movement.

*"Brands rushed into social media, viewing social networks, video sharing, online communities, and micro-blogging sites as the panacea to diminishing returns for traditional brand building routes. But as more branding activity moves to the Web, marketers are confronted with the stark realization that social media was made for people, not for brands." (Fournier and Avery 2011)*

Much like in any other religion, atheism exists here too. Some haven't taken the time to do anything at all, ignoring the emerging patterns, while others think that they can use this just as they have used their other channels, but few actually ask themselves where the deeper understanding for these new activities lies and if they even have the right organization and right people to create added value and not just cannibalize existing channels.

I am not trying to be a prophet and neither is this thesis meant to be a contribution to the scriptures. It is simply an attempt to make a quantitative contribution to the endless wandering in the desert of Social Media.

## **1.1 Theoretical positioning**

As the world around us gets increasingly more connected through social media and other new ways of digital communication, the importance of being able to engage customers and users beyond the regular transactions such as acquisition, purchase and retention has become a focus for marketing researchers (Verhoef et al. 2010). These emerging arenas for customer engagement open up innovative ways to connect with and experience a brand, something that practitioners are eager to include in their marketing mix. The rationale is that engaged customers play a key role in viral marketing by giving referrals and recommendations (Brodie et al. 2011a p. 252). The term "engagement" is commonly used to describe a state of involvement with something, this may be a brand, a person, your job or any other object where engagement can be directed. Customer engagement is a psychological state, but can be manifested into action (Doorn et al. 2010 p. 13).

Brand experiences occur every time any stakeholder interacts with a brand or company; either watching an advertisement, interacting with employees, using a product or consuming a service. There is already evidence confirming that strong experiences lead to both increased loyalty and customer satisfaction as well as other positive outcomes, such as brand-related associations. Therefore creating strong and good brand experiences is important for a brand (Brakus et al. 2009). Further brand experience is shown to be a dimensional construct (Brakus et al. 2009; Skard et al. 2011), with emotional, sensory, cognitive, behavioural and relational dimensions. Of course these vary between different brands, but clearly show that some brands are more experiential than others. However experiences are by nature an individual and unique process to each stakeholder that encounters the brand.

Social network services have defined the previous decade of online evolution. These services are basically websites where users can create and share content, write status messages or upload media. On the world's largest social network service, Facebook, brands have the ability to create a presence by creating what is referred to as a "fan page". On these fan pages Facebook users (and brands alike) can engage by posting messages, pictures or other content on "the wall", but also by commenting or liking posts by others. Facebook has become a very important part of many of the users' lives. Brands could participate in the conversation, engage users and stimulate the way they experience the brand.



## 1.2 Research question

This thesis doesn't aim to examine Facebook or social networking sites as a media phenomena, but as an area of business performance and marketing communications. As Facebook originally was designed for friends to share content among themselves, this is what users might expect from brands entering the service as well, making this a difficult space for marketers.

Quantitative academic contributions to social media are scarce, both from the marketing and from the media science perspective (Aalen 2011; Beer 2008). One approach which tries to encapsulate these new customer behaviours and dynamics is the customer engagement introduced earlier (Brodie et al. 2011a; Doorn et al. 2010; Kumar et al. 2010; Verhoef et al. 2010). As a perspective this seem to be a promising conceptual starting point, closing the gap between the pre-internet paradigm and the new dynamics in social media. There are not many similar research papers that have this approach to social media, customer engagement and brand experience for this thesis build upon. Compared with earlier studies of social networking sites, they have been mostly from a media and communications, ICT or psychology-perspective, and not from a business performance perspective (Aalen 2011). This makes it harder to pinpoint narrower research questions.

This thesis will try to give a richer insight into; **how consumer engagement and brand experience impacts upon actual user behaviour on Facebook?**

## 1.3 Contribution

As a *theoretical* contribution, this thesis tries to adapt and expand brand experience to a social media context and link it to the customer engagement concept. It will expand the experience concept by trying a new "friendliness" dimension. Is there a special social side of brand experience? I will also explore customer engagement by testing a new scale for the construct proposed by Solem (forthcoming).

Furthermore, as a *practical* contribution this thesis' approach to this phenomenon assumes that traditional metrics and constructs do not do justice to social media's potential and value added to business performance. Rather, the complexity of social media is best captured indirectly by studying engagements and how they create stronger experiences for consumers. For businesses and organizations

this will give a deeper insight into how their activities on Facebook influences their performance.

Lastly there is a *methodological* contribution in that every aspect of the data collection and recruitment is done in the medium it is studying. This is, as far as I can see, not a common way to perform data collection on online phenomenon. Facebook-mediation of marketing research might be an interesting application that can make such research more dynamic and be expanded to also study consumer behaviour in light of the social graph. In this thesis we will use a very limited scope of the data available to researchers, but enough to challenge the traditional methods.

#### **1.4 Outline of report**

In the New and sociable media-chapter I will go through some trends and background that tries to describe the paradigm this thesis is written within, focusing on the digitalization and socializing of medias and how they impact on marketing. This chapter will end with some future expectations of what will become important.

In the Theoretical Concepts-chapter I will examine the theoretical foundations for this survey and do the groundwork for the Propositions-chapter, where I will go through my pre-survey assumptions about what my survey should show me.

The Methodology-chapter will go through the methodology behind the survey, and the survey technicalities. Also, the integration points with Facebook data will be put out here. I will also go through some statistics on a selection of Norwegian brands on Facebook. These brands will form the base of the survey. Regressions and model-testing is placed into the Results-chapter.

Finally I will go through my conclusions in the last chapter, Discussions.

## 2 NEW AND SOCIABLE MEDIA

Social media is defined as a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, which allows the creation and exchange of user-generated content (Kaplan and Haenlein 2010). This thesis hopes to gain insight into the largest and most influential of them all, Facebook, and companies' usage of the fan page-functionality. Other noteworthy examples of social networking sites are MySpace, Qzone, Twitter, YouTube, LinkedIn and, for the Norwegian market, Nettby.no was an early contender.

Consumers are adopting social media fast and attitudes towards these channels are improving as they mature. Both the newness and the social aspects of these channels could be discussed. Kent (2010) reminds us that both the enabling technologies on the Internet and the concept of creating user-generated content is nothing new. Neither is the social dimensions of these media, which he sees as just a *new way to accomplish an old task*. But there are clearly fundamental changes in the ease of contact, volume, speed, and nature of these interactions (Gallaughner and Ransbotham 2010), and what is a really interesting trend to follow is the broad adoption among the general public, which has been exponential (Hansell 2008). That is why it cannot be ignored in any modern marketer's toolkit.

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Table 1: Access to enabling technologies, Norway, 2011, Percentages

aldersgrp	hjemmePC	tv-spill	internet	bredbånd	mobil	avisabo
9-12 år	98	91	98	68	78	61
13-15 år	98	90	98	82	94	70
16-19 år	98	85	97	83	96	70
20-24 år	99	68	97	88	97	43
25-44 år	98	68	98	90	98	56
45-66 år	93	38	92	85	98	78
67-79 år	71	3	69	60	93	87
Total	93	54	92	83	96	68

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The Table 1 shows media consumption statistics from Norway (Norsk mediebarometer 2012), which is the focus in this study. This has an advantage as Norway is one of the countries that can be considered a front runner in social media adoption (Perez 2011). Results from Norway should be indicative of what will come in other markets too, as Norway have a very high adoption of Facebook (57% of the total population) (Socialbakers.com 2012). Also the penetration rates of

the enabling technologies, such as reasonable broadband speed and coverage, and smartphones, is relatively high in Norway. With 82% broadband household penetration in Norway is a top runner in OECD (Dutta and Mia 2011 p. 147) and Norway is also considered a "First adopter" in internet connectivity (ibid p.45).

## **2.1 Return on social media investments**

A major motivation behind this thesis has been to do a survey that connects a concrete part of brand's social media engagement with other business performance indicators. As stated earlier, there is a shortage of established metrics that link social media activities to business performance. The task to isolate and measure the variables that produce variations in performance, and to distinguish between the direct and indirect effects of such factors is seen as a fundamental problem concerning researchers and practitioners. Looking at this at a disaggregated level and looking at proximal outcomes seems to be a reasonable approach (Larson and Watson 2011).

The simpler hands-on metric-based approach to the problem, for example counting "likes" and other easily observable metrics (Hoffman and Fodor 2010) might be useful for a lot of purposes, but does not disclose any long term impact on business performance indicators. Neither does it say much about why these activities, for instance engagement on Facebook, is special to consumers and if they carries different meanings than other kinds of engagement with the brand. This approach seems to be more aligned with the traditional "media mix" school of thought, treating social media as just another channel in the mix, and that there is an easily available measurement for social media ROI<sup>1</sup> (Weinberg and Pehlivan 2011).

### **2.1.1 The long tail of social media**

Preceding this particular social media trend comes a more generic phenomenon described as "*The Long Tail*" (Anderson 2006). The book of the same name is based on the conclusion in Brynjolfsson et al. (2003) where they analyse the increasingly large product assortment of Amazon.com and how the narrower items, when summed up, generated more revenue, and as the books subtitle states, *make businesses sell less of more*. Analogically it is easy to see that this pattern emerges in nearly all aspects where digitization occurs. Examples of this range from the precise keyword and location targeting of Google AdWords, organic search engine traffic, social segmented ads on the

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<sup>1</sup> Return on investment

Facebook-platform to the myriad conversations that happen in blogs, comments and on social network sites.

When customer service, acquisition, engagement and a larger part of the customer experience move into new channels, this creates yet another long tail scenario. Not only a brand's own contact in these channels could be monitored but also the activity of competitors' and complementary providers' channels could optimally be followed. Neslin et al (2006) points out that one of the most dramatic trends in the shopping environment has been the proliferation of channels through which customers can interact with firms. And similar to what web-mediated shopping has done to retail, there is similar web2.0-mediation of the conversations around a brand, including the conversations between the brand and the consumers. Firms need to manage this or otherwise risk losing these messages in The Long Tail of Internet content (Gallaughar and Ransbotham 2010).

There is evidently a growing long tail of engagement now surrounding the brand, that we know little about. Should it be managed, enforced, limited or simply ignored? Can it be managed or limited? The phenomenon is easily observable, but where the answers to these questions might come from is less obvious.

### **2.1.2 Companies taking on the challenge**

If not directly crashing the party uninvited (Fournier and Avery 2011 p. 193), it at least seems that brands not yet have understood the correct dress code of the festivities. As earlier stated many businesses try to tackle these challenges with traditional approaches, treating this as just another service or communication channel. The general trend seems to be that they do not seem to be able to engage their fans in conversation at a large-scale (adage.com 2012).

Many companies have applied teams of customer service employees that handle their Facebook presence during office hours. But it is natural to assume that the nature of digitalization also forces new approaches to customer service. Is this just another customer-relationships management situation, or is there a call for a new school of relationship management which takes on the networked perspective and has mechanisms to tackle the most engaged customers? After all, for a brand to deal with customers directly on their Facebook wall would be akin to having *all* of their most dedicated and engaged customers watching whilst they provide customer service to a customer that is

maybe not so happy. This transparency might pose both a threat and an opportunity for a brand that would extend far beyond traditional customer service.

If trying to apply some kind of performance measures on this area we would probably find that, no matter how they organize their in-house teams, companies might not be able to tackle the long tail of social media engagement with traditional tools. Most brands have just a few percent of their actual customer base as fans on Facebook, yet handling just these few seems to pose a challenge for them. The numbers do not add up. New knowledge has to be unveiled to increase the understanding of and possible tactics for addressing the long tail challenges in new medias by putting a number on the contribution to customer engagement, brand experience and in turn, its ability to increase customer lifetime value, brand equity and other important key performance indicators.

The current traditional-based implementations of Facebook and social media strategies might never be able to reach good performance. There might be a huge gap between the current practices and how these strategies perhaps should be implemented to produce greater consumer experiences at a reasonable investment, both in time and money. One should see even further into all the possibilities that exist to monitor both other firms and non-customer activities (Gallagher and Ransbotham 2010), something which is not even remotely covered in today's practices.

### **2.1.3 Convergence**

Transparency and tracking are opening up new ways of measuring performance for marketers and business managers. With marketing now being pushed down to a per service, per product and per segment approach, and with instant and dynamic pricing of a range of services from ad space to direct labour, we might see new models emerging to solve these challenges. If a company has insights into how different activities contribute to performance, then they will also know how to invest to be able to optimize long-run profits.

In general, it seems like Internet-based marketing and online engagement management is drifting closer and closer towards other direct measurable business performance indicators; while activities that traditionally have been connected to the ITC-department, the "computer guys", are now essential for the marketing campaigns. So there is also an organizational cross-functional challenge at hand.

The amount of relevant marketing data about customers and competitors available to marketers has never been greater. Even though software for leveraging these data is scarce, there are pretty straightforward thoughts about how such social customer relationship management software could be built (Larson and Watson 2011; Woodcock et al. 2011).

The foreseen barriers towards implementation in practice mainly consist of challenges connected to ITC. For instance, Bijmolt (2010) suggests several implementation barriers, one of which is in the field of marketing research, namely the lack of standardized and simpler models to understand a brands' data through. Another one is handling and acquiring the data, which is a traditional challenge for data warehousing in general. Further, they address the legal ownership of data regarding consumer privacy. Woodcock (2011) sees this as the area which is likely to become the most high-profile social issue and suggests that combining data across channels from consumers should be done based on permission from users always.

As these data and results are getting collected two interesting challenges occur. Firstly, granular data, potentially in real-time, would need to be integrated with other processes in the company. Some parts could be automated, but organizational development is necessary. Who should own the tools and databases? Are the necessary changes something that organizations can handle? Whatever the answers to these questions, customers will have rising expectations that the brands around them should deliver such an integrated experience across touch points, and they will probably also be willing to share an increasing amount of data with enterprises to be able to fulfil these expectations.

#### **2.1.4 Agile Marketing**

From a practical point of view, "agile marketing" (Days 2010) seems like a useful approach as to how practitioners could work with these new marketing challenges. The term is derived from the relatively new software development strategies, SCRUM or "agile development" (Takeuchi and Nonaka 1986), that have become increasingly popular in the software industry. Even though agile marketing is not based on academic research directly, it is a good analogy and a good way to organize agencies and marketing activities in the real world. The generic idea exists in many forms in the blog-sphere, found on search words such as "real-time marketing" and similar. While traditional market communication and branding build upon a plan-execute

paradigm (Fournier and Avery 2011), agile marketing often has a test-retest paradigm, where you iterate fast and where marketing has become a real-time activity. What is interesting is that this approach to marketing also states that a brand is merely the sum of every customers' experience with the brand, rather than the result of long expensive strategy projects (Days 2010). It is clear that there is an underlying trend pointing towards a new paradigm of marketing that is seen by many, also outside of academia.

As a marketing practice to capture customers' engagement, this approach would allow for quick decentralized communication decisions on the frontline and ad-hoc campaigns based on continuous monitoring of the brand and its environment. Special rebates, offers and even product variants could be created almost on the fly, meeting engaged customers at their most aroused. Creative use of the brand itself and its extensions could be captured and transformed into conversations. Even bad publicity and complaints could be turned into positive experiences through a fast moving marketing force which potentially could include the most engaged customers themselves through various mechanisms.

There are many areas surrounding Internet-marketing and social media that are unexplored, and the target might seem blurry and fast moving at time. Also it is not clear which field we should place a topic like this in, and a major pain point when it comes to this computerized channel, is that it really changes the area of expertise. Therefore, I would argue that even though this thesis takes a marketing perspective on the performance question, the implication will likely be a business information system challenge. Consequently, any challenge in real-time marketing will lie somewhere between technology and marketing in nature.

### **2.1.5 Creative destruction?**

If investing heavily in new media is a part of the future of businesses, and potentially a game changer, what could this mean for the current power-structures in many traditional industries?

The success story of Norwegian Air Shuttle is really a case of how usage of new media and self-service technology both reduces costs and creates customer satisfaction which helped them challenge SAS, expand their market and even launch a new bank (Andersen 2011 p. 9). And when Amazon announced that they are not in the retail-industry anymore, but are at heart a technology company, stating clearly that



technology is their core competence, that just makes more sense as the world evolves. Today Amazon is one of the most important players in the cloud computing industry, selling computer power as a utility and earning money directly on the infrastructure that let them win the market for books in the first place.

