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Using Social To Go Local: Analyzing How National And Local Companies Use Facebook To Reach Customers

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ANALYZING HOW NATIONAL AND LOCAL COMPANIES USE FACEBOOK TO REACH
CUSTOMERS

By

Brittney L. Edwards

B.A., Southern Illinois University, 2011

A Research Paper

Submitted in Partial Fulfillment of the Requirements for the

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RESEARCH PAPER APPROVAL

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in the field of Professional Media and Media Management

Approved by:

Dr. Wenjing Xie, Chair

Graduate School
Southern Illinois University Carbondale
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AN ABSTRACT OF THE RESEARCH PAPER OF

BRITTNEY EDWARDS, for the Master of Science degree in PROFESSIONAL MEDIA & MEDIA MANAGEMENT, presented on MARCH 25, 2013, at Southern Illinois University Carbondale.

TITLE: USING SOCIAL TO GO LOCAL: ANALYZING HOW NATIONAL AND LOCAL COMPANIES USE FACEBOOK TO REACH CUSTOMERS

MAJOR PROFESSOR: Dr. Wenjing Xie

Facebook has developed into an important marketing tool for many different companies. Facebook and other forms of social media allow businesses to generate and encourage two-way interactions with current and potential customers. This study examines the differences between how national and local business pages use Facebook to market and brand themselves and build online fan communities. The author conducted a content analysis of twenty Facebook business pages to ascertain how frequently businesses were posting content, what types of content were being posted, how many comments, likes and shares did the post receive, and were businesses replying to fan comments. The results of this study show that national companies are able to effectively deploy a consistent social media strategy due to their wealth of resources. While local businesses *could* develop a strong social media strategy that is grounded in their literal place within a community, national companies are currently more adept at negotiating the social media landscape.

ACKNOWLEDGEMENTS

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CHAPTER 1

INTRODUCTION

Facebook is an effective way for any business to brand their company and engage with consumers. With over one billion Facebook users worldwide, companies can reach a wide, and simultaneously, targeted audience online. While Facebook began as a social media website for college students in 2004, it has quickly developed into a popular website with many different users and uses. For my final master's project, I am conducting a study that looks at how Facebook is used for marketing and branding. As part of the research, I conducted a content analysis of twenty Facebook business pages to see what methods businesses are using and how national and local business Facebook pages are different. For this research project, I am researching common techniques used by businesses to brand their companies and create online communities. I am focusing on the differences between national and local Facebook pages and how they are utilized. During the research phase of this project I examined a total of twenty Facebook pages, ten from local businesses in Carbondale, Illinois, such as Quatro's Pizza, and ten pages from national companies, such as Walmart.

A Facebook page is a tool that allows people and companies to build an online community of customers and fans. Anyone can create a Facebook page and post information for everyone who "likes" (or *joins*) the page to see. Most celebrities, musical bands, movies, public figures, social causes, and businesses have Facebook pages nowadays. A Facebook page allows people to "like" the page and become a fan of a business, and in return the fan can receive pictures, links and videos, and other updates that the business posts. Fans also have the opportunity to like and comment on posts, or share any posts with their own network of friends. For example, if Macy's is having a big sale over the weekend they can post the information on their own Facebook page.

Fans can see the information, and then choose if they want to like, comment or spread the word to their friends by sharing the post. Facebook pages create a place for two-way conversations between fans and a business, and a place for fans to interact with each other.

Facebook business pages look similar to an individual profile page (see Figure 1). Both page types have a cover photo that is at the top of the page and a smaller profile picture that is inset. There is an area under the profile picture for basic information about the business, such as the address, phone number, hours of operation, and a website link. Because a local business only has one location they would list all of the information stated above. National businesses have many different locations so they would typically use their marketing slogan such as Best Buy's "Making technology work for you," or a quote from the business's founder, like Sam Walton for Walmart. Next to the information area is a set of four boxes that can be customized with different kinds of content depending on what the business chooses. For example, in Figure 1 below, Quatro's has chosen to feature photos, number of likes, videos, and events. Best Buy uses their boxes to display photos, Reward Zone, YouTube links, and number of likes.

