

Effectiveness of Facebook as a Marketing Tool: A Study among the Users in Kathmandu Valley

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Abstract— Advertisement is one of the vital marketing activities in the modern business environment. It is any paid form of non-personal communication by an identified sponsor to promote products through mass media. In the era of information–technology, the support of social media has been adopted by marketers. Hence, Facebook has been a popular platform for the marketers of Nepal to promote their goods and services. The paper has tried to find out the effectiveness of advertisements posted in the Facebook portal by the Nepalese marketer. An online survey among the 200 random Facebook users mentioning Kathmandu addresses was conducted to fulfill the objective of the paper. The paper found that the Nepalese Facebook users were more concerned with products and services posted, quality and affinity of the product and services, entertainment, and customization for the effectiveness of an advertisement. The products and services itself and the quality and affinity generated for those displayed or posted products and services at the portal of the social media mainly at Facebook are seen as the major factors that make it an effective social media as a marketing tool.

Keywords—Facebook, marketing effectiveness, advertisement, Kathmandu, Nepal.

I. INTRODUCTION

Social media has been a part of life for every people who have access to the internet. Social media provide a new landscape for brand marketing communication, where consumers take a more active role as marketers, and brands are social currency [1, 2 and 3].

Chi [4] defined social media marketing as a connection between brands and consumers while offering a personal channel and currency for user-centered networking and social interaction. The effort and cost of marketing activities have been reduced through the use of social media. The platform has been more productive for the marketer to reduce the channel of communication, as well as, the channel of distribution to deliver goods and services.

Kim and Ko [5] found that brand equity generated from the social media marketing has a negative relationship. At the same time, they found that value equity and relationship equity have no significant effect on social media marketing. They concluded that social media marketing is focused on entertainment, interaction, trendiness, customization, and word of mouth which have a positive relationship with customer equity drivers.

About 100 social media networking sites are operating. Among them, Facebook has been a leading social networking site. Apart from giving a platform for connecting friends and families, it has been a popular

platform for online marketing activities. In context to Nepal, about 77 percent of the total population had access to the internet as per the data of September 2020 Report of Nepal Telecommunication Authority. This shows a large section of the population of Nepal has access to the internet which ultimately makes the increasing number of active users of social media in Nepal. Similarly, the data revealed that more than 87 percent of the social media users were attached to Facebook till October 2020 in Nepal.¹ Hence, the paper has tried to find out the effectiveness of the marketing activities in Facebook, in context to the Nepalese e-marketing arena.

Section I contains the introduction to social media and its use as a marketing tool by the marketers, Section II contain the review of the related work of an effectiveness of social media marketing by the marketers, Section III contain the information regarding the methodology followed by the paper, Section IV contain the major findings of the papers, where the results of the data analyzed has been elaborated and Section V concludes research paper with the major findings and future directions.

II. RELATED WORK

Zywica and Danowski [6] found that users with higher and low self-esteem both seek ubiquity on Facebook but for different uses and gratifications. The users encountering higher self-esteem and who are more extroverted enhance their offline popularity by expanding it on Facebook. In

contrast, users experiencing low self-esteem, who are often more introverted, strive to increase their Facebook popularity to compensate for their lack of popularity offline.

Ferguson [7] found that viral marketing campaigns are not always effective or desirable for companies in light of the fact that Facebook users hesitate to pass on viral ads to their friends. It was also concluded that many users, simply ignored online viral ads.

Chi [4] examined the link among Facebook brand-related group participation, advertising responses, and the psychological factors of self-disclosure and attitudes among members and non-members of Facebook groups. The study disclosed that the member-based group in the Facebook disclosed more information about each other than the non-member based groups. He argued that the group-based member in Facebook helps to promote brands or products when they pass on ads to their friends. He also found that the Facebook groups provide channels to pass by the viral contents of certain ads mainly the ads of the luxury products to seek the self-status, prestige and self-esteem.