It is possible that success in an ITC-based marketplace is so closely connected to finding talent with the ability to understand both technology and business in depth, that the ability to attract and hire such talent is the real quality that would distinct winners and losers in the future business world? Is company-IT moving from a support function to become core a competence? If we read the barriers and requirements that academics (Bijmolt et al. 2010; Larson and Watson 2011; Woodcock et al. 2011) postulate, their description really looks like something that easily can become core competences and critical success factors for a range of industries. And if this is the case, even if we knew the exact output of all social media investments, not all companies would have the capabilities to pursue them. Probably this means the rise of the hybrid marketer, with strong knowledge of both technological know-how and understanding of consumers buying process.

#### **2.1.6 The full picture**

In this section I have painted a picture of a proposed paradigm that has some key features, to sum up:

- There is an ongoing change in consumer behaviour towards a relatively new breed of communication channels
- The newness of these trends is controversial, but still influencing buying decisions to an increasing magnitude
- The market communication is shattering into a long-tail, like other internet enabled phenomena, and this poses the main challenge
- Marketing practitioners might carry the wrong skill set to address these issues, this is an organizational problem as classical marketers get marginalized
- The marketing process shifting from a plan-execute paradigm to a test-retest paradigm, where being tech savvy and agile seems to be a core competence for many industries

The task to increase ROI on social media investments is, in other words, a multi-perspective problem that both challenges existing

marketing theories and gives room for new approaches in that field. It also challenges the organizational and juridical aspects of marketing as a function.

## **2.2 Facebook**

Facebook has become an iconic front runner in the social media landscape and has moved general media consumption all over the world towards their platform over the last five years. With a global spread of 800 million users world wide (Facebook 2012a), Facebook is by far largest social networking service in the world.

On social network platforms like Facebook, users generate personal profiles of structured data about themselves and share this through a more or less sophisticated privacy system that allows for everything from very restricted to open public sharing. The key concept is to rebuild your social relationships on the site and then share statuses, pictures, links and other media with your social network. And also to consume such content from your friends and relations that are linked to your account.

Facebook sprung out of the dorms of Harvard in 2004 and was originally designed as a social network for the students at the university. They initially limited networks and privacy by the verifying network access by the email addresses of users (Wikipedia 2012a). This created a concept that was fairly new to the social networking sphere. MySpace, which at that time was the largest site, did not have any restrictions and all content was public. By restricting networks to the already existing social groups at the university, Facebook achieved a potent viral spread and a somewhat controlled growth; later this early concept was toned down and the service opened for the general public as it is today.

### **2.2.1 Facebook pages**

The concept of fan pages might be a less known feature for the general public. The feature in itself is older, and has been a part of the Facebook platform since November 2007. Even though undergoing massive redesigns during the years, the concept is fairly similar as a feature that *"gives a voice to any public figure or organization to join the conversation with Facebook users"* (Facebook 2012b). The feature set of these fan pages is something that has changed and will change over time, but the ground concept will stay the same,

giving brands and organizations the possibility to participate and become connected in the "social graph" as Facebook likes to call it.

Brand pages have different ways of communicating with their fans. Basically this is by posting status updates, sharing videos and pictures, creating events or other ways of interacting with the social functions that are available, and of course by answering user created posts on their wall. There are some limited possibilities for pages to adjust the reach and target of the outgoing messages, and also to limit and edit what is viewed on their page. Brands can also communicate with other brands on Facebook, but this feature seems to be less used.

There is however a marginal unobservable communication path between brands and customers - the option that lets a brand send a message directly to their fans through the message function. This feature is anyhow not easily accessible and, compared to other more important sources of unobservable communication between users and brands, it should be easy to disregard it together with general one-way brand to firm communication. Recently Facebook also allowed users to send private messages directly to brands, but as there is no social side of these interactions they should be treated as other service channels like email.

### **2.2.2 The introduction of the Timeline Design**

In the middle of this study, March 2012, Facebook made a major revision to the brand page design. The change was introduced on the first Facebook Marketing Conference, along with a series of changes that the social network introduced to make brands more engaging (Ransom 2012). This change also introduced a new two-way communication between brands and users that brands can enable if they want. These direct messages do not have any features that distinguish them from other text-only formats such as email and SMS as they are also unobservable for the general public. Another more silent novelty for brand pages has been the introduction of the "People Talking About This" (PTA) metric. The different interactions that make up the metric are any stories that users share in their "timeline", includes (Finn 2011):

- liking a Page
- posting to a Page's Wall
- liking, commenting on or sharing a Page post (or other content on a page, like photos, videos or albums)

- answering a Question posted
- RSVPing<sup>1</sup> to an event
- mentioning a Page in a post
- photo tagging a Page
- liking or sharing a check-in deal
- or checking in at a place.

These changes focus on engagement and re-engagement through Facebook's different social channels. Sharing seems to be almost religious to the strategy of Facebook (Jarvis 2012), and many of these changes are targeted to increase and support sharing and storytelling. Brands are also invited to "host" apps, this is pieces of custom software that run on the Facebook platform and enable users to create stories of their interactions with the brand, examples of this are the Spotify App and Washington Post Social Reader<sup>2</sup>. These brand apps create usage stories and aggregations that users can choose to automatically share or limit accordingly.

## **2.3 Social is the message**

Firstly, I will go back to the fundamental understanding of media and look at the natural connection to media science. This is important because when working with Facebook or any other media channel, this area is where much research is done. "The medium is the message" is a phrase coined by Marshall McLuhan in 1964, meaning that the form of a medium embeds itself in the message, creating a symbiotic relationship in which the medium influences how the message is perceived (Wikipedia 2012b). This media mediation of the message has been known to market communicators a long time and this traditional and rather philosophical view on media is of course closely connected to my goals in this study. The meaning of Facebook is by default embedded in every message that flows through their platform.

### **2.3.1 "On Facebook"**

When they are "on Facebook" consumers would perceive content served in this context in light of his attitudes towards the channel. This would be differently than served over the phone, in a store or in an email. How granular and on which dimensions this classification should be is important. In a larger scope it might not be wise to

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<sup>1</sup> RSVPing means to respond to an event invitation. On Facebook you can create events and invite your friends to participate.

<sup>2</sup> <http://www.washingtonpost.com/socialreader>

lump all types of social media together and assume that consumers respond the same way. Rather, one should think of this as a form of "social media mix", considering each channel's customer responses and how channels are used and perceived. The way users use the platforms varies and who uses them to what intent also varies. Weinberg and Pehlivan (2011) sort the social media landscape in two dimensions, the longevity of information and the depth. They categorize Facebook as a short lived but information deep channel and this might be what forms the expectations users have on usage specifically of Facebook. We should not assume that results could be transferred to another social media channel.

### **2.3.2 Uses and gratification of Facebook**

But how is interacting with someone on Facebook differently than in other media channels? Are brand dialogues on Facebook loaded with a different meaning than other channels? By looking at what people use Facebook for when they are not communicating with brands, we get a picture of what they expect. A uses and gratification approach to understanding media consumption has been very successful in new media (Wikipedia 2012c). This kind of research is the study of the gratifications or benefits that attract and hold audiences to various types of media and the types of content that satisfy their social and psychological needs (Dunne et al. 2010).

According to a survey of the uses of Facebook, users utilise the media to keep in touch, social surveillance, reacquiring of contacts, communication, photographs and status updates (Joinson 2008). From the way Facebook presents itself (Facebook 2012c) it is clear that the site is created to keep up with friends, it is therefore reasonable to assume that users in Facebook-mode are mainly prepared to keep in touch with friends on the site and the Facebook experience consists of a set of friendly actions. Users expectations towards brands also would be coloured friendly Facebook-blue in this space. Communication with a brand on Facebook should therefore potentially lead to strong experiences, at least strong enough experiences, that it should be measurable between those who have used Facebook to communicate with a brand, and those who have not. Others have also found support for this distinction from other sites categorized as social network sites (eg. Twitter). The use of Facebook has strong associations with maintaining and solidifying existing offline relationships, as opposed meeting or discover new people (Ellison et al. 2007).

### 2.3.3 Social Media Engagement

In another survey (Baird and Parasnis 2011) the researchers found that more than half of the asked consumers considered social media and social networking as a place for personal connections with friends and family, and did not even consider engaging with businesses via social sites.

The reasons they interact with companies via social sites (Baird and Parasnis 2011 p. 34)		Sub-process
Discount	61%	utilitarian
Purchase	55%	utilitarian
Reviews and product rankings	53%	learning
General information	53%	learning
Exclusive information	52%	utilitarian
Learn about new products	51%	learning
Submit opinion on current products/services	49%	co-developing
Customer service	37%	utilitarian
Event participation	34%	socializing
Feel connected	33%	socializing
Submit ideas for new products/services	30%	co-developing
Be part of a community	22%	relational

Table 2: The reasons customers interact with companies via social sites

In the same study (Baird and Parasnis 2011 p. 32) they identify three social media engagement levels:

- Engaged authors(5%) that nearly always respond to others' comments or write their own posts.
- Casual Participants(75%) that occasionally respond or post their own content.
- Silent Observers (20%) that sit quietly on the sidelines and although they have accounts they read, they never contribute

Another conclusion from this survey was that passion for a brand was a prerequisite for any user to engage with a brand; something that puts a further emphasis on networks and the referral value of customer engagement.

### 2.3.4 Communication Paths in Social Media

In this thesis we look at social media dialogs, or the magnet perspective as Gallaugher and Ransbotham (2010 p. 200) calls it in their proposed 3-M framework. In a lack of empirically backed research and models, this conceptual model sums up the communication paths that you find in social media in a helpful way. They (Gal-

laugher and Ransbotham 2010) propose that in this magnet perspective on firms usage of social media it is important to establish a recognizable presence. Brands should create magnets for social media activity, so that these conversations happen where they can capture customer feedback, enhance market research and augment customer service. These magnets should have properties that encourage and make it attractive for customers and non-customers to engage there rather than in closed forums or other channels.

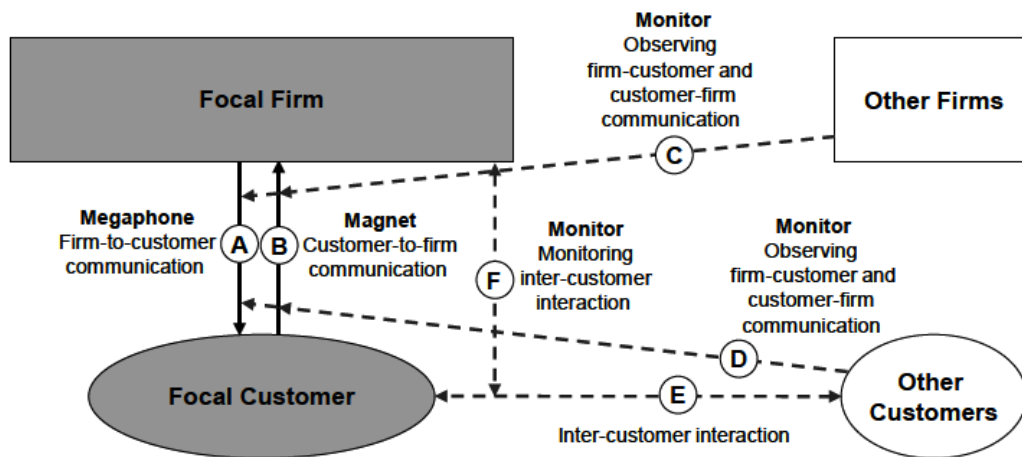


Illustration 1: Firm and Customer Communication Paths With Social Media

Word of mouth refers to the act of passing of stories from person to person (Wikipedia 2011). Online the phenomenon has gotten many names and different sources (Hennig-Thurau et al. 2004; Kirby and Mardsen 2005; Levinson et al. 2008) use terms like electronic-word-of-mouth (eWOM), buzz marketing, viral marketing, guerrilla marketing and other more or less accurate terms to describe this process of messages that spread between consumers. In the customer engagement literature (Hennig-Thurau et al. 2010; Libai et al. 2010; Verhoef et al. 2010) customer-to-customer interactions seems to be the dominant term while Gallagher and Ransbotham (2010) call it inter-customer interactions. It seems to be a common belief that these data have value to a firm and should be monitored and analysed (Gallagher and Ransbotham 2010; Larson and Watson 2011; Libai et al. 2010). And some (Libai et al. 2010) also suggest that there is an observational learning dimension in this activity that can lead to large-scale imitation and become a fundamental form of customer-to-customer interaction. In the context of Facebook brand pages it is natural to assume that communication on the brand page could lead to an effect

where other customers observe and learn an engagement behaviour based on other customers' engagements.

The last important concept to derive from this model is that we should never forget that these public posts also can be monitored by rival firms to gather intelligence, or by any other stakeholders for that matter. Customer engagement behaviour in social media will have this open nature which creates some new potential but also treats and mediates the conversations.



### 3 THEORETICAL CONCEPTS

At the time of writing, Facebook brand page dialogues have to be considered a marginal service channel in term of adoption both among brands and consumers<sup>1</sup>. It would be very shallow to just consider how purchasing customers perceive brands, so this thesis has tried to find a theoretical approach that measures the impact on the brand, regardless of the status of the relationships consumers have to the brand. This is an important distinction as you would generate value in the whole market from Facebook activities, not just your customers purchases.

In the first section of this chapter I will describe the theory around the service-dominant logic as a paradigm. This is a backdrop for this thesis and the other theory utilized. It is also an important prerequisite for both brand experience and customer engagement as will be discussed later. This also works as a the paradigm for my problem formulation, the background in chapter 2.1 and the managerial implications suggested in chapter 7.2.2.

In the second section I will describe brand experience. Skard et al (2011) place brand experience as an umbrella term that spans other experience constructs in marketing theory, making it the conceptually broadest experience construct, compared to other experience constructs in marketing. This construct is developed in the article of Brakus et al. (2009) that forms a multi-dimensional brand experience construct containing a sensory, affective, behavioural and intellectual dimension. The specific Facebook brand experience is hard to isolate, and in the end if we are able to capture the differences between the groups that have been engaged with a brand on Facebook and those who have not, that result would give useful insight. Brand experiences exist for customers and non-customers.

Classical textbook views on marketing communication (Dolan 2000) mostly operate with the purchase as a main consequence of marketing communication, in an effect hierarchy where different stimuli works at different stages in the purchase process. It is clear that this linear view on consumers' paths to action gets put under pressure by the multi-directional nature of for instance social media. With several new potentially important behavioural outcomes of customer engagement in a social media context, such as word of mouth and other

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<sup>1</sup> Referring to the statistics in chapter 6.3.

customer-to-customer communications, some scholars (Doorn et al. 2010; Kumar et al. 2010) have proposed a new direction in how to understand these customer engagements in brands. I will use this approach to marketing and activities on Social Media for brands. This will be described in the last section of this chapter.

### **3.1 Service dominant logic**

The concept of service dominant (SD) logic originates from a series of conceptual papers (Lusch and Vargo 2006; Merz et al. 2009; Vargo and Lusch 2004, 2008). This perspective takes a critical review of the history of marketing in the last two centuries and argues that there has been a shift from traditional goods-centred approaches towards a paradigm where marketing is seen through a service-centred lens. According to Google Scholar, the first of these articles (Vargo and Lusch 2004) has been cited 2942 times which is relatively frequent, clearly showing that this approach has become an important contribution to marketing literature.

#### **3.1.1 Fundamental propositions for S-D logic**

Originally service dominant logic proposes eight fundamental premises (FPs) which later (Vargo and Lusch 2008) becomes refined and extended to ten. As this perspective is rather radical and still in development it is useful to take a short review of these propositions.

##### **FP1. Service is the fundamental basis of exchange.**

Knowledge and skills are operant resources, and these are the specialized skills that people exchange in contrary to exchanging goods. In other words, the society is a "service for service"-economy. This idea goes back to for instance Levitt's classical article "Marketing Myopia" (1960), where he discusses that even the symbol of the goods-centric Industrial Revolution, the automobile, is a service, or at least should be understood as solving a transportation need rather than a need for a physical product. His logic is driven by focusing on customer needs rather than products. Evolving from this S-D logic takes a further step out and places service (knowledge and skills) as the central way to understand value exchanges, not only between a company and a customer, but in all economic transactions, both inside and outside organizations.

