

## SUPERVISOR'S APPROVAL

‘I hereby acknowledge that this project paper has been accepted as part fulfilment for  
the Bachelor Degree of Technopreneurship with Honors’

Signature : .....

Supervisor Name : DR. FARARISHAH BINTI ABDUL KHALID

Date : .....

Signature : .....

Panel Name : DR. MUHAMMED HARIRI BIN BAKRI

Date : .....

**INVESTIGATING FACEBOOK'S SOCIAL MEDIA MARKETING  
FEATURES AND THEIR IMPACTS ON PURCHASE INTENTION**

**NUR FAKHRIAH BINTI RAHAMAT**

**This report submitted  
in fulfilment of the requirements for  
Bachelor Degree of Technopreneurship with Honours (Btech)**

**Faculty of Technology Management and Technopreneurship**

**UNIVERSITI TEKNIKAL MALAYSIA MELAKA**

**JUNE 2018**

## DECLARATION

I declare that this project entitled “Investigating Facebook’s Social Media Marketing Features and Their Impacts on Purchase Intention” is the consequence of my own research with the exception of as referred to in the references. The research paper has not been accepted for any degree and is not concurrently submitted in candidature of some other degree.

Signature : .....

Name : NUR FAKHRIAH BINTI RAHAMAT

Date : .....

## **DEDICATION**

At the first dedicating this work to Almighty ALLAH, without his mercy and sympathy I was not able to accomplish this work. I also dedicated to my supervisor, Dr. Fararishah binti Abdul Khalid and specially dedicated to my beloved family members for all the spirituals and moral support that had be given to me all the time.

## ACKNOWLEDGEMENT

I would like to express my thanks to my advisor, Dr. Fararishah Binti Abdul Khalid for her inspiration, patience and immense learning. Her guidance helped me throughout the research and writing this research. Besides my supervisor, I would like to thank to my thesis panel, Dr. Muhammed Hariri bin Bakri for his comments and support during the presentation session. My thanks and appreciations also go to my friends for their willingness to help each other. Last but not least, I would like to thank to my family for their supporting my task throughout writing this research. Without their valuable support, it would not be conceivable to conduct this research.

## ABSTRACT

Social Media Marketing have recently gained enormous popularity for marketing communications. In recent times, businesses are choosing their customers online to relate with them and attending to their complaints online, at the same time, consumers are going online to make purchases. Facebook describes itself as a perfect marketing tool because it has been created many features which allows businesses to use all the features for targeting advertising. Therefore, Facebook can be solution for them by exploited their features such as Personal Profile Page, Comment Construct, Brand Fan Page, Facebook Group and Like Construct for marketing purposes. Currently, users purchase intention on Facebook are not influenced by advertisement on Facebook and users do not actively use Facebook as an information source. Therefore, this study contributes to investigate Facebook's features and their impacts on purchase intention. A conceptual framework has been developed based on Theory of Planned Behaviour to understand the impacts that influences customer behaviour toward purchase intention. The survey data was collected from 280 respondents in Malaysia through distribution of questionnaire. The gathered data were analyzed by using Statistic Package for Social Science (SPSS) software for Exploratory Factor Analysis (EFA) and Multiple Regression. This research also gives implications to knowledge and practical contribution. Limitations and future research also proposed for the future research.

Keywords: Social Media Marketing, Facebook's features, purchase intention, Malaysia

## ABSTRAK

Pemasaran Media Sosial baru-baru ini popular di dalam komunikasi pemasaran. Pada kebelakangan ini, perniagaan memilih pelanggan mereka secara dalam talian untuk berhubung dengan mereka dan mendengar aduan mereka secara dalam talian, pada masa yang sama, para pengguna juga membuat pembelian di atas talian. Facebook sebagai alat pemasaran yang sempurna kerana ia telah menciptakan banyak ciri yang membolehkan perniagaan menggunakan semua ciri untuk membuat iklan di pasaran. Oleh itu, Facebook boleh menjadi penyelesaian kepada mereka dengan memanfaatkan ciri-ciri mereka seperti Laman Profil Peribadi, Membina Komen, Laman Peminat Jenama, Kumpulan Facebook dan Membina Suka untuk tujuan pemasaran. Pada masa ini, iklan di Facebook tidak dapat mempengaruhi pengguna untuk membeli dan pengguna tidak aktif menggunakan Facebook sebagai sumber maklumat. Oleh itu, kajian ini menyumbang untuk menyiasat ciri-ciri Facebook dan kesannya terhadap niat pembelian. Rangka konseptual telah dibangunkan berdasarkan Teori Perancangan yang Dirancang untuk memahami kesan yang mempengaruhi tingkah laku pengguna terhadap niat pembelian. Data tinjauan dikumpulkan dari 280 responden di Malaysia melalui pendedaran soal selidik. Data yang dikumpul dianalisis dengan menggunakan perisian Statistic Package for Social Science (SPSS) untuk Analisis Faktor Eksplorator (EFA) dan Regresi Pelbagai. Kajian ini juga memberikan implikasi kepada pengetahuan dan sumbangan praktikal. Had dan penyelidikan masa hadapan juga dicadangkan untuk penyelidikan masa depan.