Di Pietro and Pantano [8] directed examination utilizing the Technology Accepted Model (TAM) to recognize that enjoyment is the central point that impacts purchasers to utilize social media as a stage for aiding their purchasing choices. They found that the fun gave by Facebook, just as the open door it gave customers to ask to recommendations effectively and entertainingly, inspires people to give more consideration to the goods and services promoted on Facebook. They found that Facebook assisted with advancing, to share insight, and information about the items, between the customers, just as, to discuss the seller with the buyer to hear the point of view on the satisfaction level. Retailers could improve their Facebook page bid by adding games, challenges, and intuitive applications, which could draw in more users. Notwithstanding, retailers additionally should be instructed on customer's perspectives with regards to social media marketing. They found that the effectiveness of social media marketing can be guaranteed by a more profound arrangement.

Bajpai and Pandey [9] examined how viral marketing especially in Facebook, marks its place through social networking sites. They have found that the taste of success could be achieved for the Facebook marketing environment by going for the direct marketing with intelligent strategies. They also pointed out that the Facebook will be the most suitable platform for the brand marketers.

Ranjitha and Sinnor [10] tried to explore the preference of the people and the usage pattern of social media sites among various age groups and professions. Based on age, a sample of 120, and based on profession 360 samples, were selected and tracked their communication of Facebook usage for one month using "Communication tracking"

research method. They have presented that Facebook is the least expensive source which can be utilized for advancement by any organization, undoubtedly, the customers are picking up bits of knowledge about the products, and furthermore the organizations get an immediate balanced interface with the customer's, thus, expanding their piece of the overall industry. But they also put forward one opinion that it is not the only source for promotion as there is also another source available which can be used by the marketers for their promotion and services.

Gupta, Chaturvedi, and Hada [11] stated that the social media has put the strong foot in the modern media marketing. They found the social networking site, especially Facebook has been the first choice for the retailers to minimize the cost and maximize the coverage of advertisement. They also stated that the consumers have also become more proactive before going for the final buying decision. Due to easy access to an internet consumers search information about the product and then in the post-purchase stage, consumers like to share the view and opinions or even advocate on the products in social media. The paper revealed that the Facebook does influences on online buying behavior for apparel among the consumers of Jaipur City.

Mogaji [12] investigated if and how Facebook users express their emotions towards advertisements of brand share on the site. The Lloyds 250th Anniversary advertisement on Facebook comments made by 703 users was analyzed as the positive, negative, or neutral attitude towards the advert. Facebook users found the advertisement emotionally appealing and voluntarily report their emotions of love, pride, and in some cases anger. The presence of an iconic image like the black horse, the background music, and the cover music were found to be positively emotional as well as engaging. This study brought out that the comments made on the Facebook ad contents could help to analyze the understanding of consumers' emotional responses and attitudes towards the brand.

Sthapit and Khadka [13] found the rise in the use of social media, especially Facebook alone and Facebook in combination with other social media to communicate about the service products and prices by the travel intermediaries operating in the Thamel area of Kathmandu Valley. The advertisement through Facebook had made both the consumer and seller of the services to seek out the product information, make comments, and give reviews.

Rana [14] found that the Nepalese marketers spend hours in building brand image, but the customers have seen less concern on the brand image. The Nepalese customers were more influenced by word of mouth and opinions given by the people they are known on Facebook and was substantially affecting their buying behavior. She found that celebrity endorsement as the least effective tool, in the Facebook advertisement, as the consumers were more influenced by views of friends and families.

III. METHODOLOGY

Research Design

The paper has followed the correlation research design to fulfill the objective of the paper. The research design helps to find out the magnitude of the effect and relationship between the variables. A correlation research design has been adopted to find out the effectiveness of advertisement in social media, especially on Facebook in context to the Nepalese market in the paper.

Population and Sample

The paper has considered all the social media users of Nepal as a population. The paper has considered only 'Facebook' among different types of social media sites. A sample for the paper is considered 200 random Facebook users mentioning Kathmandu addresses for the online survey. Due to the COVID-19 pandemic situation, the survey for the paper was conducted through the Messenger. A link to the online survey questionnaire was forwarded to the sample respondents.

Instrument and Its Validity

The paper has been conducted based on data collected from the online survey questionnaire. The concept of five (5) points Likert scale has been adopted to develop the questionnaire. Similarly, the information of the respondents has also been taken within the questionnaire.