**FP2. Indirect exchange masks the fundamental basis of exchange.**

With larger organizations the division of labour and specialization is drawn to its extremes so it is hard to see the service-for-service nature of all exchange. People tend to forget what role they play in the service economy through micro-specialization. As organizations became larger, people working there lost a sense of service delivery both to customers and internally within the organisation. Many workers would (and probably still are) just do what they believe is their job, never asking themselves what value they are offering. This distancing is evident in all types organizations regardless of its offerings, whether its tangible or delivers "services".

**FP3. Goods are a distribution mechanism for service provision.**

Tangible products are mainly a vehicle for embedded knowledge and skills. This moves the value of any product over to the process leading into the creation of it. It is important to understand that S-D logic does not mean that tangible products get less important, it is actually the other way around as goods are seen in the light of the value they are able to generate through embedded knowledge. A brilliant example of this is product design that has become important during the century and is today seen as one of the most important features of many product categories. But even seemingly simple products carry significant amounts of knowledge and skills developed and sustained by the producer.

**FP4. Operant resources are the fundamental source of competitive advantage.**

Competitive advantage comes from not only knowledge, skills, and processes, but also from the interplay between people in an organization. This is closely connected to core competence that has the same properties. The only true source of competitive advantage is the ability to conceive the entire value-creating system and make it work (Normann and Ramirez 1993, p. 69 as read in Vargo and Lusch 2004 p. 9). As simple as this statement seems, it implies a know-how in making "it" work, and a know-how in conceiving "it". This gets more and more evident as companies are outsourcing production of tangible goods to China and India, but are able to keep control of the value-creation system by a series of skills through their organization, ranging from the obvious marketing and design knowledge to juridical and cultural knowledge needed for running such an operation. And the coordination and interplay between this knowledge and

these skills is what defines core competence in the business strategy literature (Prahalad and Hamel 1990).

**FP5. All economies are service economies.**

With economies in these propositions, it is meant to include both national economies and historical economic eras. It basically says that an economy always is essentially a service economy. "Economies" might be better viewed as macro-specializations. With this the authors mean that instead of evaluating an historic economic area from its output we should focus on the refinement of skills and knowledge that drove the development of an age. Therefore we should see the current information economy as an area defined by the refinement and use of knowledge and skills about information and the exchange of pure knowledge, probably best manifested by the development of the Internet.

**FP6. The customer is always a co-creator of value.**

The customer's role as a co-creator of value is central in *services marketing* as consumption and production is concurrent. But also tangible products are not delivered before the customer has learnt to use, maintain, repair and adapt them to his/her needs. With this view the marketing process continues in some extent to the end of a product life-cycle with the customer as a co-producer of value. Customers should be seen as a co-producer, not as a target and could be involved in the whole value and service chain.

**FP7. The enterprise cannot deliver value, but only offer value propositions.**

When placing the customer as a co-producer of value, the extension of this will be that offerings do not have any value until they get consumed. Following FP3, embedded knowledge and skills have to be received from the consumer and transformed to utility. Enterprises can only promise a certain kind of value distinctive from competitors; they need the customer to deliver it. In the extension of this, unsold goods have no value and only creates value as it is consumed, either it is sold or given away to customers. In the web2.0-sphere this paradigm can be observed in the *freemium business model* (Wikipedia 2012d), where most companies build their service around a free offering which they actually spend considerable resources to market and distribute. Investors and buyers evaluate the user-base, rather than the number of paying customers or revenue for these companies. Revenue is generated by a premium offering.

**FP8. A service-centred view is inherently customer oriented and relational.**

Humans are at the centre and the active participants in an exchange process where iterative learning and recurring touch points form a relation that evolves over time. When value creation is seen as a process that does not stop when goods are delivered as stated in FP6, the enterprises must keep a relationship with their customers to ensure that value is realized, enforcing a relational view. The same goes for the customer side where, even though he or she wants a transaction-based relationship with a provider, new encounters will occur either through a direct interaction with service personnel or indirect by watching ads or interacting with other users. The latter part becomes important as it is easy to forget that marketing and community participation serve as important sources of learning and reinforcement.

**FP9. All social and economic actors are resource integrators.**

This proposition was not a part of the original eight propositions (Vargo and Lusch 2004), but was added later. It implies that the context of value creation is networks of networks, including all organizations, economic entities, households and individuals. The essential focus is here on the value creating interactions between actors that integrate knowledge and skills, transforming them into new value. To be able to do such network-based integrations there has to be some level of trust, relational learning and mutual adaptation as a basis for negotiations, dialogue and collaboration. In general this proposition is trying to bridge SD-logic with Network theory (Lusch and Vargo 2006).

**FP10. Value is always uniquely and phenomenologically determined by the beneficiary.**

The last proposition was also added later. It states that the value received and experienced by the beneficiary is the only true measure of value in the SD-logic. Value is also contextually specific, a form of "value-in-context" which is uniquely derived at a given place and time, value cannot be created independent of the beneficiary and then delivered. This represents a redirection of the focal point of value creation away from "value-in-exchange" and a firm's output (Vargo and Akaka 2009).

Around this proposition there are several interesting cases that are changing businesses. The most evident might be the on-going piracy

struggle in the software, music and movie industries where publishers are determined to see an actual album or track as carrying value. Whereas an actor like Spotify and Netflix sees the actual listening of the track as where the value is created. As a person can only listen to one piece of music at a time, his/her potential value is capped for any user to the time invested into this type of entertainment. This goes for other types of media such as movies and video games, in general a variety of services that more or less will have a value-creation cap. New companies like Netflix are able to get a foothold on the market based on the gap between traditional actors, goods based pricing paradigm and customers' real value potential.

### **3.1.2 Influence on Brand Experience and Customer Engagement**

The focus on managing customers' experiences with a brand becomes actualized as the focus moves in the service dominant direction. Service dominant logic is intermingled with brand experience as it shares the understanding that a customer's evaluation of the brand is best understood as unique individual experiences. S-D logic has a strong emphasis on the co-creation of value (FP6,FP10) and is clear that it is the unique experience of the customer, or beneficiary value co-creator, that specifies the "real" value created. This is distinctly different from a perspective where the service provision in itself is seen as the value creator.

According to Brodie et al. (2011b p. 2; Hollebeek 2011) the conceptual roots of customer engagement are in relationship marketing and the evolutionary step that service dominant logic represents. They point to four (FP6,FP8-10) of the 10 fundamental premisses of S-D logic as particularly relevant for customer engagement. Service dominant logic actually has to be seen as a prerequisite for an engagement perspective as we need to apply a broader relational perspective. Different sub-processes of customer engagement is an important area where customers are co-creators of value. By inviting users to provide direct feedback and observing conversations, a company can learn about customers' needs and in that way generate ideas (Palmer and Koenig-Lewis 2009 p. 167).

Seen in light of the topic of this thesis, the resource integrator (FP9) perspective is very important for customer engagement in social media. This view on the service system as an extended area, where you move the level of analysis from organizations down to the individual actors, is giving the right framework for exploring cus-

customer engagement. Brodie et al. (2011b p. 258) also emphasize this. Interactions generating CE may and would probably occur within a broader network of customers, stakeholders, and other actors in specific service relationships. Customer engagement on social networking sites need to be seen at least as a triadic relationship between the customer, the producer and the community around the brand (Palmer and Koenig-Lewis 2009 p. 163).

As very engaged customers harvest considerable amounts of perceived value from their relationship to the brand, the brand needs to work to gain mutual value from the relationship. Customer Engagement is the justification for how and why brands should focus on these highly engaged customers. Just as value gets defined with the customer as a beneficiary, value need to be uniquely contextual defined by the brand as the beneficiary. This makes customer engagement not only an heir, but a tool in a service dominant marketer's conceptual toolbox. Ensuring that all parties are satisfied like this is a form of *balanced centricity* where the concern to all stakeholders is maintained (Gummeson 2007).

### **3.1.3 Reinforcing cycles and feedback loops**

The S-D logic paradigm sees the value creation process as a series of self-reinforcing value cycles rather than linear value chains, and that firms should continually generate ideas and test them, so that the outcome is learning rather than maximizing short-time financial output (Vargo and Lusch 2004 p. 6). This particular view on the marketing process is something that is fundamental for both an experiential view of the brand, and the customer engagement concept (Doorn et al. 2010 p. 261). This would also explain why you will find some of the constructs that are related to customer engagement both as antecedents and consequences (Brodie et al. 2011a), and why customers' experiences have a reinforcing effect on a brand over time, so that the interaction of the brand and the customer's experience may be bi-directional (Verhoef et al. 2009, p. 37). Some also see customer engagement as virtuous cycles (Sashi 2012) where one would stage the different sub-processes into forming a cycle. This cyclic nature is also proposed in one of the fundamental propositions of Brodie et. al (2011a), that will be presented later.

## **3.2 Brand Experience**

We conceptualize brand experience as subjective, internal consumer responses (sensations, feelings, and cognitions) and behavioural re-

sponses evoked by brand-related stimuli that are part of a brand's design and identity, packaging, communications, and environments (Brakus et al. 2009 p. 53). These experiences vary in strength and intensity; some experiences are stronger or more intense than others. Experiences are subjective events that occur in response to stimulation and often as a direct result of customer interactions with the brand.

There are several types of experiences in marketing literature. We can categorize these into product-, shopping/service- and consumption experiences. Product experiences are connected to consumers' direct or indirect interaction through advertisement or other virtual representations of the product. Shopping experiences are related to what happens in a shop and in the interaction with a brands' personnel. And consumption experiences happen when the consumer uses or consumes a product (Brakus et al. 2009 p. 53). It should however be noted that these distinctions are not mutually exclusive categories, but rather different perspectives on experiences.

Another important feature is that the brand experience construct displays discriminant validity from some of the most widely used branding measures and scales, including brand evaluations, brand involvement, brand attachment, customer delight, and brand personality. This is important because it means that not only is this measure usable alone, but could be combined with the other measures and scales. Probably the closest such construct is attitudes (Fishbein and Ajzen 1975). These general evaluations of a brand come in the form of overall liking of the brand, while brand experiences are trying to capture the sensations, feelings, cognitions and behavioural responses triggered by specific brand-related stimuli (Brakus et al. 2009 p. 53). However attitudes are likely to not be stable over time, and subsequent recall of an experience is likely to result in attitude being weighted towards selected elements of the overall experience. It is the attitude that pertains over time that is most likely to subsequently influence behaviour (Palmer 2010 p. 199).

What is great with the brand experience construct is that you can experience the brand without actually having been a customer or used their products. This differs from the utilitarian product attributes that are more common in other brand equity measures. Experiences can happen when consumers do not show interest in or have a personal



connection with the brand. And that brands that consumers are highly involved with are not necessarily brands that evoke the strongest experiences (Brakus et al. 2009 p. 53). Brand experiences happen when ever there is direct or indirect contact with the brand, such as communicating on the wall of a Facebook page. But also by observing friends and other having such interactions.

### **3.2.1 Sensory experiences**

Inspired by service logic, Rodrigues et al. (2011 p. 40) assume that the value of a brand emerges when interactions occur through the customer's multi-sensory experiences in the value-generating process, creating a symbiosis between individual and brand. They propose sensorial marketing strategies as an alternative paradigm to the traditional marketing process with profitable customer relationships as a consequence.

Not surprisingly, when looking deeper on their results, Gentile et al. (2007) found that when ever there was a clear link between the core functionality of a product and a natural sense (for instance iPod and hearing, Pringles and taste and so on,) then that specific sensorial component was seen as the most relevant for the user, and if not then sight was perceived as most important. I figure that at least aesthetics will apply to most brands even if they do not have a specific sensory strategy. Advertisements, colour, design, lighting, logo, packaging, product design and web-sites are other visual stimuli that make it possible to differentiate products, enhance loyalty, prevent clutter and fend off competition (Hulten 2011 from Rodrigues et al., 2009).(Brodie et al. 2011a p. 261)

The sense of smell and taste could be very relevant to some service brands, the convenient example from the service sector here is Starbucks that according to one of Brakus' (2009) respondents "smells nice". As early as the 1980s Starbucks developed sensorial strategies for creating and developing an in-store customer experience through multiple sensory expressions related to the smell of coffee (Rodrigues et al. 2011). Smell and taste might be obvious important sources to customer experiences for actors like Starbucks and other restaurants, but are less important in general for most brands unless taste and/or smell is essential for the core functionality of their service.

I propose that the sense of touch would be irrelevant for most service brands or service delivery. Even though one could argue that

the customer could touch textures at the furniture of shops and restaurants, or even the feeling of petting an animal at a zoo, I propose that the touch sense is the least important sense for a service brand in general, and probably would be evaluated as an aesthetic property and captured by items asking about sight. For instance most things that are nice to touch are also nice to look at, as, for example, the iPhone.

Brakus et al. (2009) also creates these measures mainly based upon aesthetics, and the inclusion of the other senses does not seem to have any solid foundations in theory, at least by considering what they evaluated (Arnheim 1974; Berlyne 1974; Bloch et al. 2003; Parsons and Conroy 2006; Schmitt and Simonson 1997; all cited in (Brakus et al. 2009), which are all articles that have titles indicating that they focus on aesthetics properties of a product.

I do not argue that the other senses do not matter, just that they probably are more connected to particular product characteristics than as a generic comparable term. In other words, its hard to believe that customers have a pure picture in their mind of their complete sensory experience of a brand, as this varies between industries. The items for the sensory dimension in Brakus et al. (2009) asks the consumer to evaluate his/her sensory experience directly with "*I find this brand interesting in a sensory way*" and "*This brand does not appeal to my senses*", the last item includes "*...my visual sense or other senses*" in the wording.

The Facebook experience would probably not impact the sensory experience for brands noteworthy. When "on Facebook" brands have limited possibility to generate sensory experiences, even-though posting different media which both can be seen and heard, those are not distinct for the social experience of Facebook as they could be experienced in any other channel without any social elements, or could be posted by any brand regardless of what is the core of their offerings.

### **3.2.2 Affective experiences**

According to Grace and O'Cass (2004 p. 458) findings show that the service experience contributes substantially to the way in which consumers feel about and evaluate service brands. The crude nature of affective responses probably makes them more accessible in memory for consumers than semantically complex expectations (Jayanti, 1995, p. 59 read in Grace and O'Cass 2004 p. 452).

Experiences that include specific feelings, affections or emotions might over time lead to a brand attachment or brand involvement, two concepts that are related but conceptually different from the affection dimension in brand experience. However in an experience context, feelings can happen when consumers do not have any personal connection to a brands. For instance HBO might make you feel happy, BMW make you feel young and Nike make you feel powerful (Brakus et al. 2009 p. 56). These feelings are in other words not towards the brand but towards the consumers experience when using the brand.

As noted earlier, Facebook is a place where people observe and monitor each other, something that should be taken into consideration when they are interacting with a brand. The Facebook experience is about *positive emotions concerned with connectedness between close friends, such as re-experiencing others' positive events, exchanging virtual tokens of affection, reliving the "good old times", anticipating future memorable experiences and with humour to entertain their audience* (Sas et al. 2009). It's reasonable to believe that being answered or ignored on a brands' Facebook wall should trigger stronger feelings than in other channels as this is a public event that can be observed by anyone, but also that this channel can create positive strong experiences.

### **3.2.3 Intellectual experiences**

Cognitive experiences and intellectual stimulation are something that consumers want and create notable experiences. As with any other experiences, the need for cognition can be positive or negative. Some individuals enjoy thinking more than others. Enjoying thinking is positively correlated with intelligence (Cacioppo and Petty 1982 p. 116). This dimension appeals to the intellect with the objective of creating cognitive, problem-solving experiences that engage customers creatively and to target customers' convergent and divergent thinking through surprise, intrigue and provocation (Schmitt 1999 p. 62). The intellectual dimension is proposed to predict creative usages of the brand (Brakus et al. 2009 p. 66).

Compared to other service channels, Facebook has to be considered new and some what innovative for consumers, therefore conversations and interaction with a brand on Facebook should enforce the intellectual dimension as consumers would consider this activity as a creative and new way to communicate.