There is a comment box where fans can write a message that will go on the business's timeline. Later in the paper I refer to these comments as individual comments on the timeline. The page also displays how many of your friends like the page and how many friends have been to that business. For example in Figure 1, thirty-five of my friends like Quatro's Pizza and ten friends have been there. Facebook gives people a list of friends who are fans of the page already in hopes of convincing that person to become a fan of the page as well (Hof, 2011). Scrolling farther down a business's timeline, there is a special comment box for recommendations. This is meant to be for people who have experienced the product or service and wish to give a positive or negative recommendation. All of the local Facebook pages had a comment box but very few

of the national pages used them. Past the recommendation box, the timeline displays all of the previous posts from a business.

Figure 1 – Example of Facebook Business Page

In 2004, Mark Zuckerberg launched the first version of the very popular social networking site, Facebook. The site was exclusively for students are Harvard University initially, but he soon expanded the network to included Stanford, Columbia and Yale. By late 2005, all universities in the United States had Facebook and the network was expanding to high schools and the United Kingdom as well. In 2006, Facebook allowed anyone 13 years of age and older

with a registered email address to sign up for a free account (Phillips, 2007). As of Facebook's January 2013 earnings report, they claim to have 1.6 billion monthly active users and 680 million mobile monthly active users.

Facebook first launched the ability to create a business page in 2007, after it was possible for anyone to get a Facebook account (Kessler, 2011). The first pages were quite different than what they are today. Originally Facebook only had a group option where anyone, including a business, could create a group and people could join. Groups are similar to message boards where anyone can comment, or add a photo, video or share a link and everything is displayed with equal prominence on the group wall. Groups are still used on Facebook, but pages have become much more popular and business friendly. At first, Facebook pages did not allow businesses to post updates or fans to comment. In 2009, however, business pages were launched to look like a user profile page and they allowed businesses to post information, pictures, links, and other content.

In early 2011, Facebook began allowing business pages to utilize the *questions* feature. There are different ways a business page can ask a question and get feed back. One way is to post a question as an update and monitor the comments. For example, The Cheesecake Factory could ask fans, "Which is your favorite kind of cheesecake?" and then read the comment to see what people are saying. The question feature allows businesses to essentially take a poll. The Cheesecake Factory can ask the same question, but is now able to provide a list of every flavor of cheesecake they serve. Fans can read the question, scroll through the list, and select their favorite flavor, and the answer is instantly tallied for everyone to see. The questions feature can be an important tool for some companies when they want to take a quick poll and gauge fan

opinion. During the period of my content analysis none of the pages I studied used questions, but I could track onscreen evidence that some of them had in the past.

For this study I am looking at the differences between how national and local business pages use Facebook to build online fan communities. I have mentioned a couple of differences already with how local and national businesses set up their pages. Local pages always have information about business hours, location and services prominently displayed for every to see. National pages do not do show this kind of information because they have many location across the country. Local business pages also like to use the recommendation box, whereas national businesses do not. This is because local businesses are trying to attract new customers and fans that have possibly never hear of the business. If there are good recommendations on the business's page, it is possible more people will be willing to try the product or service. National businesses are well established and their fans are most likely not going to the business's page to see what other people think of the business. I will analyze additional differences between how national and local business pages use Facebook to build online fan communities throughout the rest of this paper.

In the literature review I examine in more detail how Facebook pages work for marketing and why these pages are increasingly important for a business to use. I discuss how fans react to different kinds of messages and what kinds of social media tactics influence them to buy products. I will also look at some of the difficulties local businesses face when adopting a Facebook strategy, as compared to the effective strategies of the national pages. Then, I will talk about the content analysis I conducted for this study and discuss the findings in detail.

CHAPTER 2

LITERATURE REVIEW

There have been numerous studies of advertising via social media. Facebook is one of the most popular ways for businesses to reach consumers through social media. There are various categories of advertising on Facebook, as well as different methods to measure effectiveness. Some of the common ways of looking at advertising on Facebook are to study the reach of different advertising techniques, to examine the influence of recommendations from friends on Facebook, and to explore how companies are choosing to engage with consumers on Facebook. For this study it is also important to look at how local businesses are choosing to adopt this new marketing tool.