Kata kunci: Pemasaran Media Sosial, ciri-ciri Facebook, niat pembelian, Malaysia

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## CHAPTER 1

### INTRODUCTION

#### 1.1 Background of Study

Generally nowadays, social media marketing has fast changing the contemporary marketing approach. The interaction between marketers and other consumers has been established by social media to creating new ways and opportunities with the aim to increase purchasing among consumer. According to Kaplan and Haenien (2011), social media offer two-way communications, provide digital space for the exchange of electronic word of mouth (e-WOM), and the opportunity for businesses and individuals to capitalize on mass network.

Hence, advertising specialist have started using Facebook in social media into their ads to attract attention from consumers and address customization on their needs. The study is designed to investigate the features of Facebook as a marketing tools and as a step forward the better understand of purchase intention on consumer towards Facebook features. Nowadays, Facebook has become as a part of everyday life in many part of the world which help people communicate more efficiency with friends, families and co-worker in a trustworthy environment.

According to SEC filling, Facebook released the third quarter 2017 results on November 1, 2017 which is there are over 2.07 billion monthly active Facebook users, therefore 16 percent increase year over year and average user log onto Facebook daily are 1.37 billion and consider as a daily active users. Since Facebook was founded in 2004, it has become the top ranked social media (Kazeniak,2009), in the meantime,

there a less expensive solution for small firms and business than taking risk of paying large sums to advertise their products. Therefore, since there are just a few concerning about the features of Facebook social media marketing on purchase intention from a business level, this study has come out to investigate the features of the Facebook Social Media Marketing and their impacts on purchase intention among consumers.

## 1.2 Research Problem

Facebook Social Media Marketing is one of the main place to market the product and service because Facebook is the huge SSM to date (Shih, 2011), it has become critical to investigate how consumers process advertising by Facebook's features could be impact on future purchase intentions (Ronda & Derek, 2014). Therefore, there are very few studies investigate the consumer engagement behaviours and it impacts on purchase intentions within Facebook's features (Gunnerus, Liljander, Wenman & Philstrom, 2012). According to Yang (2011), there is also have a lack of understanding how Facebook's features could influences Facebook users leads to future purchasing intent. According to Syed and Nazura (2011), much of the research reports only focused on Facebook's features but there is dearth of theory-driven research for understanding of the attitudinal and behavioural that influences consumer intent to purchase.

From the study, most businesses do not use existing features Facebook advantages to promote their product to consumers. They do not look deeply into the features of Facebook that can help them to market their products and gain more user's attention to purchase, thereby achieving their promotional goals. Facebook is very profitable platform where it does not require large capital to advertise their products rather than using traditional marketing (Katherine, 2010). Hence, to engage with customer to understand more about online business, businesses need to increase their understanding on Facebook's features. Thus, it is interest to investigate the features of Facebook SMM that can impact on consumers purchase intention. Consequently, the research question is; "how the features of Facebook SMM can impacts on purchase intention among consumers?"



### **1.3 Research Question**

In the light of determining the features of Facebook can impacts purchase intention among consumers, this study is aimed to investigate the answers of these two significant research question:

- i. What are the features of Facebook Social Media Marketing?
- ii. How the features of Facebook Social Media Marketing can impacts on purchase intention among consumer?

### **1.4 Research Objective**

The main objective of this research is to investigate the features of Facebook that can impacts on purchase intention among consumer. In order to make this research successful, the objective have been declared these objective should be achieved in completing this research. The objective has been listed below.

- i. To analyse the features of Facebook Social Media Marketing.
- ii. To investigate the features of Facebook Social Media Marketing that can impacts on purchase intention among consumer.