### 3.2.4 Behavioural experiences

The behavioural dimension is focused on the experiences that include action, for instance Nike could make you feel like wanting to start work out or an iPod could make you want to exercise more. The brand is participating and/or leading to a bodily experience for the consumer. When surveyed, the behavioural dimension loaded on the same factor as the ruggedness items from the brand personality construct (Brakus et al. 2009). The ruggedness brand personality dimension is originally based on the adjectives tough, strong, outdoorsy and rugged (Aaker 1997), this might indicate that the way these items were constructed captured physical behavioural outcomes and not behavioural experiences. This dimension seem also to be hard to measure between brands. In Brakus et al. (2009 p. 59) some brands surprisingly scored very high on this dimension, for instance Victoria's Secret and Viagra, but for the other brands there seemed to be a close connection between the core functionality of the products and the score on this dimension. Adidas, Puma and the other sports brands scored high, while brands whose offering involved no physical activity scored low.

In contrast behavioural/act experiences in Schmitt (1999 p. 62) show customers alternative ways of doing things, alternative lifestyles and interactions. Changes in lifestyle and behaviours are often more motivational, inspirational and emotional in nature. Behavioural experiences are in other words closely connected to other constructs such as lifestyle and emotions (Gentile et al. 2007). These are different ways that this term can mean different things for different brands, consumers and researchers. This is clear with the wording of items that they (Brakus et al. 2009) aim to actually capture physical behaviour and not behavioural changes.

I argue that it would be hard to have a direct physical experience with a mobile or web application, but such apps are constantly changing our habits. For instance, arguably, the music streaming service Spotify have changed the way people consume music in their "all-you-can-eat" streaming service, while Netflix have surpassed file sharing as the biggest source of web traffic in the US (Sandvine Incorporated 2011). Adopting these new habits is a strong act/lifestyle experience with the brand, but as this is not what this dimension is about in this conceptualization, Facebook engagement and activities would probably have little relevance to the physical experience generated by a brand.

### **3.2.5 The Relational dimension**

Skard et al. (2011) find that the relational dimension of B/C experience is highly relevant in a service brand context, due to the direct and immediate interaction with the service provider, and is included as a fifth factor in their study. That study also finds that the relational dimension is the most important to explain both brand personality and satisfaction.

The relational dimension includes a consumers' opportunity to be a member of a community. This component involves the consumer and their social context, relationships with other people and also with his/her ideal self. Products and services that leverage this experiential dimension to their offerings encourage the consumption together with other people or create a common passion that may lead to the creation of communities or tribes of fans. The product itself can be an affirmation of a social identity and be the source of belonging or distinction from a social group (Gentile et al. 2007).

Facebook pages are a form of brand community, at least if we define a brand community as a specialized, non-geographically bound community, based on a structured set of social relationships among admirers of a brand (Muniz Jr. and O'Guinn 2001) So the Facebook brand experience should lead to a strong impact on the relational dimension.

### **3.2.6 Consequences of brand experience**

Brand experience should have behavioural impact, it affects consumer satisfaction and loyalty directly and indirectly through brand personality (Brakus et al. 2009 p. 65). But also has an emotional impact such as brand attachment (Iglesias et al. 2011 p. 579). Brakus et al. (2009) predict that the dimensions of brand experience also would predict how consumers would continue to use the brand. For instance the intellectual dimension should predict creative usages of the brand, while behavioural experience could lead to specific action-oriented usage of the brand. While Schouten et al. (Schouten et al. 2007) finds customer integration in the brands community as a consequences of what they call transcendent customer experiences, which is experiences with a high degree of flow. This is also discussed further in customer engagement as these two are strongly connected.

### **3.2.7 Criticism and general comments**

Brand experiences, as conceptualized and measured by Brakus et al. (2009) was based on the brands that a selection of 68 university students meant was experiential or non-experiential. The researchers afterwards simply retained the ones with the highest frequency in mentions. All of these brands that were left in the study were product brands. This means for instance that the world's strongest brand Google and a classical service brand such as McDonald's were excluded from the final study, and indeed so was the fastest grower and the channel which I am working with at the moment, Facebook.

If service is an experience in itself, e.g restaurant visit, zoo, cinema, etc., these terms get mixed up. In other words if you remove taste, smell and ambience from that experience you really do not have a service. Sound and visual would be important in another way for a cinema than for an insurance company. This makes brand experience a semantically confusing term to discuss and study, analogues to the discussion around the tenth proposition (FP10) of service dominant logic where the experiences is interchanged with "uniquely and phenomenologically" to avoid confusion with other meanings of the word (Vargo and Lusch 2008).

### **3.3 Customer Engagement**

Customer Engagement (CE) is a new perspective in customer management (Verhoef et al. 2010), and a family of proposed ideas in modern marketing literature focused on explaining a customer's engagement towards a company or a brand.

The definition stretches from the wider definitions focusing on CE as a psychological process that models the underlying mechanisms by which customer loyalty forms for new customers of a service brand, as well as the mechanisms by which loyalty may be maintained for repeat purchase customers of a service brand (Bowden 2009). To the more narrow perspectives focusing on behaviours that go beyond transactions, and may be specifically defined as a customer's behavioural manifestations that have a brand or firm focus, beyond purchase, resulting from motivational drivers (Doorn et al. 2010). Kumar (2010) extends this last definition by including the customer purchases, and also points out that customers can disengage from a brand. The latter is defined as Customer Engagement Behaviours where the emotional and cognitive aspects of customer engagement is seen as consequences of these manifestations.

Customer engagement behaviours occur at all stages of the consumer life-cycle and can be different actions such as word-of-mouth (WOM), referrals, participation in a brands' activities, suggestions, customer voice, participation in brand communities or revenge activities (Bijmolt et al. 2010 p. 341). Further these actions can be categorized into sub-processes such as sharing, learning, advocating, co-developing and socializing (Brodie et al. 2011b). These processes must be seen as channel specific. Customer engagement behaviours will be discussed more closely later.

The consequences of customer engagement can be the creation of a deeper, more meaningful connection between the company and the customer that endures over time (The Economist Intelligence Unit 2007 p. 2 as read in Kumar et al. 2009). Another output is contributions through participation in new product development, co-creation and feedback for innovations and product improvements.

### **3.3.1 Fundamental Propositions of Customer Engagement**

Brodie et al. (2011) suggests five fundamental propositions for customer engagement. These propositions raise a series of proposed research questions that, even though meant for researchers, are important for practitioners as a way to understand the state of the research in this field.

**FP1. CE reflects a psychological state, which occurs by virtue of interactive customer experiences with a focal agent/object within specific service relationships.**

One question raised by this FP is whether specific CE-based interactive experiences within a particular service network transcend and/or replicate in other (e.g., broader) service networks? This is particularly important for this thesis as customer-firm interaction on Facebook Pages has to be seen as a service network where you find other actors, in particular other customers, fans and friends that might get involved in the interaction, both as observers and active participants. This proposition also encapsulates the experiential nature of brand interactions discussed earlier in this thesis as brand experiences.

The definitions that points toward a seeing CE as a psychological state is the most mainstream idea in the customer engagement movement, it looks like it differs slightly in perspective from the behavioural approach to customer engagement that some scholars have taken as an approach (Bijmolt et al. 2010; Doorn et al. 2010; Kumar

et al. 2010). The reflection that is proposed has to be read in such way that the behavioural sides of customer engagement point towards an underlying psychological process which is tightly connected to the actual activities that is customer engagement behaviours.

**FP2. CE states occur within a dynamic, iterative process of service relationships that co-creates value.**

This proposition gives a process perspective on customer engagement as an iterative and cyclical process and could be thought of as feedback loops over time where these states both can be consequences, as well as antecedents. In the light of this thesis' research questions, it is natural to ask what role these Facebook Page related episodes play in a wider engagement process as suggested here, especially since these engagements would create unique meaning for each individual user.

**FP3. CE plays a central role within a nomological network of service relationships.**

The author (Brodie et al. 2011 p. 261) discusses some proposed relationships between customer engagement and other relational constructs. If we see these in light of brand experience, as previous discussed, we can see a clear relation between these theories. I would argue that some of these related constructs, in particular "participation", "involvement" and "flow", are captured in the brand experience construct itself also. As shown later there is relatively large overlap between CE and brand experience, so at least for the context of this thesis this FP seem to be valid.

**FP4. CE is a multidimensional concept subject to a context- and/or stakeholder-specific expression of relevant cognitive, emotional, and behavioural dimensions.**

*The relative importance of the particular cognitive, emotional, and/or behavioural CE dimensions varies with the specific CE stakeholders involved (i.e., engagement subject, e.g., customer; engagement object, e.g., brand) and/or the set of situational conditions, thus generating distinct CE complexity levels (Brodie et al. 2011b p. 258).*

CE shares these dimensions with the three-factor model of brand experience (Brakus et al. 2009 p. 58) sensory/affective (emotional), behavioural and intellectual (cognitive). This proposition also addresses the contextual and individual differences in intensity and complexity that arise with customer engagement. In particular the



act/behaviour dimension of the brand experience addresses some of this. This will be discussed further in the chapter about operationalisation of Customer Engagement for this thesis.

**FP5. CE occurs within a specific set of situational conditions generating differing CE levels.**

Keeping in mind the early state of development of the customer engagement concept this proposition alone doesn't say much. What we should read into this proposition is that the specific situational configuration where CE occurs mediates the resulting CE levels. Doorn et al. (2010) splits these situational conditions into customer, firm and external contextual antecedents. If CE is seen as mainly behavioural manifestation, not as a psychological state, differing observable actions should also be possible to map to different CE levels.

### **3.3.2 Customer engagement behaviour**

As I am working with actual Facebook behaviour, customer engagement behaviours is important to study deeper. Doorn et al. (2010) propose five dimensions that should create the customer engagement behaviour construct: valence, form or modality, scope, nature of its impact and customer goals. The dimensions are defined as following:

*Valence or the strength of the impact* on the firm positively or negative. In other words if the content is beneficial for the firm. Also an initial positive action like a recommendations could be negative if the one that gets recommended has a bad fit with the brand. I propose that in the Facebook-context its not always straightforward what is good and bad for the firm. As we clearly stated, a negative comment with a great answer can in the long run create a great value for not only that customer-firm relationship but also by influencing observers.

*Form and modality* refers in its basic form to the type of resources that customers sacrifice for the brand, for instance time vs. money. Also in a social media context this dimension might refer to the "spending" of social capital, meaning that when publicly showing that you endorse or criticize a brand that exposes you to the world in a certain way that might influence your other social relations. It has been shown that heavy Facebook users are not more isolated and less connected than occasional users and that Facebook engagement has a positive association to offline engagement measures

(Valenzuela et al. 2009). Online actions might come with a social cost.

*The scope* of a customer engagement can be temporal and geographic. Temporal refers to if the engagement is ongoing activity or just a one-time, temporary engagement. The geographic scope would, in a Facebook context, really just be limited to the language it is posted in. A message posted in English on Facebook page is per definition public. One could however have customer engagements that would be more local for instance by complaining to an employee in a store. On Facebook scope is closely related to their reach metric if translated to customers.

The fourth dimension is the nature of the impact of the customer engagement, by this is meant the immediacy, intensity, breadth and longevity of the impact. Immediacy refers to the speed between the engagement and the impact on the constituents such. A message on a Facebook wall or on a recommendation site would be faster than writing a letter to the store manager. The intensity refers to how strong the effect is on the targeted audience, convincing a friend to buy a brand in a long discussion is for instance very intense, but liking a brand page is not. Breadth is simply how far the message reaches, while longevity is the how long the message will live.

The last dimension that is proposed to make up the consumer engagement behaviour is the customer's goals - who does the customer direct to (e.g. the firm or others), what are the purposes of the engagement and to what extent the engagement is planned? Further are the goals of the customer and the firm aligned? In the Facebook fan page context, engagements can be directed to the firm, but also to other customers by answering other wall posts.

Doorn et al. (2010) also propose that these customer engagement behavioural dimensions exist in the context of several antecedent and moderating factors as shown in the illustration above, and also pose a set of consequences of customer engagements. It's beyond the scope of this thesis to reach into all of these proposed concepts, but instead we see the specific Facebook fan page engagements in light of their impact on Brand Experience.

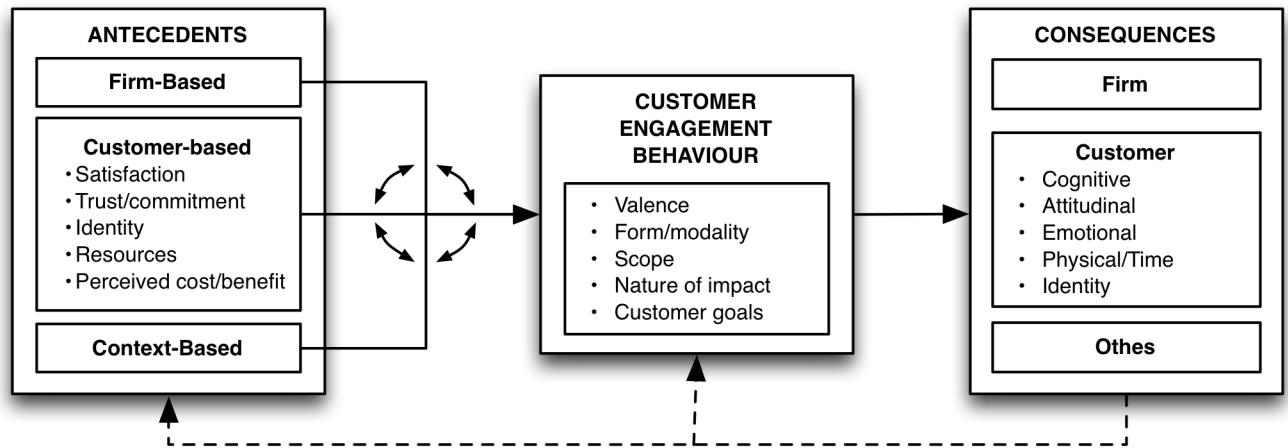


Illustration 2: Customer Engagement Behaviours (Doorn 2010)

### 3.3.3 Customer engagement behaviour on Facebook

Some qualities are much as connected to the channel as to the engagement at hand. From the theoretical perspectives we got some propositions. This section will cover those I consider would be the same for all observations in one channel, but would vary between channels.

The breadth of impact should be disregarded in a Facebook context for an external survey, even though a users have varying amount of connections through friends there is no way to estimate what reach a comment would have among these friends. All this is hidden in Facebook's internal algorithms. That said, the social networking site itself could at some point provide brand owners with these kinds of insights using this dimension to evaluate customers. However it is doubtful that the level of reach should influence that particular users brand experience.

The longevity of the impact would also be a channel trait and depends on a brands total engagement. Here also less relevant for a one-channel approach as this. As Weinberg and Pehlivan (2011) I also treat this as a clear channel feature, the longevity of customer engagement on Facebook would essentially be the same across most content posted there with out any impact from other sources, for instance sponsored content. This is also heavily influenced by how the channel is designed.

Doorn et al. (2010) propose that the nature of the impact is a dimensions of customer engagement behaviours. I consider that the nature of the impact is not a relevant dimension in a single channel

study, but would be relevant in comparison between channels and contexts.

Immediacy of impact is the quality of bringing one into direct and instant involvement with something and refers to how quickly CEB affects any of the constituents, especially the intended target audience. Intensity of impact is a part of a proposed emotional component on a scale of low/high-intensity among other qualities of the emotional aspects of customer engagement (Brodie et al. 2011b).

### 3.3.4 Antecedents to customer engagement

There is a clear overlap of the antecedents of customer engagement and brand experiences. These are Brodie et al. (2011a p. 261).

Construct	Customer Engagement	Brand Experience
Participation	Required antecedent for CE	Antecedent for experience quality (Stuart-Menteth et al. 2006)
Involvement	Required antecedent for CE	Antecedent for the emotional and lifestyle component (Gentile et al. 2007)
Flow	Potential antecedent in specific contexts, including online environments.	As a transcendent dimension of brand experience (Schouten et al. 2007)
Rapport	Potential antecedent, in specific contexts for existing customers and a consequence for new customers.	Hypothesized in this thesis as a consequence in the social media context.