It is important to note that Facebook pages can serve a variety of purposes for a company. They may function as everything from expanding customer service, to branding or rebranding, to drive website traffic, as another advertising platform, or as a feedback source for product development. Social media creates *Virtual Customer Environments* where companies can interact with customers and potential customers in a personal and affordable way (Culnan, McHugh & Zubillaga, 2010). Some marketing experts are skeptical about Facebook's actual marketing value, while others think it is the best online tool for driving brick and mortar sales (Lapointe, 2012; Williams 2012). Whether Facebook drives sales or not, it has become an important public relations platform (Barnes, 2012). One study found that 60 percent of women and 44 percent of men at the college age gain information about products from social networking (Chu, 2011).

It is important to understand if people are receptive to advertising messages on Facebook, and it is essential to ascertain what kind of messages are attended to. One study found that

people are open to viewing a variety of advertising messages via Facebook (Yousif, 2012). People are most likely to be interested in advertisements on social media when the ads are considered entertaining. Attitudes towards advertisements on social networks will be negatively impacted if the advertisement is perceived to be intrusive, or if there is a perceived loss of privacy from data collection (Lewin, Strutton &Taylor, 2011). In this respect, companies must be careful not to over-target their advertisements.

In advertising, it is always important to know the reach of an advertising campaign and Facebook advertising is no different. One study found that people who "like" brand pages on Facebook are likely to already be heavy buyers of that particular brand's product (Nelson-Field, Biebe & Sharp, 2012). The study concluded that these Facebook fans were important, but were not likely to buy the product more frequently than they were already (p. 267). However, maintaining good customer relationships is an important step to keep fans loyal to the brand (Sashi, 2012). The goal of advertising is to reach people who are likely to buy the product, not people who have already bought the product. Therefore the study concluded that the value of Facebook fans might not be as great as others think.

Another study concluded that reaching people through social media had a positive influence on brand engagement and brand impressions. Exposing people to brands through Facebook is important and has the potential to reach friends of fans as well as non-fans (Bruich, Lipsman, Mudd & Rich, 2012). Non-fans are people who are not fans of the brand, nor are they friends with someone who is, yet through Facebook it is possible for them to see branded content on their News Feed. Leading consumer brands can do their best to reach audiences on Facebook with advertising, but sometimes that is not enough to motivate people to engage with the brand or buy their product. A recent study found that advertising messages provided by friends on

social media will influence a consumer's attitude towards a brand. On social media, for an advertising message to be most effective and convince a consumer to make a purchase the message should come directly from the advertiser (Yang, 2011). However, there are some important ways advertisers can use leverage friends to influence purchase intentions. Facebook has recently developed placement for advertisements that are displayed on the right side of the screen to show a viewer which of their friends has already liked that business. Facebook users are twice as likely to recall an advertisement if that advertisement says some of their friends have already liked it (Hof, 2011; Neff, 2010).

Facebook friend influence does play an important roll in the process of Facebook advertising. One study examined the influence of product recommendations from Facebook friends by examining the strength of social ties, the perceived expertise of the recommender, and the type of product being recommended. The findings suggest that brands that sell items like clothing or perfume can benefit by having anyone talk about and recommend their products on social media. Companies that sell functional products, such as computer printers, should use experts to endorse their products on social media (Chang, Chen & Tan, 2012).

An issue companies are facing when it comes to reaching customers with Facebook posts is the news feed algorithms. With so much information flowing throughout the site, Facebook has created algorithms that analyze posts and put the ones users would find most interesting in their news feed (Facebook, 2013). Some Facebook users believe this is a ploy Facebook is using to get businesses to pay for "sponsored posts" that will reach more of their fan base (Bilton, 2013). One study found that on average, "16 percent of fans are reached by branded content by a brand that posts 5 of 7 days" (Bruich, Lipsman, Mudd & Rich, p. 44 2012).

There are different ways businesses can use social media. Businesses can decide whether they want to engage with customers or only post updates and let fans interact with each other. Dairy Queen has chosen to use social media as a way to provide better customer service. Dairy Queen is a national brand, but each store is owned and managed locally, making it difficult to resolve customer service issues. Through Facebook and Dairy Queen's other social media it has become easier for Dairy Queen to quickly resolve complaints, because they now have the tools to reach out directly to the unhappy customer (Kirkpatrick, 2012). In an interview with Walgreen's director of social media, Adam Kmiec, said, "Social media has fallen into a check-the-box mindset for many brands and agencies" (Abramovich, 2012). Adam Kmiec says, Walgreens keeps the focus on customers and strives to figure out how customers want to connect and interact with the Walgreens brand.