For the validity of an instrument, the construct for the effectiveness of social media marketing activities developed by Kim and Ko [5] has been followed in the paper.

Reliability of the Instrument

The pilot study on 50 respondents was conducted to measure the reliability of the instrument. Further, the Cronbach's Alpha was calculated where, the items 'Option to boost pages, post for greater reach and promotion' and 'Messenger integration with the third-party application with auto-responder' was dropped afterward from the questionnaire to maintain the reliability of the instrument. Initially, there were 27 items in a questionnaire.

Techniques of Data Analysis

For the data analysis purpose, the descriptive statistical analysis is conducted for the items of the questionnaire. Factor analysis has been conducted to generate the factors that are relevant in social media especially Facebook advertisement in context to the Nepalese market.

Finally, the concept of Karl Pearson's correlation coefficient has been applied to find out the magnitude of the effectiveness of the Facebook advertisement in context to Nepalese e-marketing.

IV. RESULTS AND DISCUSSION

Respondents Profile

The total of 200 respondents using the social media namely, Facebook were considered as the respondents. The

following tables show the respondents profile related to age group, gender and profession.

Table 1 Age Group of the Respondents

Age Group	Frequency	Percent
15-25	121	60.5
25-35	43	21.5
35-45	25	12.5
45 and above	11	5.5
Total	200	100.0

Source: Online Survey, 2020

The majority of the respondents were from the 15-23 age group covering 60.5 percent, followed by the 25-35 age groups. The least portion of the respondents was from the 45 and above age group covering 5.5 percent of the total respondents.

Table 2 Sex of the Respondents

Sex	Frequency	Percent
Male	111	55.5
Female	89	44.5
Total	200	100.0

Source: Online Survey, 2020

Male respondents were covered 55.5 percent, and the remaining were female respondents.

Table 3 Occupation of the Respondents

Occupation	Frequency	Percent
Student	108	54.0
IT Professional	28	14.0
Teacher	21	10.5
Banker	12	6.0
Shopkeeper	11	5.5
Doctor	6	3.0
Driver	4	2.0
Lawyer	4	2.0
Cook	3	1.5
Pharmacist	2	1.0
Technician	1	0.5
Total	200	100.0

Source: Online Survey, 2020

Of the total 200 respondents, the students covered 54 percent of them, followed by the IT professionals covering 14 percent of the total respondents. Similarly, teachers and bankers were covered with 10.5 percent and 6 percent respectively. A total of 10 different professions, other than students, were responded to the survey.

Results of the Likert Scale

The table below illustrates the descriptive statistics results of the Likert scale:

Table 4 Descriptive Statistics Results of the Likert Scale

Items	Mean*	Standard Deviation	Skewness	Kurtosis
Availability- 24x7	2.01	1.19	1.06	0.26
Option to create groups (closed and	2.02	1.26	1.14	0.25

public) to bring together people of common interest and needs.				
Option to upload unlimited photos and videos.	2.04	1.27	1.03	-0.03
Better user interface.	2.10	1.16	0.87	-0.12
Smooth UX, easy navigation.	2.11	1.11	0.83	0.05
Option to censor contents.	2.11	1.13	0.77	-0.30
High connectivity.	2.12	1.17	0.90	-0.08
Instant / Live messaging services.	2.20	1.30	0.89	-0.39
Block and report irrelevant contents.	2.22	1.24	0.87	-0.27
Option to add and create post, share views opinions (via personal status update and public review and recommendations for various products and services) independently.	2.27	1.29	0.80	-0.42
Option to play games and invite friends, provides enhanced closeness with friends and family.	2.31	1.27	0.80	-0.39
Space to reflect opinion openly.	2.32	1.21	0.57	-0.65
Bond among the users.	2.32	1.20	0.74	-0.21
Option for live video streaming.	2.33	1.21	0.77	-0.19
Option to create events.	2.33	1.25	0.75	-0.49
Workplace: an interactive business platform that provides features of business management with complete experience of Facebook, easy to user, also available in a separate mobile app.	2.35	1.34	0.78	-0.58
Create pages for products, services	2.36	1.36	0.63	-0.86
Facebook as a job portal: Companies with their official pages, can post vacancies, receive applications, cost effective tool with greater reach.	2.38	1.40	0.68	-0.86