"Participation" and "involvement" are both antecedents to both constructs. Seemingly similar, participation referring to the actual behaviours you do when you are "taking part" in something, while involvement is a subjective psychological state reflecting the importance and personal relevance for the target object (Barki and Hartwick 1994). In the social experience active participation is easily trackable, while involvement is harder to identify, but as we get good statistics from the social networking site, estimation of involvement is also possible based mainly on platform data.

The "flow" construct or usability as it often translates into in an online environment is shown to be extremely important behind each user activity where user generated content is central such as a social networking site. *No matter what people do, such as consuming, participating, or producing, they can do it easily (Shao 2009 p. 16)*. However in the Facebook brands are constrained by the basic mechanisms of Facebook to create this flow, this is true as long as they are not able to create and host their own applications with po-

tential deep integration both with Facebook and their core business as mentioned earlier with The Washington Post Social Reader and Spotify.

The "rapport" construct is especially interesting in this thesis, as we are looking for a friendliness dimension of brand experience. Brodie(2011) defines rapport as the perceived level of harmonious, empathetic, or sympathetic connection to another, which is viewed in some way as congruent to the self (Brooks 1989); A sense of genuine interpersonal sensitivity and concern (Ashforth and Humphrey 1993). Translated to common tongue this can be called "friendliness" even though some sources (Gremler and Gwinner 2000) would make a distinction here and point to a higher order construct "interpersonal bonds". Social presence on Facebook might in itself create "rapport" with customers as hypothesized in this thesis.

### 3.3.5 Consequences of customer engagement

There is a clear overlap also between the consequences of customer engagement and brand experiences. These are based on Brodie et al. (2011a p. 261) with some connections to brand experience and social media below.

Construct	Customer Engagement	Brand Experience
Commitment	Antecedent for existing customers and potentially positive relationship with the identification dimension of engagement.	Consequence and mediator (Iglesias et al. 2011)
Trust	Antecedent for existing customers, <i>consequence for new customers</i>	Consequence (Ha and Perks 2005), Antecedent(Kim et. al 2011)
Self-brand connections	Potential consequence	
Emotional brand attachment	Potential consequence through interactive brand experience.	Over time, brand experiences may result in emotional bonds (Brakus et al. 2009)
Loyalty	Potential consequence	Consequence (Brakus et al. 2009; Schouten et al. 2007)

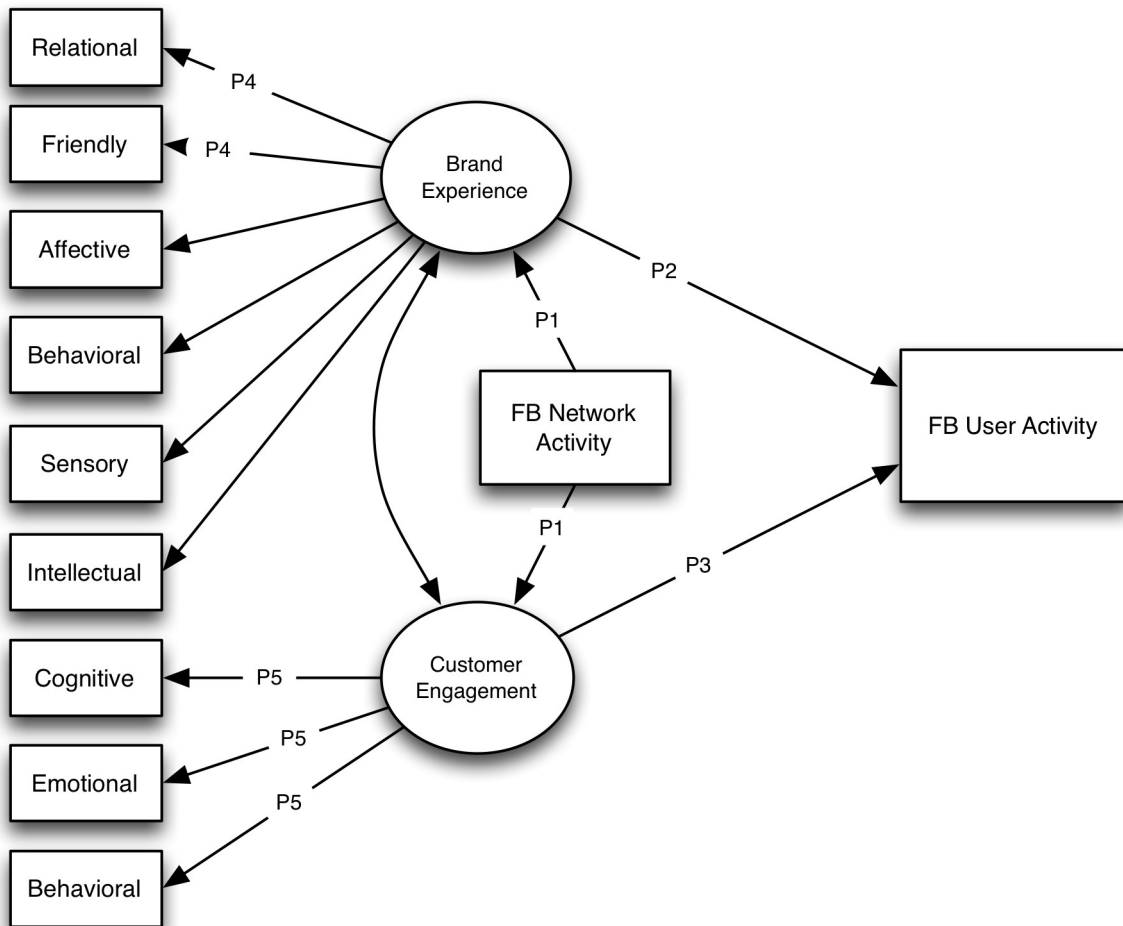
They proposes that new customers have a different engagement structure than existing customers. This complicates things unnecessary, customer engagement could be seen an evolutionary stage of a customer relationship, can we talk about customer engagement for new customers this way?

According to an IBM Institute for Business Value survey from 2010, "passion for a brand or business is a prerequisite for engaging with that company via social media. This means the majority of consumers are inclined to interact only with brands they already know and love" (Baird and Parasnis 2011 p. 35). Further the authors assume that participation via social media may not lead to increased loyalty or spending, but that recommendations from friends or family could make a difference. Even though this rather blunt conclusion is based on real-world data, it doesn't necessarily need to be true as it is based on how consumers self-reported behaviour, rather than how they actually behave. Nevertheless it shows just another point where consequences and antecedents are swapping places when it comes to customer engagement.

The consequences listed above should probably be supplied with some manifestations of customer engagement, like sharing, commenting or liking.

## 4 PROPOSITIONS

Based on the theoretical discussion in the previous chapter I propose the following conceptual model:



*Illustration 3: Proposed model*

It is probably useful to view this model as an overview. After much consideration and work on this case I realised that it would have been useful to break down my measurement model into a flat first order model with only the dimensions of brand experience and customer engagement. Reason for this is the way I have interdependent the theory behind brand experience its ideal and created for explaining the full brand experience, every touchpoint, ad, interaction and so on. I have my interest in explaining different actions on Facebook, for that, Brand Experience as a second-order latent variable, is not as interesting as its dimensions. Customer engagement how ever should have a clear relationship to Facebook activities as discussed

earlier. Anyway the measurement model as proposed is the starting point for my propositions.

**P1: Network activity around a brand increases**

The activities in your network of friends towards the focal brand on Facebook should lead to more user activity. If friends are engaged in a brand and this activity is observed by the user, this should increase brand experience mainly through the relational experience dimension of a brand. If friends are engaged in a brand and this activity is observed by the user, this should increase the users eagerness for participation.

**P2: Brand Experience leads to Facebook activity**

As some of the dimensions should create a good ambience also online for engagement I propose that strong brand experience should create more Facebook activity. How ever this might be true for some dimensions and not for other, I will also explore how dimensions of brand experience work on brand activity on Facebook. But to not

**P3: Customer engagement leads to Facebook activity**

Consumers that are engaged in an experience on Facebook, experience a brand as more intellectual as the channel might be seen as a smart way to communicate. Further both affective, friendly, relational and, if it exists, the friendliness dimension should be affected positively by user activities. In other words, Facebook activities could be predictive for both constructs, but affect brand experience through customer engagement. This proposition also bears the title of this thesis. This is based on an assumption that engagement leads to strong experiences.

**P4: Friendliness and relational is a dimension of brand experience**

As noted earlier users expect to interact with their relations when they enter Facebook and, as several authors (Baird and Parasnis 2011; Fournier and Avery 2011) suggest, brands and companies are not something that users want, or at least expect, to meet on social media sites. But it is reasonable to assume that a consumer would experience brands in these channels more friendly?

**P5: There is a cognitive, emotional and behavioural dimension in customer engagement**

As this is a relatively unused operationalization of this construct I include this among my proposed as it has to be tested.



**X1: Gender and brand-customer relation influence sub-dimensions**

As gender is particular easily observable on Facebook I need to have a look on gender differences on the models proposed. It's the practitioners perspective that are important here as this is cheap data to retrieve and maintain. I am mainly interesting in seeing differences on the two constructs experience and engagement. Even small differences here should be studied as they can be implemented almost in real-time. The closer look at the relational dimension should try to unfold how the different stakeholder groups have answered and if there is any interesting patterns.

**X2: There is a feedback loop to customer engagement**

As discussed earlier it is reasonable to believe that there exists some kind of feedback loop explaining customer engagement "the other way around". According to the theory participation (user activity) and rapport (friendliness) should at least be antecedents to customer engagement. I also propose that the relational affectional and intellectual dimension of brand experience should lead to engagement. Lastly friends activities on Facebook should lead to increased customer engagement.

## 5 METHODOLOGY

To collect the data the Facebook, application "Researchy" was custom built on the platform. This application collected basic data about pages and users and had the standard questionnaire-interface. Data was stored into a database and summaries were later transferred into the statistical package Stata for analysis. The application in itself was rather simple, but adaptations to mobile units and performing mass downloads made the whole approach rather work-intensive. In the initial phase of the survey the app was used to collect data about the brands and their users, and later it was used to run the questionnaire.

### 5.1 Data collection

With the use of the built-in registration plugin on Facebook, I encouraged users to sign up for a survey and share the basic data about themselves to the tool, which is enough to be able to connect them to the actual activity on the Facebook pages. There was no extra data required from the users than just the basic data. However this data also include other metrics as age, gender, location and so on<sup>1</sup> which made the questionnaire shorter and faster. I will use this survey on selected Facebook users that have interacted with brands and on a control group of those who have not interacted with these brands on Facebook selected randomly, mainly from my friends. The survey was performed in the period between the 26th April and 3rd June 2012.

Since we have access to a fine granular data set containing all activity between brand pages and clearly identified users on Facebook, there are many aspects to this way of collecting data that might need further consideration. Anyway, the survey was reported to NSD which is the Data Protection Official for Research for all the Norwegian universities, university colleges and several hospitals and research institutes.

The items in this survey were mainly taken from the work of the studies of Skard et al. (2011) who have created a translation of the Brand Experience items of Brakus et al. (2009) and added the relational dimension. The items on Customer Engagement were based on research done on job engagement and translated into Norwegian (Rich et

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<sup>1</sup>For a full overview see appendix

al. 2010; Solem Forthcoming). For all items a 7-point Likert type scale was applied.

### 5.1.1 Selection of brands

Using "Researchy" I downloaded all conversations on the top 40 Norwegian brand pages according to the Social Baker top list that could be categorized as commercial non-media brands. From this selection, a qualitative selection of ten brands was made based on their activity metrics. Brands with a high count on user activities related to the brand were preferred. This semi-manual procedure did not take into account that some brands had been on Facebook longer than others nor tried to make a good selection between categories. The main logic in the selection of these brands was to find the brands with as many engaged Facebook users as possible, assuming that it was here brand engagement actually would happen if it would happen at all on Facebook.

Table 3: Statistics on selected brands

page	likes	pta	posts	post_lik	comments	cmnt_lik	dist_act	uniq_use
TusenFryd	154960	1562	2163	6756	1903	1659	13871	9585
Komplett	120485	6847	2828	15520	1730	4013	28397	16403
Dyreparken	133547	853	1300	17503	1461	1408	27401	13456
Telenor	109440	915	13092	9119	5532	3649	40081	17396
SAS	179776	2523	13664	37912	3556	6139	82569	25624
NetCom	57277	582	20613	6609	4756	6711	51525	17491
Freia Melkesjok	74166	681	3345	13075	1888	3462	28346	14023
Norwegian	168678	743	13010	29573	4298	4926	62638	28981
Bergans of Norw	141692	217	1934	14473	1183	1434	22663	11418
Elkjøp	63048	746	4202	9305	4468	6367	34323	14888
Total	1203069	15669	76151	159845	30775	39768	391814	169265

cmnt\_lik = users likes on any comment, dist\_act = Distinct user activities, uniq\_use = unique users

This section will further sum up some metrics on these brand pages to get a better understanding of what is happening on these pages. All data was pulled from Facebook in June 2012. These variables will also represent the operationalisations of the observed Facebook activity that we will use in our regressions later.

### 5.1.2 Sampling

One of the main goals with this survey is to target those who actually have engaged with a brand on Facebook. To find this group I tried a slight twist: there is a partial possibility for communication directly between Facebook users that have no prior connection (but privacy settings and other limitations will apply as long as a friendship is not established between the two users). This means

that there is not any reliable way to actually reach the targeted group. To be able to work around this, the questionnaire app also had a function to recruit friends of the subject that was in our target group. This viral recruitment strategy failed. What became the real source of respondents was when I contacted the selected brands to get their help in inviting fans directly. 5 of the brands helped by sharing the link on their Facebook pages: this gave a great number of respondents. To further balance out the selection I tried to use some prior existing networks outside of Facebook, but this did not work. Therefore, the survey consists mainly of these engaged fans of the brands and my friends (n=149) which will work as a control group. Through the brands the survey got a total of 182 shares on Facebook.

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Table 4: Descriptive Statistics Survey Pages

Summary statistics: mean  
by categories of: page (Page)

page	friend	gender	age	activity	freq
Bergans of Norwa	0.84	0.28	32.68	0.12	25
Dyreparken	0.62	0.38	32.12	0.54	24
Elkjøp	0.26	0.66	30.00	1.81	90
Freia Melkesjoko	0.63	0.59	31.35	0.30	46
Komplett	0.17	0.90	24.61	3.56	271
NetCom	0.83	0.50	31.97	1.00	30
Norwegian	0.72	0.65	34.07	0.45	68
SAS	0.16	0.62	36.28	8.23	171
Telenor	0.25	0.61	34.44	5.99	127
TusenFryd	0.22	0.38	25.03	1.12	133
Total	0.30	0.65	30.04	3.59	985

*friend* indicated the ratio of friends that took the survey, *gender* is the male ratio and *activity* is unique activity pr user pr brand

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A total of 1061 unique users registered for the survey. Out of these 726 completed at least the survey on for one brand, in total 985 surveys were completed. To control for carelessness, surveys with a completion time under 60 seconds were removed. In Table 5 the difference between how my friends answered and others in respect of carelessness indicators.

Table 5: Carelessness statistics friends and non-fans

Summary statistics: mean, min, max, N

by categories of: friend (Is a friend of the surveyor)

friend		scaleUse	srvyTime	lngStrMax	lngStrAvg	varTot	varEng	friends	age
0	avg	5.05	183.01	7.22	2.60	2.24	1.00	364.07	29.35
1	avg	4.95	184.41	8.27	2.59	2.44	0.40	424.07	32.08
<b>Total</b>	<b>avg</b>	<b>5.02</b>	<b>183.43</b>	<b>7.54</b>	<b>2.59</b>	<b>2.30</b>	<b>0.82</b>	<b>382.10</b>	<b>30.17</b>
0	cnt	724.00	715.00	724.00	724.00	724.00	724.00	724.00	722.00
1	cnt	311.00	304.00	311.00	311.00	311.00	311.00	311.00	310.00
<b>Total</b>	<b>cnt</b>	<b>1035.00</b>	<b>1019.00</b>	<b>1035.00</b>	<b>1035.00</b>	<b>1035.00</b>	<b>1035.00</b>	<b>1035.00</b>	<b>1032.00</b>

scaleUse=number of different items vlues, lngStrMax=maximum subsequent row of similar answers, lngStrAvg = the avg length of all rows of simplar answers, varTot=variance in the 27 items, varEng variance in the last nine items, friends=avg number of friends

I am surprised that the differences wasn't larger between friends and the others.