Walmart is a large cooperation that has worked to use social media, especially Facebook, to create online communities. Walmart's chief marketing officer, Stephen Quinn, says Walmart is very committed to their brick and mortar stores and they want Facebook to reflect that commitment (CNN Money). Wal-Mart has been trying to reach customers locally with a "My Local Wal-Mart" campaign, but the results have not been promising so far. According to research many of the local Wal-Mart pages have failed to engage customers or post frequent relevant information (McGee, 2012). While some small businesses are able to use social media effectively, others have been slow to adopt the new platform (Bakeman & Hanson, 2012). One study observed that Facebook can be especially helpful for local businesses because they can post about local events, promotions, or even the weather, engaging with fans on a personal level in a way the larger companies are not able to do (Neff, 2012). Some of the roadblocks that happen when small businesses try to adopt social media are the time commitment involved with

learning a new platform and the difficulty in learning how to use social media effectively. Many

businesses are not accustomed to the two-way dialog that is created by social media, including

Facebook (Bakeman & Hanson, 2012). For businesses that do adopt social media, 66% of them

said that social marketing is important for their business and 80% said that social media had

given them more exposure (Stelzner, 2011).

CHAPTER 3

RESEARCH DESIGN

For this research project I wanted to answer four questions:

RQ1: What strategies and policies have companies developed for marketing and branding on Facebook?

RQ2: What are the key characteristics of local Facebook business pages?

RQ3: What are the key characteristics of national Facebook business pages?

RQ4: How do customers use the national and local Facebook page of each company?

The best way to answer all of these questions was to conduct a content analysis of business's Facebook pages to collect data that would allow me to draw conclusions about how the pages are used. The content analysis lasted for one week during the month of February and I looked at twenty Facebook pages. Ten of the pages were national businesses like Walmart, Best Buy, and The Cheesecake Factory. Ten of the pages were for local businesses in the Carbondale, Illinois area and ranged from restaurants and coffee shops to local boutiques and grocery stores. I focused on collecting two kinds of data from these pages. The first kind came from analyzing how the business used the page, what kinds of posts were they making, how frequently, and where they replied to fan comments and questions. The second set of data was from the fans, and I looked at how many comments the pages received each day, how many likes the pages had, the number of new recommendations, and fans interaction with each other. When possible, I also looked at what kinds of comments the fans were making to judge what their intent was when commenting on the business's Facebook page.

When deciding on which Facebook business pages to study, I set several criteria that had to be met. For local pages the business had to be a locally owned non-chain store and the Facebook page needed to have over 500 likes. I wanted to study pages with enough fans so there was the

possibility of good interaction. For the national Facebook pages I did not have a set amount of likes the page needed to have, but the business needed to have over 100 locations in the United States. Some of the national stores I chose to study have social media policies that have studied previously. This was helpful because I could find additional information about the business's Facebook page that added more context to what I was observing during my content analysis phase. I made sure to select local and national pages that were in the same industry. For example, I selected several national and local restaurants and a few local restaurants. This allowed for comparing how businesses in the same industry, on both the national and local levels, utilize their Facebook page to interact with customers. Overall, I wanted a variety of different businesses, both nationally and locally, so I would be able to observe how different industries use Facebook for marketing and branding.

In addition to the content analysis, I looked at what other people have observed about how businesses are using their Facebook page. This kind of research was limited mainly to observations about national Facebook pages as apposed to local pages. I was able to find other studies and articles to back up what I was observing during the content analysis. Another tool I used to analyze Facebook pages was a website called Recommend.ly. This is a new company that provides a monthly service for businesses that would like to improve their Facebook page. Recommend.ly will evaluate how a page is currently doing and make recommendations on what they need to improve their effectiveness in attracting consumer interaction. The company will even come up with a schedule of posts the business should make in order to best reach their customers. A free service Recommend.ly provides is a quick analysis of business pages and a Communication Score also called a CScore (see Figure 2). The CScore is calculated by looking at how frequently the business posts, how frequently they interact with fans, how viral posts are,

and what percentage of the fan base is active. The content analysis I conducted was one week

long and Recommend.ly's CScore helped validate many of my findings.