Pass along information on brand, product, or services to friends and families.	2.39	1.24	0.53	-0.76
Redirection to specific links and websites to value-add.	2.40	1.25	0.60	-0.61
Option to send feedbacks.	2.41	1.29	0.59	-0.80
As a market place (ecommerce platform) : provides platform to sell products with option to create sale offers.	2.45	1.24	0.56	-0.62
Option to personalize contents that you want to see.	2.49	1.29	0.56	-0.77
Special Treatment	2.51	1.34	0.55	-0.81
Option to view specific contents and information.	2.66	1.34	0.43	-0.97

Source: Online Survey, 2020

*The mean value has been arranged in ascending order.

The score of ‘1’ was allocated for ‘Very high effective’ and the score of ‘5’ was allocated for ‘Very low effective’ to measure the effectiveness of the marketing in Facebook among the Nepalese Facebook users.

The factor of ‘Avaliability 24x7’ of the Facebook among the Nepalese users is seen the most effective factor in social media marketing, followed by ‘Option to create groups (closed and public) to bring together people of common interest and needs.’

The 24-hour live streaming facility on Facebook made it much easier for the marketer to launch the new product and services, live video streaming with the demo, and interact with the customers in real-time. The facility also helped the customers to give feedback or complain about the products and services as well.

The least effective factor seen in social media marketing through Facebook was ‘Option to view specific contents and information’ among the Nepalese users. This shows that the Nepalese marketers are not properly giving information regarding their products and service through the advertisement in social media. Similarly, the privacy policy of Facebook and the advertiser also brings some barriers to view some specific contents and information in detail.

In context to measure of dispersion, the opinion on factors of social media marketing, in context to Facebook, the items were positively skewed. Only three items were seen with a positive kurtosis showing tails heavier than normal distribution.

Factor Analysis Results

Factor analysis is a statistical method used to describe variability among observed, correlated variables in terms of a potentially lower number of unobserved variables called factors. The total of 27 items covering the major variables related to social media marketing namely entertainment, interaction, word of mouth, product/service, quality, social value, affinity, special treatment and customization. The following results have been brought down:

Table 5 KMO and Bartlett's Test^a

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.877
Approximate Chi-Square	1609.954
Bartlett's Test of Sphericity df	153
Sig. (p-value)	0.000

Source: Online Survey, 2020 ^aBased on correlations

The Kaiser-Myer-Olkin (KMO) measures the level of sample adequacy. The value of KMO should be close to 0.5 for a satisfactory to proceed for factor analysis. Here, the value of KMO is 0.877, which is higher than the acceptable level. The KMO value is also seen as statistically significant.

Table 6 Components, Communalities and Variance Extracted

Items	Components				Communalities (h ²)
	1	2	3	4	
As a market place (ecommerce platform): provides platform to sell products with option to create sale offers.	0.898				0.566
Facebook as a job portal: Companies with their official pages can post vacancies, receive applications, cost effective tool with greater reach.	0.858				0.510
Pass along information on brand, product, or services to friends and families	0.633				0.505
Create pages for products, services	0.845				0.560
Option to create events	0.616				0.540
Space to reflect opinion openly		0.671			0.550
Smooth UX,		0.534			0.522

easy navigation					
Better user interface		0.531			0.512
Option to upload unlimited photos and videos			0.524		0.610
Instant / Live messaging services			0.438		0.510
Redirection to specific links and websites to value-add				0.411	0.520
Option to view specific contents and information				0.384	0.540
Extracted Variance	2.952	1.736	0.962	0.795	6.445
Percent of Variance Extracted	29.52	17.36	9.62	7.95	64.45

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization

a Rotation converged in 6 iterations.

Table 7 Extracted Factors and its Explained Percent

Factor	Name	Covered Items	Extracted Percent
1	Product, Service and Word of Mouth	Five (5)	29.52
2	Quality and Affinity	Three (3)	17.36
3	Entertainment and Interaction	Two (2)	9.62
4	Customization	Two (2)	7.95

Source: Table 6

The paper adopted the nine (9) factors (or constructs) of effectiveness in social media marketing as defined in the work of Kim and Ko [5]. But after the factor analysis, only four (4) factors are seen as the most influencing factors in Nepalese social media marketing.