## 5.2 Operationalisations

The next stage was to find a good way to capture the activities on brand pages walls. Since we did this study with a collection one-dimensional cross-sectional data at a particular moment in time it was necessary for me to flatten users engagement track. In this process different approaches were evaluated. The most obvious idea here would have been to weight the different actions and maybe put in some deprecation due to time. But as I progressed with this approach, it was clear that I lacked insight into the real meanings behind these actions and that I would be best off utilizing different aggregations. So, what I describe in this chapter is that the methods to determine this were solely put together from what I could actually observe, and any subjective evaluations have been ignored.

### 5.2.1 Brand Experience

The items for brand experience were a translation provided by Skard et al. (2011 p. 21) based on Brakus et al. (2009) with the extra relational dimension. They adapted some of the items slightly to make them more understandable in the Norwegian language. I use these items as they where, these items is coded as i1-i15 in the appendix.

### 5.2.2 Friendliness

To measure my proposed experimental friendliness dimension to brand experience, I did a small literature revisitiation. Friendliness was one of the adjectives examined by Aaker (1997) when establishing the brand personality construct and was merged into the Sincerity-construct in his five factor-model of brand personality. But in other

studies (Ferrandi et al. 1999; Park et al. 2004) done in other contexts, the friendliness has been re-established or re-introduced as a separate dimension.

In the brand experience study of Brakus et. al (2009 p. 65) the authors show a four-factor solution where they combine items from Aaker (1997) and their own scale. Here the sincerity-dimension gets very strong loadings on its own factor. Actually, this dimension seems to be the clearest in this model, which indicates discriminant validity of this dimension in a brand experience context. Examining this dimension further, it consists of the personality traits "domestic", "honest", "genuine" and "cheerful". Assuming that this represents Brakus' sincerity items from (1-4) it would be reasonable to exclude "cheerful" as it by far has the worst factor loadings.

Friendliness is also a classic term in service quality that is bundled with politeness, respect and consideration of contact personnel to create the courtesy determinant (Parasuraman et al. 1985).

Based on Aaker (1997) I simply constructed three items to (re)capture the friendliness dimension of brand experience.

Jeg opplever {Brand} som vennlig og imøtekommende	I experience {Brand} as friendly and forthcoming
{Brand} er en genuin og ekte merkevare	{Brand} is a genuine and real brand
{Brand} er ærlige og oppriktige	{Brand} is honest and sincere

By using the adjectives from Aaker's (1997) brand personality construct it should be reasonable to believe that I am actually capturing the brands' friendliness. These items is marked as i16-i18 in the appendix.

### 5.2.3 Customer engagement

As discussed previously (p. 6) the different approaches to measuring customer engagement are at an underdeveloped stage. While some authors are defining CE mainly from manifested actions including transactions (Doorn et al. 2010; Kumar et al. 2010), others focus on this as a psychological state including outcomes as cognitive and emotional investments in a brand (Hollebeek 2011). One of the few early empirical studies I found suggests that the dimensions of CE are awareness, enthusiasm, interaction, activity and extraordinary experience (Vivek 2009), where you can see that the same pattern emerges. Awareness being the cognitive dimension, enthusiasm the emotional and activity the behavioural. Interaction seem to be

closer to the relational dimension defined here for brand experience.

Behavioural activities are more easily traceable, both online and offline, than cognitive and emotional reactions which require some extra user input from a survey or similar. Customer engagement is action-oriented by nature as engagement ultimately leads to some kind of observable action, but a consumer's engagement and disengagement level exists without any actions taken. This makes engagement a complex construct where what should be considered consequences and antecedents is not clear and psychological outcomes are antecedents for re-engagement rather than consequence such as proposed by Doorn et. al (2010).

Kumar et. al (2010) divide the different values generated by customer engagement into customer lifetime-, referral-, influencer- and knowledge value. In this proposed division, customer lifetime value (CLV) captures the customer's purchasing behaviour. CLV represents the present value of all purchases minus costs related to the customer. CLV would be the ultimate consequence of customer engagement, and is more likely to be measured on the bottom line of a company than in the field. But it is reasonable to believe that a firm's Facebook activity creates more touch points between the company and the user and increases the likelihood of both referrals and increases knowledge exchanges.

At this point theory is weak in this field. When choosing items for this, contributing to the scale development at the institute was most important and of course the least work intensive for me. This is why the items proposed by Solem (forthcoming) were more than welcome in this study. These are marked as i19-i27 in the appendix.

#### **5.2.4 User activities**

Further, to find the valance or strength of the activities we would need to categorize the different activities and try to read out what was the purpose of the activity. Liking, for instance, would be easy to categorize as having positive valence, but how positive is a subjective evaluation. But, with commenting, it would be nearly impossible to determine valence without actually asking the user involved how they experienced the situation.

Something that is traceable is customers' goal orientation. It is as simple as whether the liking or commenting is directed towards content posted by the brand or towards other customers' posts. This

could be operationalized as a distinct count of engagement in activities that are from the brand. Aggregated on a brand this should also shed some light over the proposed relational dimension of brand experience as hypothesized. These reactions are calculated as an aggregate of post likes, post comments and post comment likes where the action is oriented towards another user, not the brand. Another that is available is how long since the last activity. This might indicate that there have been a disengagement from the brand, or at least we have moved into a dormant state. Time since last activity should be relevant for this question. This follows Brodie et al. (2011b p. 6). The problem with applying these is the lack of interpretation of the variables even though they are easily computable.

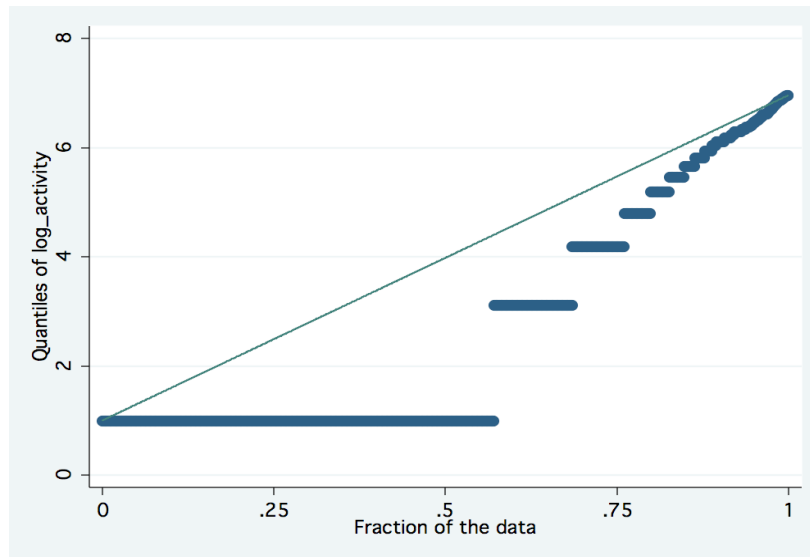
Using the terms of Doorn et al. (2010) I will use the scope of the activities as the central dimension of activities on Facebook, in other words how many distinct activities have there been between the company and the user. For this operationalisation of scope, engagement is translated into whether the users' behaviour is better seen as repeated engagements and re-engagements than as temporally momentary (Doorn et al. 2010). On Facebook this can easily be drawn from the API as simply the number of activities over time.

To use the variables in further analysis, some kind of log transformation had to be applied. To make an estimate of these user activities that was more sane I transformed the data with the following formula:

$$fb\_activity = (2 + (-1 / (1 + user\_unique\_activities)))^{2.718}$$

This transformation has some important qualities. First of all it makes it possible to include all observations as we are giving no activity a value. Further, it is *fitting* the activities in such a way that it gives a big weight on having activity, as opposed to not having activity.





*Illustration 4: Quantiles of the transformed activity variable fb\_activity*

### 5.2.5 Network activities

From the user activities collected it is possible to aggregate a picture of a user's friends' activities. To aggregate this however, would be slightly different as every one of a friend's actions has the same potential for reach to the user. This means that distinct post actions are not as interesting as the case is for the user's activities. For this I have aggregated every action that happens in the user's network around the brand. Dormancy and goal orientation is not relevant for these variables, really only the scope. In other words we will aggregate only the friends' interactions.

To use this in further data analysis a simple log transformation was run on the aggregated network activity variable. Unlike user activities, network activities would not have the same diminishing returns. Actually, I would assume that this variable would have some exponential properties as much network activity around a brand would trigger the most simplest of Facebook's algorithms to feature content for you, and this is especially true for ads. This variable is labeled fb\_network in the dataset.

### 5.3 Construct validity

The data collected from users through the surveys needed to be worked through some steps to find the latent variables behind the individual items.

### 5.3.1 Factor analysis

Factor analysis/correlation										Number of obs =	976
Method: iterated principal factors										Retained factors =	9
Rotation: oblique oblimin (Kaiser off)										Number of params =	180
item	ce9_beh	be9_rel	ce9_emo	be9_aff	ce9_cog	be9_sen	be9_int	be9_fr	be9_beh	Uniqueness	
i1				0.732						0.2072	
i2				0.867						0.1407	
i3				0.735						0.2015	
i4				0.339	0.5949					0.1763	
i5					0.7826					0.1577	
i6					0.7530					0.1621	
i7									0.5165	0.4892	
i8									0.8637	0.1932	
i9									0.5830	0.4275	
i10						0.5664				0.3891	
i11						0.9366				0.1570	
i12						0.6711				0.3071	
i13		0.7542								0.2429	
i14		0.9808								0.0448	
i16								0.8258		0.2886	
i17								0.8030		0.2754	
i18								0.9049		0.1865	
i19					0.8778					0.1405	
i20					0.8893					0.1391	
i22	0.9117									0.1498	
i23	0.8670									0.1473	
i24	0.7228									0.2415	
i25			0.6268							0.1560	
i26			0.8222							0.1252	
ev	11.405	2.473	1.483	1.248	0.644	0.544	0.460	0.355	0.237		

(blanks represent abs (loading) < .3)

Table 6: Factor Analysis after item removal

As I have a clear theoretical model on how brand experience and customer engagement should look like I could first used a direct confirmatory factor analysis (CFA) to determine the fit of the proposed measurement model if the statistical package supports it. However this was not the case here so I performed a factor analysis using iterated principal axis factor extraction on the data, this method aims to explain as much covariance as possible. As the factors most likely will be correlated we will use an oblique oblimin rotation method. This render a more accurate, and perhaps more reproducible, solution (Costello and Osborne 2005) Values below 0.3 get blanked. After the first explorative factor analysis it showed that item 15 and 27 was misfitted, item i21 loaded on the wrong factor and was also dropped. When those were removed the result looked like in Table 6.

There are some factor loadings are a little bit low, but all above 0.5 which is considered good and similar to the limits in Skard et al. (2011). The factors scores where then calculated using Barlett's

approach in Stata which maximize each items correlation with their factor (DiStefano et al. 2009).

### 5.3.2 Statistics for dimensions

After the first-order factor-analysis I generated the predicted factors in Stata which gave nine new dimensions variables. These factor scores was generated using regression scoring. The results are presented in the following two tables. The reason for lower means on the customer engagement dimensions is an extensive usage of the lowest value for users that are not engaged with the brand's Facebook-page.

Table 7: Descriptive statistics dimensions

Variable	Obs	Mean	Std. Dev.	Min	Max
ce9_beh	976	-2.16e-10	.9686931	-.845986	3.189856
ce9_emo	976	5.51e-10	.9548014	-1.148012	2.955144
ce9_cog	976	5.06e-10	.9634703	-1.111064	2.290972
be9_rel	976	-1.36e-09	.9810817	-1.171579	1.992264
be9_aff	976	-7.97e-10	.9632657	-1.672057	2.187857
be9_sen	976	9.82e-10	.9580708	-1.893587	2.222201
be9_int	976	4.78e-10	.9477851	-1.347227	2.400704
be9_fri	976	-6.96e-11	.9531925	-2.592818	1.419113
be9_beh	976	3.60e-10	.925876	-1.699597	2.349763

Further, I tested my new variables for correlation or multicollinearity as it is in the statistical language. I tested for multicollinearity to test if the independent variables have correlations between each other. If that is the case we would get over-fitting in the regression analysis which would lead to inaccurate results.

Table 8: Correlations for derived dimensions

	be9_rel	be9_aff	be9_sen	be9_int	be9_fri	be9_beh	ce9_beh	ce9_emo	ce9_cog
be9_rel	1.0000								
be9_aff	0.4784	1.0000							
be9_sen	0.4161	0.6441	1.0000						
be9_int	0.4875	0.3620	0.2758	1.0000					
be9_fri	0.5365	0.3263	0.3980	0.3018	1.0000				
be9_beh	0.3814	0.3621	0.3681	0.4415	0.2932	1.0000			
ce9_beh	0.5076	0.3424	0.2724	0.4609	0.3813	0.2529	1.0000		
ce9_emo	0.4867	0.4075	0.3529	0.4354	0.3056	0.2437	0.7056	1.0000	
ce9_cog	0.4731	0.2654	0.1859	0.4376	0.4047	0.2165	0.6636	0.6111	1.0000

As Table 7 shows this is not a big problem in this model, except high correlation between the customer engagement variables. For customer engagement factors the result is explained by the totally unengaged as explained earlier. When taking out observations with low levels of variance, the correlation between the factors was more

normal. Having some correlation between the variables should be ok, but over 0.8 is considered high. Using Barlett's approach in the previous step reduced this problem as correlations between the factors was reduced compared to the regression method.

I perform a tolerance and variance inflation factor analysis with Stata.

---

Variable	VIF	VIF	Tolerance	Squared
be9_rel	2.02	1.42	0.4953	0.5047
be9_aff	1.96	1.40	0.5094	0.4906
be9_sen	1.93	1.39	0.5170	0.4830
be9_int	1.63	1.28	0.6119	0.3881
be9_fri	1.59	1.26	0.6302	0.3698
be9_beh	1.39	1.18	0.7187	0.2813
ce9_beh	2.53	1.59	0.3946	0.6054
ce9_emo	2.37	1.54	0.4211	0.5789
ce9_cog	2.12	1.46	0.4717	0.5283
Mean VIF	1.95			

---

Table 9: Collinearity Diagnostics

---

The result in Table 9 shows that VIF is between 1 and 10, while tolerance is between 0 and 1, even though low these tests doesn't show multicollinearity.

## 6 RESULTS

The goal of this chapter is to test the propositions from the conceptual model on page 41. In most regressions run in this section degrees of freedom is no problem, as a large sample size with relatively few variables.

### 6.1 Regressions

As the material was prepared and underlying dimensions accounted for, this section will proceed by running regressions to show the structured model and to test for the hypothesis laid out in chapter four. Further I performed a path regression in Atata on the proposed model as it is including friendliness and relational in the model. Results here is shown in Illustration 5.