Figure 2 – Recommend.ly CScore Analysis of Walmart

Between the use of Recommend.ly, reading what others have discovered about national

business's Facebook pages, and conducting the content analysis, I have been able to draw

some interesting conclusions about the various uses of Facebook pages. Next, I will discuss

in detail the findings from my content analysis. I will then discuss how my analysis answers

my research questions and discuss avenues for future research.

CHAPTER 4

CONTENT ANALYSIS

As part of my research for this paper, I conducted a content analysis of ten local and ten national Facebook business pages from February 17-23, 2013. The content analysis let me compare how local and national businesses are utilizing Facebook and determine what some of the effective practices are. In the content analysis I looked at how businesses were using Facebook to market and brand themselves as well as how fans interacted with businesses. Some of the specific issues I looked for was how frequently was the business posting content, what kind of content was posted (i.e. text, picture, video, link, promotion, or question), and how many likes and comments a post received after 24 hours (Appendix A). I also looked at the number and kind of comments from fans, both on posts from the business and on the Facebook timeline.
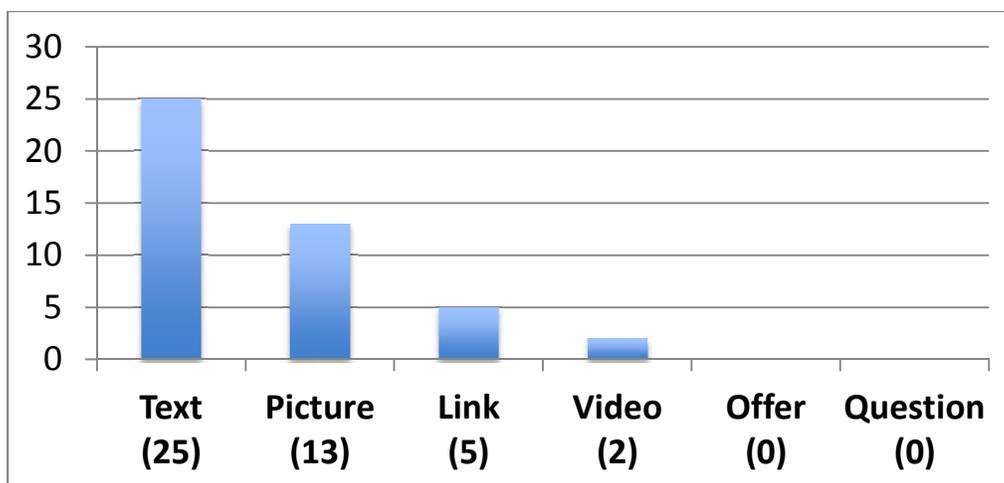
The local businesses I chose to look at are located in Carbondale, Illinois, a town with a population of 25,000 and a university campus with 18,000 students. To meet the criteria for this research the local businesses had to be locally owned and operated, non-chain stores. I selected business pages that had over 500 likes before the study started to ensure that these local businesses had a substantial fan base. For the national Facebook pages I selected well-known companies with a sizable fan base. As previously noted, companies like Walmart, Best Buy and Starbucks have a strong Facebook presence. I will start this analysis by looking separately at the national and local Facebook pages and then compare both of them to discus how customers are interacting with each page.

The Facebook pages I studies were:

Local	National
Arnold's Market	Best Buy
Blend Tea and Crape	Cheesecake Factory
Common Grounds Coffee	Chili's
Cool Spoons Frozen Yogurt	Dairy Queen
Dayshift Boutique	Kroger
Larry's House of Cakes	Macy's
Longbranch Coffee	Starbucks
Neighborhood Co-Op	Target
Quatro's Pizza	Walgreens
Thai Taste	Walmart