Among the extracted four factors, 'the product, services, and word of mouth' covered 29.52 percent in the effectiveness of social media marketing, i.e. on Facebook. While the remaining three factors 'quality and affinity', 'entertainment and interaction', and 'customization' covered 17.36 percent, 9.62 percent, and 7.95 percent respectively. This result shows that the 'product and services' displayed at the Facebook portal is a major concern to the Nepalese viewer under the Facebook ad. Similarly, the word of mouth-WOM is seen adjoined with the product and services advertised on Facebook.

Table 8 Correlation Coefficient Results

Dependent Variable: Facebook Marketing Effectiveness			
Independent Variables	Correlation Coefficient**	Sig. (p-value)	Adj. R Square
Product, Service	+0.516	0.000	0.263

and Word of Mouth			
Quality and Affinity	+0.509	0.000	0.255
Entertainment and Interaction	+0.526	0.000	0.274
Customization	+0.174	0.000	0.170

**Correlation is significant at the 0.01 level (one-tailed)

All the generated factors were seen positively correlated with the Facebook marketing effectiveness in context to the Nepalese market. Only 17 percent of the effectiveness of Facebook marketing in Nepal was affected by the customization factor. The quality and affinity influenced 25.5 percent of the effectiveness of Facebook marketing.

Similarly, the product and service delivered by the advertiser, and the 'word of mouth' delivered by the satisfied customer influenced 26.3 percent of the effectiveness of the Facebook ad. The highest influencing factor was seen entertainment and interaction in Facebook ad in Nepal.

Discussion

The paper is focused on the effectiveness of social media marketing, especially on Facebook in the context of the Nepalese market. The paper considered Facebook users from Kathmandu Valley as a sample for the study. The reason behind this is Facebook has been an unmistakable platform for marketing goods and services to Nepalese marketers as well.

Gupta, Chaturvedi, and Hada [11] had stated that the cost and coverage of ads on Facebook have attracted the apparel sellers of Jaipur. In context of Nepal also, the cost of the ad and the coverage of larger viewers through social media have increased the importance of the Facebook ad. The expanding number of Facebook users has fueled the supposition of the viability of a Facebook ad in the Nepalese market too.

Although Kim and Ko [5] pointed out nine (9) factors that influence the effectiveness of social media marketing, the paper found only four (4) factors influencing the effectiveness of social media marketing, namely, Facebook. In the context of Nepal, the respondents were not concerned with social value and special treatment. As the majority of the respondents for the paper were teenagers, hence, they did not show any concern about these two factors of social media marketing. The 'product', 'service', posted at the portal, and 'word of mouth' were seen as major influencing factors in increasing the effectiveness of ads on Facebook. At the same time, entertainment and interaction play a vital role in Facebook ads in Nepal.

V. CONCLUSION AND FUTURE SCOPE

The scope of social media marketing has increased due to the decline in the cost and easy access to the internet. It has provided opportunities to sellers and customers for interaction and individualization.

Among the various social networking sites, Facebook has seen the most popular social networking sites among the Nepalese. It is popular among students. Hence, the Nepalese marketers who deal with the products concerned to youth choose Facebook for their advertisement.

The marketer should keep in mind to advertise the products with better information, also to customizing the advertisement on Facebook. In the end, the displayed product and its quality is a concern to Facebook viewers. Similarly, the advertiser should be more updated and interactive while going for social media marketing as the customer expects a higher level of interaction from the social media platform.

Though the users in other social media like Instagram and LinkedIn is growing their popularity among the Nepalese, Facebook has been the most popular networking sites for Nepalese users. Nevertheless, the use of app downloadable in both iOS (for Apple mobile phone) or APK (for Android mobile phone) has made less interest in the use of Facebook for marketing but to boost up the app, the online shopping companies have been using as an advertisement platform.

In the coming days, the recruiters and advertising agencies could go to other social networking sites for advertisement. The paper has concentrated on the responses made by Facebook users only, but the opinions may vary from the users of Instagram and LinkedIn regarding the ads displayed there. Hence, further researches could be conducted from this aspect also.

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