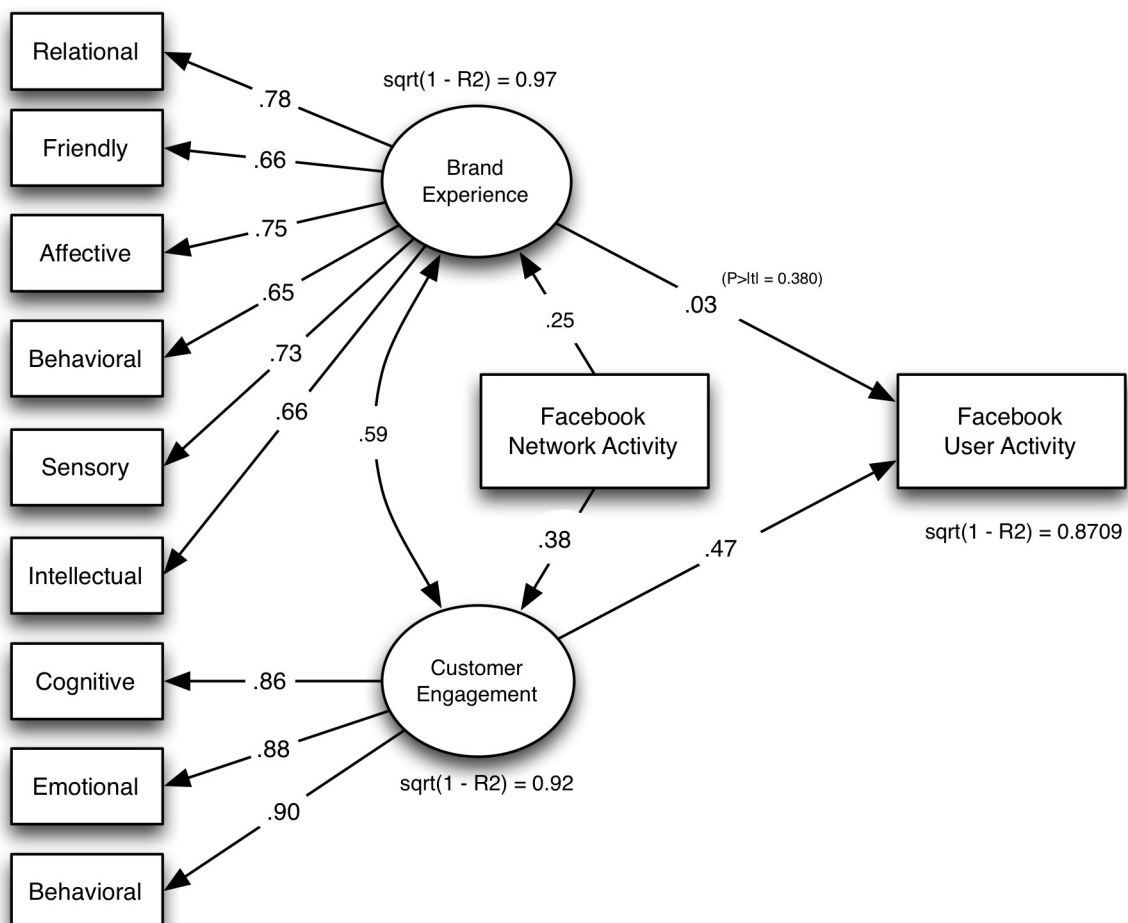


Illustration 5: Path regressions on main model

As the path regression showed this model rendered Brand Experience with no significant effect on Facebook user activity. We are confirming that the customer engagement construct as we have proposed in P5 works and that it is explaining Facebook activity. There also there is evident that customer engagement is a very important explanation for Facebook user activity as proposed in proposition P3. Third Facebook Network activity seem to explain both customer engagement and brand experience.

### Social Brand Experience

As both shown and theorized earlier the physical dimensions sensory and behavioural is not relevant in this context. As discussed earlier in the theory these dimensions could have different meaning in an online setting. I suggested in the theory that when "on Facebook" both sensory and behavioural aspects of the brand experience shouldn't be important. To confirm this hunch I did a simple regression analysis on the first-order model, dimensions directly, as shown in Table 10.

Source	SS	df	MS	Number of obs = 976		
Model	1419.49059	10	141.949059	F( 10, 965) =	59.91	
Residual	2286.29891	965	2.36922167	Prob > F	= 0.0000	
				R-squared	= 0.3830	
				Adj R-squared	= 0.3767	
				Root MSE	= 1.5392	

fb_activity	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
fb_network	.3667867	.0340012	10.79	0.000	.3000618	.4335116
be9_rel	.0051107	.0781416	0.07	0.948	-.1482364	.1584579
be9_aff	.1813778	.0905851	2.00	0.046	.0036112	.3591443
<b>be9_sen</b>	<b>-.2245171</b>	<b>.0939429</b>	<b>-2.39</b>	<b>0.017</b>	<b>-.408873</b>	<b>-.0401612</b>
be9_int	.0337476	.0774746	0.44	0.663	-.1182905	.1857856
be9_fri	.3261646	.0751246	4.34	0.000	.1787382	.473591
<b>be9_beh</b>	<b>-.2350705</b>	<b>.0721265</b>	<b>-3.26</b>	<b>0.001</b>	<b>-.3766134</b>	<b>-.0935276</b>
ce9_beh	.49192	.1076689	4.57	0.000	.2806278	.7032121
ce9_emo	-.0819091	.1130239	-0.72	0.469	-.3037101	.1398918
ce9_cog	.3043822	.0907927	3.35	0.001	.1262084	.4825561
_cons	1.274425	.1277679	9.97	0.000	1.02369	1.52516

Table 10: Regression with first order-dimensions

The regression confirms my hunch about the physical dimensions sensory and behavioural experiences, and that they are negative to actually Facebook activity. So I decided to drop them from the model. I then performed the process from the start, result of the new factor analysis with out items form behavioural and sensory experiences can be found in the appendix. How ever as we now are building a new model for this social brand experience we need to check if the dimensions are really dimensions of the same construct. This is done

by running a new factor-analysis on the seven factors to see if they load at the same factor.

Factor analysis/correlation    Number of obs     =     976  
 Method: iterated principal factors    Retained factors =     2  
 Rotation: oblique oblimin (Kaiser off)    Number of params =    13

Rotated factor loadings (pattern matrix) and unique variances

Variable	Factor1	Factor2	Uniqueness
be7_rel		0.9362	0.1766
be7_aff		0.6488	0.5211
be7_int	0.3227	0.4246	0.5182
be7_fri		0.6286	0.5637
ce7_beh	0.9571		0.1360
ce7_emo	0.8809		0.1714
ce7_cog	0.7940		0.3454

Table 11: Exploratory Factor Analysis, Social Brand Experience Dimension and Customer Engagement

As Table 11 shows there is indications that our new social brand experience scale is different from customer engagement, which is what we can access at the current dataset. I then modelled the new Social Brand Experience into the original proposed model and run the path regressions to build the model with this tweaked brand experience construct.

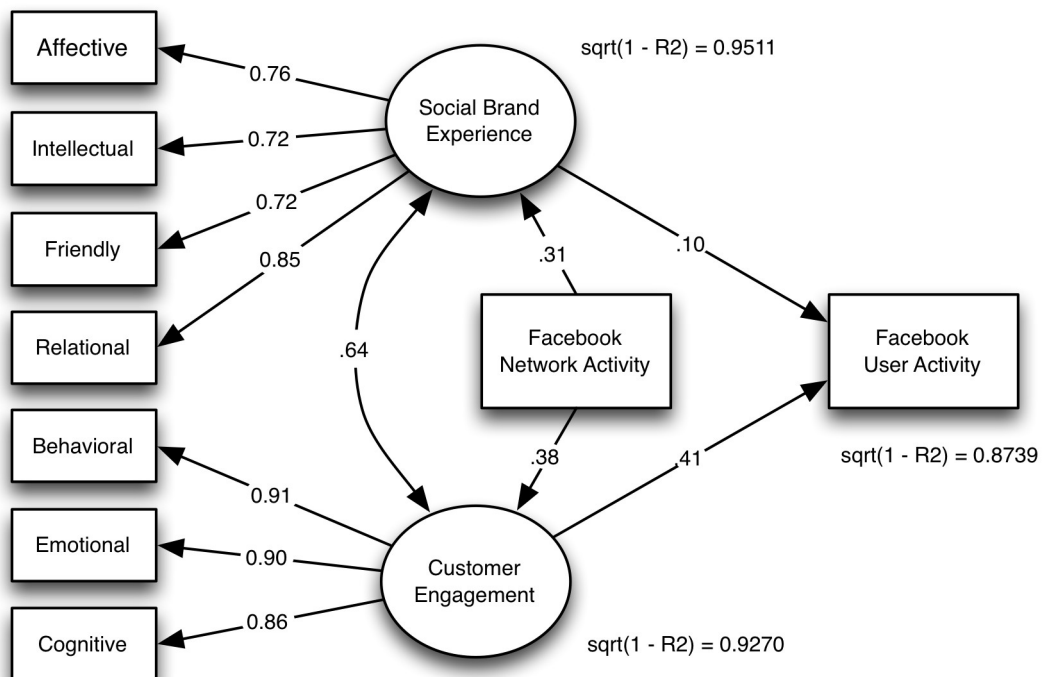


Illustration 6: Revised model with path regressions

My slightly revised model shows some nice features as it takes both network and user activity with a tighter fit. However (Social) Brand experience is still weak but at least it's now explains more of the actual user activities. This answers my proposition P4 that both friendly and relational dimensions are important in a social brand experience when physical dimensions is removed. This also give support for P2 that brand experience leads to Facebook Activity.

## 6.2 Other Results

### Moderating effects

As a comment to my proposition X1 I want to look into how the dimension scoring was distributed between the genders and between fans. This is not a very good way to analyse this, but I it shows me the picture that I was looking for. The simple statistics really just shows how the genders "contribute" to that factor. But as I have too few brands in the survey and the most popular brand is a typical male brand I don't want to generalize more than this simple overview.

---

Table 12: Distribution of dimension based on gender

Summary statistics: mean

by categories of: gender (Gender)

gender	be7_rel	be7_aff	be7_int	be7_fri	ce7_beh	ce7_emo	ce7_cog	N
female	-0.00	<b>0.07</b>	-0.12	-0.04	-0.18	<b>-0.06</b>	-0.14	345
male	0.00	-0.03	<b>0.07</b>	0.02	<b>0.10</b>	0.03	0.07	629
Total	0.00	0.00	0.00	0.00	0.00	0.00	-0.00	974

---

As this shows men tend to use the customer engagement scale harder, while women scores generally low here. The highest numbers indicates the most important factors for men and women. While feelings and emotions are most important for women in both the social brand experience and for in their customer engagement, men hold intellectual experiences and behavioural part of customer engagement as the most important.

Furthermore, when looking at the data based on what relation a user has to the brand. This is shown in Table 13.



Table 13: Statistics on User-Brand relations

Summary statistics: mean  
by categories of: relation (The users relation to the page)

relation	be7	ce7	fb_net	fb_act	N
Ansatt	<b>1.33</b>	<b>0.94</b>	<b>5.93</b>	<b>4.42</b>	50
Bruker	-0.02	-0.18	2.81	2.04	132
Fan	0.67	<b>0.94</b>	3.75	<b>3.52</b>	40
Ingen Relasjon	-0.96	-0.55	2.58	1.37	23
Kunde	-0.03	-0.02	3.45	2.58	642
Tidligere Ansatt	0.60	0.43	<b>4.76</b>	3.34	14
Tidligere Kunde	-0.76	-0.54	3.01	1.63	75
Total	-0.00	0.00	3.47	2.55	976

be7: Social Brand Experience, ce7: Customer Engagement, fb\_net: Network activity, fb\_act: User Activities

This shows a pattern that is not very surprising. What is interesting is that the ones that categorize themselves as fans are as engaged as employees. It also shows the central role of employees and former employees in the network around the brand.

#### The feedback loop to Customer Engagement

What are the antecedents for Customer Engagement? In proposition X2 I postulate that there is a feedback loop from the extended brand experience construct to the dimensions of customer engagement. My revised model is slightly changed, but for measuring the reverse effect on customer engagement there is no reason to flicker on this proposition.

All dimensions of Social Brand Experience was included in the model together with two Facebook variables, that gave the following model for the re-engagement part as seen in Illustration 7:

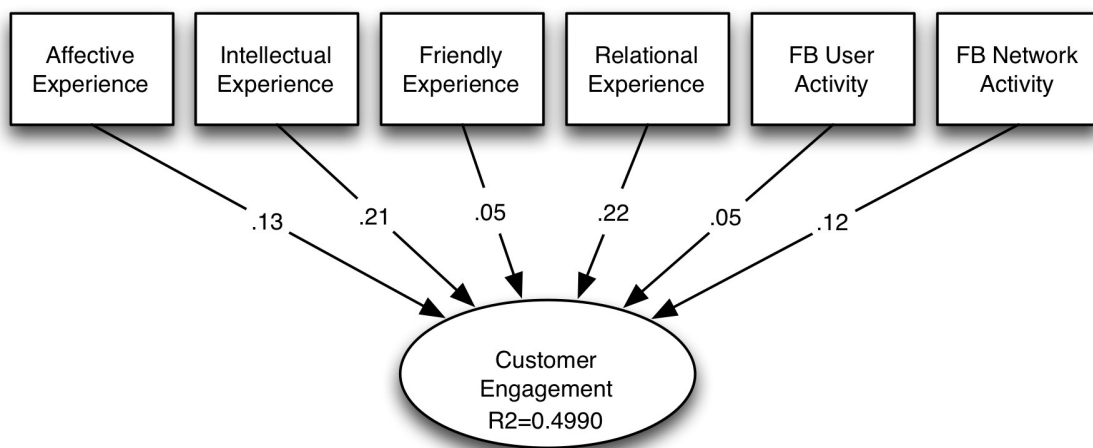


Illustration 7: Feedback loop on Customer Engagement

The network engagement seems to have a smaller effect here than I suspected and the dimensions of brand experience were less important than the users' activity and the relational dimension. However, it is not clear how the `fb_network` variable should be interpreted when the log transformed the variable gets a slightly negative distribution, something that should give lower strength on this variable than it probably deserves. Anyway, as far as this analysis goes the network effect is there but it is unclear how important it is compared to other antecedents to customer engagement.

What is emergent is that they all contribute to increase customer engagement. This is already shown in the main model as the correlation between experience construction and customer engagement. Customer engagement lead to user activities, but when already engaged much talks points toward that social brand experience gets more important.

### 6.3 Statistics on the Brands

The data from Facebook has a good quality in our selection. Among the users that we have registered as interacting with the brands, gender is set on 99%. This means that we can use this in our pre-study to gain more insight on the important gender perspective.

#### Gender of active users by brands

In Table 14 the gender differences are summed up. The ratio is a male to female ratio.

Table 14: Gender by brand and activity, gender-ratio

page	posters	likers	commenters	total
TusenFryd	0.41	0.36	0.51	0.40
Komplett	0.97	0.90	0.97	0.93
Dyreparken	0.27	0.18	0.22	0.19
Telenor	0.60	0.53	0.61	0.59
SAS	0.63	0.58	0.69	0.61
NetCom	0.52	0.50	0.59	0.55
Freia Melkesjoko	0.24	0.21	0.21	0.21
Enklere Liv	0.31	0.16	0.23	0.17
Norwegian	0.47	0.44	0.52	0.47
Bergans of Norwa	0.32	0.29	0.23	0.28
Elkjøp	0.77	0.68	0.81	0.75
Totals	0.59	0.53	0.66	0.58

Posters are the gender-ratio of users who post on a brand, likers and commenters are the same.

A pattern of large gender differences between the brands selected emerges.

## Content posted

I have merged the different media types in these tables, and left the pure text posts alone.

Table 15: Post types by brand

page	p_link	u_link	p_other	u_other	p_photo	u_photo	p_statu	u_statu	p_video	u_video
TusenFryd	98	36	13	34	55	45	73	2285	20	27
Komplett	238	2020	12	10	55	333	440	10820	10	36
Dyreparken	132	25	19	85	41	32	53	1277	20	5
Telenor	375	313	7	25	16	113	201	21409	11	43
SAS	208	474	16	14	324	772	135	13635	29	81
NetCom	356	202	20	6	223	58	188	23725	105	15
Freia Melkes	45	11	3	23	43	55	95	3761	15	1
Enklere Liv	225	34	1	10	17	13	46	432	12	4
Norwegian	105	530	1	14	57	466	261	18740	27	59
Bergans of N	66	64	47	172	101	50	62	1695	6	37
Elkjøp	218	269	3	2	181	60	62	4563	20	16
Total	2066	3978	142	395	1113	1997	1616	102342	275	324

The values prepended with p\_ is page activities, while those with u\_ is user activities. The group others is questions and unclassified.

Additionally, there are different types of objects that can be shared on a Facebook page. On the pages we surveyed links, photos, videos and statuses were all posted by users. Even though these other objects might be interesting for different reasons, it is harder to interpret the purpose of the interaction. Also the main source of user initiated communication is statuses which account for 97% of all user initiated interactions on the selected brands. All these posts will represent customer engagements at some level.

However what is more interesting is at what rate the user posts are answered.