## **1.5 Scope, Limitation, Significant**

### **1.5.1 Scope Of Study**

In this section of the study, the researcher will describes the width and breadth of the study in term of geographical coverage, sample coverage, content coverage and time coverage. The scope of this research is to investigate what the features of Facebook SMM that can impacts purchase intention among consumers. These will provide for businesses with the important information about the Facebook's features that might impacts the intention to purchase among consumers.

### **1.5.2 Limitation**

Although there are carefully prepared on this research, there were some unavoidable limitations. In order to ensure the research are reliable, valid and answered the research question, there were several limitations that the researcher already list out. The first research limitation is the time limit which is they were conducted around twenty eight weeks. Twenty eight weeks is not enough for the researcher to give and collect the questionnaire among respondents. If it was doing in a longer time, it would be better.

Secondly, there have limitation when the researcher only focused on large group. Hence, the research provide questionnaire as a primary data collection method surveying respondents following by states, so that the data collection is a bit difficult to collect. Thus, by investigating more methods of data collection, it could have increased the scope and dipper on analysis.

Lastly, the bias and hesitations from respondents will affect the analysis of the survey in a significant matter. A bias occurs when respondents mostly tend to answer questions with not honest. Sometimes, there have acquiescence bias results because

some individuals tend to agree with all questions or to concur with a particular position.

### **1.5.3 Significance Of Study**

This significance will give benefit information for businesses to be aware on using Facebook's features that can influence consumers intent to purchase. First, it helps businesses to analyse the features of Facebook that they can use to promote their product to consumers and leads to future purchase intention. Second, it helps to better understand of attitudinal and behavioural that driving consumers to purchase by apply the Theory of Planned Behaviour (TPB) in this study. Finally, it can be guided in future research in investigate the features that can impacts on consumer intent to purchase.

## **1.7 Summary**

This chapter will simply introduce about the research project. It is includes basic information such background of study, problem statement, research question, research objective, scope, limitation and significance of study.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Introduction

The literature review presents an overview and analysis of Facebook's social media marketing features that can impacts on purchase intention among customers. Social media is a wonder over the most recent couple of years that has drawn a considerable measure of consideration for both organizations and consumers, associate on the systems administration scene. Social media has change their method from traditional communication between products and consumers and enable consumer to make positive as well as negative impact on purchase intention. Most companies has used social media as a medium to promote their product and make customer aware with their product but there still have several companies do not grab the opportunity to market their products and convince their customers. Besides, it is important for the companies to gain knowledge and expertise on how to manage their communication in social media to create intention to purchase among consumer.

#### 2.2 Marketing

According to Philip Kotler and Armstrong (2010), marketing as a social and managerial process that makes individuals and groups acquire what they need and want through the creation and exchange of product rewards and values with others. There are the science and art of exploring, creating, and delivering values to

satisfy the needs of a target market at a profit. “Marketing is the performance of activities that looking to accomplish an businesses target by anticipating customer or client needs and directing a flow needs satisfying goods and service from producer to customer or client” (William D. P., et. al, 2009).

Concept of marketing is the key to achieve goal which consists of determining the needs and wants of the target market as well as provide benefit to companies to be more effectively and efficiently than competitors. Stated on Baker (1976), “the enigma of marketing is that it is one of man’s oldest activities and yet it is regarded as the most recent of business disciplines”.

### **2.3 Social Media Marketing**

The history of social media sites started with the launch of SixDegrees.com in 1997, advanced through the dispatch of real locales, for example, Facebook and Myspace in 2003 and by 2008 it had become a worldwide phenomenon (Boyd and Ellison, 2008). “Although social media was unique device for friends to interface, communicate and share it has additionally been embraced as a business tool” (Boghin and Manyika, 2007). Nowadays, in the business, social media is being utilized extensively by almost all and even companies, they promote and advertise their products by using social media while known brands use social media to convey their strong presence and friendly customer relationships.

The use of social media by traders around the world has become a phenomenon familiar to the strategy for them to increase their success in marketing activities. Based on Michael A. Stelzner's report, *How Marketers Are Using Social Media to Grow Their Businesses*, released by Social Media Examiner (2015), the study has shown a detailed report on the use of social media in marketing is still evolving and it is an important platform as business catalyst. Additionally, based on McCann Erickson's study, *The Truths About Social* (2012), conducted covering 19 countries and participated by more than 30 focus groups and more than 12,000 people interviewed through social networks have revealed a view on the importance of

social network, social experience, proof and social business. It explains the benefits and influence of social media towards users who are increasingly impacting the business world. Additionally, it showed customers referring to brand information or a product through a blog website.