Table 16: User post answer rates by brand

page	activities	posts	comments	answered	% answered
Bergans of Norw	2315	1934	821	324	16.75 %
Dyreparken	2362	1300	1794	579	44.54 %
Elkjøp	10994	4202	10176	1703	40.53 %
NetCom	56171	20613	54283	16676	80.90 %
Freia Melkesjok	7280	3345	5733	1035	30.94 %
Komplett	10751	2828	10132	1817	64.25 %
Norwegian	24352	13010	21902	9926	76.30 %
SAS	30443	13664	28864	11665	85.37 %
Telenor	34793	13092	32912	9379	71.64 %
TusenFryd	3089	2163	1558	302	13.96 %
Total	182550	76151	168175	53406	70.13 %

\* Act are the total number of comments and posts on posts started by users, Posts are the distinct posts starte by users, Cmnts are the distinct comments, Answered is the number of user\_posts with brand answers.

To be able to get a good number on this I did a query to check on whether the user posts where answered by a comment. Table 16 shows an insight into what answer rate the different brand pages have.

### When do they communicate

Table 17: Hourly User Actions pr Hour

name	0000-0259	0300-0559	0600-0859	0900-1159	1200-1459	1500-1759	1800-2059	2100-2359
TusenFryd	57	57	540	937	1634	1404	1078	425
Komplett	295	98	781	1784	3606	2646	2523	1859
Dyreparken	61	89	645	754	934	1416	1683	513
Telenor	472	346	3665	6743	10125	8595	5210	2950
SAS	623	1015	4894	6480	6097	5489	5814	2964
NetCom	1004	666	6163	12009	12902	10592	10118	5251
Freia Melkesjok	192	187	991	2715	2320	2298	2472	1077
Norwegian	529	512	3684	6133	5470	5045	5248	2988
Bergans of Norw	106	62	811	1285	971	1070	602	504
Elkjøp	303	129	1315	3187	4704	6533	3518	1987
Total	3642	3161	23489	42027	48763	45088	38266	20518

\* absolute numbers of user actions.

In traditional communication channels one would expect to have customer interactions during office hours and that inquiries most often were made in normal office hours. When looking into the data on our Facebook Brands posts, customers seem to not respect these hours. The table shows the time distribution of user generated content on the page walls.

## 7 DISCUSSIONS

In this last chapter I will go through my three areas of contribution, discuss some challenges and try to explain the results in the previous chapter.

### 7.1 Limitations

In general the data collection process was considerably more labour-intensive than I could have imagined up front. Both building an application with the capabilities that I needed and recruiting a critical mass of respondents was a challenge. That came in addition to getting the overview of two distinct, relatively new, theories of marketing research. Both item generation should have been outsourced from the start and more focus should have been placed into connecting these theories to the data from the Facebook platform. This area of the thesis is, in my honest opinion, underdeveloped and more could have been done with the data available.

#### 7.1.1 The selection of brands

When making the selection of brands I should have opened up the box fully instead of preselecting the brands, like I did in this survey. The willingness to share the survey from brands was random. Brands that try to have a "cool" image outwards were not interested in helping, while others that you may not imagine were willing. The whole survey was so flexible that performing this on an unlimited number of brands would have been just as efficient. That way the survey would have captured real customer engagement more broadly towards a Facebook page. Now this was relatively random, and with several friends that were never engaged in any brands taking the survey, this represents a weakness in the whole survey design.

My hunch is that finding customer engagement in social media should start with a question where the user will have to choose the brands that he or she feels that they are most engaged with on Facebook and then take the survey based on those brands instead. This way you could instead see what was in common with the most engaging brands and their relationship to their users and really get to explore issues such as how brands that mainly create physical and sensory experience can create engagement on Facebook, as opposed to pure intangible service brands. Due to a very random structure in these

data I didn't feel confident to do analysis on a brand or industry level.

### **7.1.2 The operationalisation of brand experience**

As mentioned above much of the feedback on the survey was connected to the wording of the Norwegian brand experience items. I share this criticism and think that it should be subject to some revision from the researchers.

Firstly, it has to be noted that the originally developed English items only talk about "the brand" while the Norwegian translation makes references to the customer relationship or the service usage. This is the case for seven of the fifteen items. This makes the Norwegian translation less consistent than its original in my opinion. All the original items of Brakus (2009) can be answered without being a customer or a user of the brand. This is, as noted early in this thesis, one of the strengths of the original scale which the Norwegian translation does not inherit consistently.

Secondly, some of the words and phrases used are not what we would consider common Norwegian hence it is not clear enough when it comes to what meaning they carry. The Norwegian translation also lacks negative wording, something that makes the questions look very similar, which was a common feedback from respondents. I propose that this problem should be addressed further to try to find a translation that carries the same meaning as the original. To do this the brand has to be central for the item, not the service or the customer relationship and the words used need to be more carefully picked so that everyone understands the questions similar.

### **7.1.3 Operationalisation of customer engagement**

In the operationalisation of customer engagement the wordings of the items are quite strong as they are derived from job engagement (Rich et al. 2010). There is no surprise that people care more about the relationship towards their working place than towards the brands around them. It is probably wise to take the wording down a few notches to measure the dimensions of consumer engagement better. That said, the questions were successful in distinguishing between users with activity and those that never interacted with the Facebook-page, as shown in the table below.

I think it might be an idea to tie the engagement items to channel specific behavioural outcomes instead. For instance, sharing, help-

ing, learning or other sub-processes as suggested in Brodie et al. (2011b p. 6). That is of course when studying engagement in one engagement platform like Facebook or a brand community like in Brodie. For general customer engagement towards a brand the approach used here seemed to have potential to capture this construct.

In this survey I used "*The {brand}'s Facebook page*" as the targeted object of engagement. This might be something that could confuse users, as users engage with most brand not actually on the brand's Facebook-page but on their own newsfeed and ads. At least this should have been changed to "*the {brand} on Facebook*", which would have directed the attention to the brands presence on Facebook rather than the particular function of these brand pages. Some brands could integrate groups, events and even custom built apps into their Facebook experience.

## 7.2 Contributions

### 7.2.1 Using Facebook as a research platform

Performing the survey on Facebook had some interesting but not surprising side-effects. Traditional surveys on paper involve some personal contact between the surveyor and the respondent; it is a kind of social practice. When first moving to online surveys this contact was reduced to a feedback field at the end of the survey. Facebook surveys reintroduces social into surveying, which was something that gave me some insightful observations.

All invitations and instructions were supplied with the mechanisms of Facebook. People commented on links to the survey and sent messages to me directly on Facebook, therefore I received most feedback this way. Just one mail and no phone calls were received about the survey. Friends contacted me directly. A Facebook event was created which ensured that all of my Facebook friends were invited to participate. Feedback was also given here and questions answered. Most comments were connected to the content of the survey, and particular the wording of the items. Being identified as one of the main features of "being on Facebook", my experience with this was that feedback in general was constructive and there was little ranting from users. The direct feedback from friends also helped improve the solution and texts in the survey. For instance, the usage of the word "brand" when advertising the survey lead to some confusion and had a negative effect on willingness to participate in the survey.

Facebook-mediated surveys could have some interesting possibilities to detect carelessness. In this survey the sampling was a combination of the friends of the surveyor and fans recruited by the brands. I suspected that there was differences in how these groups would reply, at least when it came to indicators of carelessness. The differences between the groups was less than I expected and mostly caused by the fact that from the brands I got engaged users, while among my friends the engagement was not necessarily there.

Originally privacy concerns were seen as a problem that I thought would have a double effect. At first I thought there would be more stuff to deal with when having identified what would pose potential privacy problems, but in fact as Facebook already is a very open platform, having a small group of respondents identified just posed a small amount of data which is too granular to draw any conclusions of any significance. The second problem I saw with this was that this could potentially make users not want to sign up and take the survey. But my page-long consent text did not seem to scare too many from participating in the survey.

As a positive side-effect of the work with the survey, I was approached by several companies and professionals that wanted to have a closer look at the survey application "Researchy" that was built for this purpose. Good feedback on the app was great motivation and makes me confident that Facebook has a potential as a research platform for purposes beyond marketing and into the wider scope of social science.

### **7.2.2 Managerial conclusions**

As promised in the first chapter, I will suggest some tactical patterns that brands could follow in their Facebook Strategies. In light of both the empirical study and literature reviewed I have five concrete, but overlapping objectives for Facebook Strategies that I believe is innovative and well worth testing for certain brands.

#### **Treat the Facebook presence as a community**

Intellectual, relational, friendliness and affective brand experiences, seem to be what is central with the Social Brand Experience and is important in fostering both customer engagement and activity on Facebook. It should be safe to count a user's activities to determine the general customer engagement level around the brand. Active and engaged users seem to care less about the general experi-



ences with the brand, but the relational dimension is so central in this new experience that it can not be ignored. To create customer engagement it is wise to manage a Facebook page more as a community to invoke relational experiences, rather than a place for one way communication with customers. Create Magnets for engagement as Gallagher and Ransbotham (2010) suggests, not just be a Megaphone. Your most engaged Facebook fans will not correspond to your entire customer-base anyway, it is rather a selection of stakeholders around the brand which are, for various reasons, more interested in the brand than others. Manage the Facebook page correspondingly.

### **Foster customer to customer (C2C) interactions**

Maybe it is time to stop asking people to only invite their friends to engage with the brand and instead build features to create interactions between your customers with the brand in the centrum? As this survey shows friends activities is important, but fare from the only antecedent to customer engagement. The activity in a user's network seems to be less essential to customer engagement towards a Facebook-page. C2C engagement could bootstrap a new source of customer value creation processes around the brand, increasing the value perception of customers. Further it lays deep on the ninth proposition of Service-dominant logic; all actors are resource integrators. Taking this to the simplest consequence: let users at some level interact and support these interaction as it might generate value the brand never would have been able to on its own. Fostering such communication can be as simple as linking between posts on your own wall to let users discover people with similar problems, or encourage users to answer other people's questions with some kind of reward. Even promoting user-generated content would facilitate these processes.

### **Invite to deeper engagement**

The survey itself showed that users were willing to share their identity and basic Facebook data with the research application just to answer the questionnaire. For the most engaged fans asking them to identify themselves should not be a problem. This would make it possible to create an extra level of engagement with the brand, capturing the most engaged users. Here, innovation both on the engagement platforms like Facebook and from the brands themselves will be useful. Analogous with the previous proposition an application or a group could be the answer to both of these challenges, but not necessarily. With the deeper engagement, I am also pointing towards

social CRM approaches or extended integration between functionality in the Social Media sphere. Applications on Facebook could be great if the brands have assets that can deliver any value offering through such a format. Remember value is defined by the customers uniquely so these value offerings could be very simple and targeted towards a long tail of customers rather than being implemented as one mammoth project. Just remember to create a social brand experience.

#### **Use employees and fans as ambassadors**

Employees, both former and current, have a special role in the Facebook network around a brand as shown in Table 13. Using employees in a smart way in a social media context seems to be a good idea and might help unmasking the service relation as discussed in the second proposition of service dominant logic in chapter 3.1.1. Along with your most dedicated fans, these should be your social media ambassadors and be empowered to do so in this community. It is probably right to break down the barriers between the communication department and the rest of the brand's employees on Facebook. Allowing employees to participate voluntarily on the brand's Facebook-page is not a bad idea as the reach of their communication will be limited and mainly reach their own network in a limited extent. You can even make some kind of reward-system for employees participating in these activities, the same goes for fans.

#### **Use Facebook to collect market information**

As my comparison between my friends and dedicated fans shows in Table 5, their evaluations to be coherent. This means that Facebook could become a great source of quantitative customer feedback like marketing surveys and similar using applications similar to "Researchy". Of course the author might be biased on this issue, but I am honestly surprised by the quality and efficiency of this type of data collection. It is easy and it reaches the core of your audience. This way of doing marketing research could be a great way to do co-developing with customers. And this activity should be lifted from a campaign basis, to become an integrated part of the development of the brand. Done right this could provide the brand with more or less real-time data on performance in many areas.

#### **7.2.3 Theoretical implications**

This survey validated the five dimensional model of Brand Experience as originally proposed by Brakus (2009). The full brand experience as a construct seems to be less useful to explain activity on Face-

book. However as a categorisation scheme of the experiential profile of a brand it worked very well. Behavioural and sensory experiences seem to be weak on explaining Facebook activity and might be irrelevant in an online setting. This thesis shows an alternative that is tested in this thesis against actual observed Facebook activity, *Social Brand Experience* explains more in an online setting.

This survey also shows that customer engagement on a Facebook page is dimensional and shows support for FP4 from Brodie et al. (2011a) with multi-dimensionality through a cognitive, emotional and behavioural dimension, and that these vary, showing the intensity of engagement. It partly shows that using items inspired by job engagement is possible, but that more work has to be done on these regarding both wording and targeting. This construct is shown strong linkage to a user's actual activity level on Facebook with success.

Observed network activity on Facebook is shown to influence both customer engagement, social brand experience and actual Facebook activity. Even though this is not measured in magnitude, the effects are significant. I also have shown that even a simple operationalisation of Facebook activity can give meaningful results on other brand constructs.

In future studies, Facebook data could be integrated more tightly in the survey design to understanding the effect of different behavioural patterns on the engagement platform. This thesis shows that user activities lead to customer engagement; but what meaning and weight is connected to different user behaviour on the platform? Liking activities as opposed to commenting on activities for instance? In other words, identifying the sub-processes of customer engagement on the particular platform.

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## APPENDIX

## Path regressions main model

be96	Coef.	Std. Err.	t	P> t	Beta
fb_network	-.0007376	.0123196	-0.06	0.952	-.0016441
ce9	.5004623	.0224056	22.34	0.000	.6133431
_cons	.0025575	.046521	0.05	0.956	.

n = 976 R2 = 0.3754 sqrt(1 - R2) = 0.7903

ce9	Coef.	Std. Err.	t	P> t	Beta
be96	.6772884	.0303221	22.34	0.000	.5526389
fb_network	.1406437	.013604	10.34	0.000	.2557882
_cons	-.4876281	.0518122	-9.41	0.000	.

n = 976 R2 = 0.4372 sqrt(1 - R2) = 0.7502

fb_activity	Coef.	Std. Err.	t	P> t	Beta
fb_network	.4189059	.0336883	12.43	0.000	.3486095
be96	-.0285315	.0876647	-0.33	0.745	-.0106526
ce9	.8046182	.075357	10.68	0.000	.3681734
_cons	1.093722	.1272128	8.60	0.000	.

n = 976 R2 = 0.3496 sqrt(1 - R2) = 0.8065

## Items

- i1 {brand} setter følelser i sving hos meg
- i2 Jeg har sterke følelser overfor {brand}
- i3 {brand} får meg ofte følelsesmessig engasjert
- i4 {brand} gjør et sterkt inntrykk på sansene mine
- i5 Det å være kunde hos {brand} gir meg interessante sanse-opplevelser
- i6 {brand} appellerer i stor grad til mine sanser
- i7 Som kunde i {brand} forholder jeg meg sjeldent passivt
- i8 Jeg er ofte aktiv og gjør ting når jeg bruker tjenester fra {brand}
- i9 {brand} aktiviserer meg rent fysisk
- i10 Jeg tenker mye som kunde hos {brand}
- i11 Det å være kunde hos {brand} får meg til å tenke selv og løse problemer
- i12 {brand} utfordrer ofte min måte å tenke på
- i13 Som kunde i {brand} føler jeg meg som en del av et større fellesskap
- i14 Jeg føler meg på en måte som en del av "{brand}-familien"
- i15 Som kunde i {brand} føler jeg meg aldri overlatt til meg selv
- i16 Jeg opplever {brand} som vennlig og imøtekommende
- i17 {brand} er en genuin og ekte merkevare
- i18 {brand} er ærlige og oppriktige
- i19 På {brand}'s Facebook-side er tankene mine fokusert på det jeg gjør der
- i20 På {brand}'s Facebook-side er jeg svært oppmerksom på det jeg gjør der
- i21 På {brand}'s Facebook-side er jeg oppslukt av det jeg driver med
- i22 Jeg vier mye tid og oppmerksomhet til {brand}'s Facebook-side
- i23 Jeg legger ned mye innsats i å følge {brand} på Facebook
- i24 Jeg gjør mitt ytterste for å bidra på en god måte på {brand}'s Facebook-side
- i25 Jeg føler meg energisk når jeg er på {brand}'s Facebook-side
- i26 Jeg er følelsesmessig engasjert på {brand}'s Facebook-side
- i27 Jeg er entusiastisk på {brand}'s Facebook-side