The popularity of social media marketing via Facebook has also spread to companies as part of their strategies to gain intention to purchase. Lot of the companies have received some benefits by using social media marketing, based on Cultis (2011) stated Facebook has more than 500 million user worldwide; Twitter has approximately 175 million users; LinkedIn has more than 90 million users; and MySpace has 57 million users.

Furthermore, speed in accessing information effectively and cost effectively, and no geographic boundaries for online marketing have been touted online marketing has its own strength.

## **2.4 Facebook**

Facebook as a social networking site was first launched on February 4, 2004 by Mark Zuckerberg as a media to get to know each other for Harvard students and now as a necessary medium in the business. In particular, social media marketing, such as Facebook, give advertisers a methods for coordinate with consumers and constitute perfect environment for creating online product communities (de Vries et al.,2012;Scarpi, 2010).

Besides, Facebook is the fastest growing social media network today and it is estimated that almost half of the world's Internet users have Facebook accounts. Every day thousands of new users are enrolled to use it. Imagine this enormous potential as well as the influence it can bring through it to build a intent to purchase and then promote any product or service to their millions of customers. An opportunity that should be grabbed immediately by any entrepreneurs to propel their business. Using Facebook as a medium to promote a product or business, it must be

done prudently and correctly. Facebook has provided a platform for advertisers to advertise their products by building their fan site and also they can create their own business site.

As per Facebook's S-1 documenting [1] of 2012 (Facebook, 2012), in excess of four million companies have their own particular brand pages on the social media (the real number today is vague, but it is estimated at around 15 million). Along these line, the main objectives of advertiser has long been to accomplished reach and awareness through becoming the Facebook brand page's fan base. Fan page has Page Insight functionality that helps Page owners analyze Page performance from this Page Insight, it can be identified - Likers prefer pre-shaped posts. Do Likers prefer posts or statuses that are in the form of text only (blank post status), or pictorial, or status and post that are included with the link. Examples of analysis of post type included with link; It can be analyzed, what style of verse likes Likers, or the time when more people face Facebook and see the post. From this analysis, it can duplicate the same thing for future post-post so that the future post will be more encouraging.

## **2.5 Facebook Features**

Among the wide variety interactive features available on Facebook, researcher attempted to identify as much as possible to give in depth a picture of the interactive feature images used by organization to create and distribute message related to their products (Park, Rodgers and Stemmler, 2015). Therefore, company can selecting appropriate functions or combining all function by using Facebook (Hsu, 2011) to create intention among their consumers to purchases. Therefore, since it is free to create an account Facebook, thus, the companies could use Facebook to generate its revenue through a venue such as create account for advertising. To target their consumers in different ways, companies can utilize through Facebook features (Roberts, 2010).

According to O'Neill, 2009, by using Facebook advertising, the company reported that they currently spend approximately \$50 million annually, and this figure is expected to increase as the company continues to develop over the years. Facebook features offer consumers the opportunity to interact with the adverts on their page which allowed them to view who else or “like” and “share” or which friends liked or shared the same adverts (Milad and Mustafa, 2015). Roberts (2010) reports a recent study, where there are the different features and variety of ways to use Facebook which allow creativity and experimentation in advertising to gain awareness about their product from the prospects.

### **2.5.1 Personal Profile Page**

The main components of social networking sites are people personal user profile view and personal connection, which offers users a variety of options to deliver highly selected versions themselves and manage their images (Body and Ellison, 2008). According to Yu-Lun Hsu, (2011), personal profile page practically build up presence in Facebook, share profile of company, information about product and service, convey and share marketing message, set up business refinement, strengthen brand using logos as profile picture and set up arrangement of association. Hence, biographical information and photo are important branding components, as they reflect the characteristics of the organization and become a signal that allows visitors to decide if the organization's site is up to them personal preferences and needs (Hyojung, Shelly and Jon, 2015; Evans, 2010; Scott, 2011).

According to Hyojung, Shelly and Jon (2015) by creating positive self-presentation in the personal profile page, the businesses can generate good impression to gain more user's attention to purchase, thereby achieving their promotional goals. In marketing, a trusted profile become the most important element (Putu and Wahyu, 2011; Lasmadiarta, 2010) for future purchasing intention and the information should be provide in the right way to support the business. However, Facebook (2011) has stated that by using Facebook profile as marketing media looks like violates the Facebook Statement of Rights and Responsibilities which is not