Figure 3 – List of Businesses Studied

Out of the ten local pages I studied for the week, four of the pages posted content on one day or less, three pages posted on two to four days, and only three of the pages posted on five or more days that week. Because the content analysis was only one week long, it is difficult to know precisely whether this is the typical amount of posts for each of the pages. The content posted on the Facebook page consisted of text, pictures, links, and an occasional video. Local businesses used text only posts 56% of the time, pictures 29% with video, and links make up the 15% (see Figure 4). Many of the posts were about the business or promoting one of their products. For example, Longbranch Coffeehouse posted their daily specials menu every day before lunch or dinner on Facebook. Quatro's Pizza was the only Facebook page that posted a variety of content, including music videos, funny pictures, comments about the weather and encouragement for fans to have some pizza.
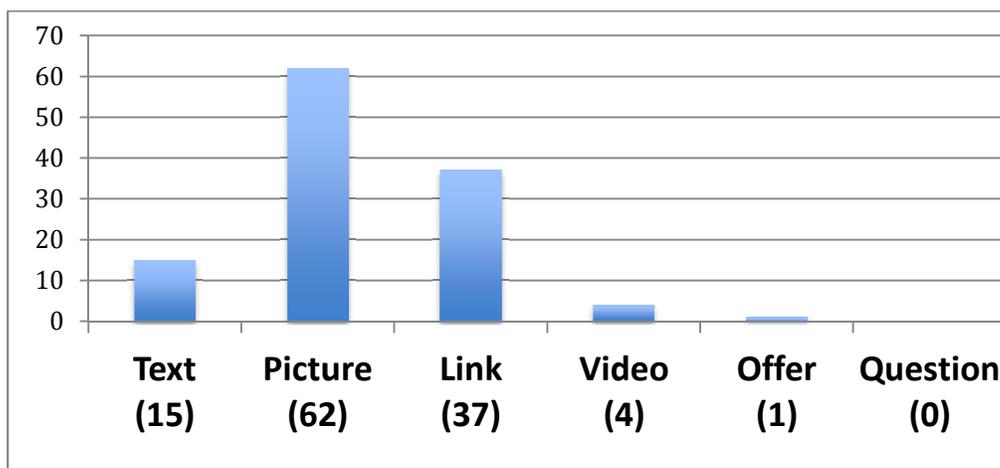
Figure 4 – Local Business Posts

Many of the local businesses did not have many fans posting on their timeline or giving recommendations. Most pages had some comments and recommendations prior to the start of this content analysis, but overall there were few comments and just two new recommendations during the period of the content analysis. Most of the local businesses chose not to reply to comments on their timeline and occasionally engaged with fans when they commented on posted content. Quatro's Pizza engaged the fans most frequently by posting eleven times in six days, and replied twice to the 16 comments their posts received. On the Quatro's timeline, the business replied to half of the comments fans posted.

The national pages were very interesting to look at because they had a high volume of activity and recognizable strategies. Nine out of the ten national pages posted five or more days during the week of the content analysis, with Starbucks being the one page that posted twice. Only 13% of the posts contained text only, compared with 55% of local page posts. The majority of national Facebook page posts were pictures (52%) and links (31%) with a few videos and one offer making up the rest of the content (see Figure 5). An offer is one option a business has when choosing what kind of post they wish to share. The offer is usually for a coupon that people can use for a few days to make online purchases. The post also has a "Shop Now" and

"Remind Me Later" buttons so customers can immediately claim and use the coupon being offered or be reminded to do so before the offer expires. Macy's offered a 10% to 15% off coupon the week of this content analysis and had over 15,000 people claim the offer. This kind of promotion is beneficial to Macy's because it allows them to offer their customers something valuable, and in return Macy's can collect valuable information about how many people saw and continued to the website to make a purchase.

Figure 5 – National Business Posts

Not only did most of the businesses post consistently, they also interacted with fans on a regular bases. For this part of my content analysis I ran into a problem with monitoring all of the comments and interactions on a large scale. Sometimes a business post would have a thousand comments or more, and comments on timelines sometimes numbered over 100. Because of the sheer volume and time constraint of this study it was not always possible to count how many times businesses were replying customers, how many replies from other people a comment had, or how many likes it received. Despite these difficulties, I was able to accurately evaluate some posts and get a sense of how businesses were interacting with customers.

There are various ways customers can interact with a business on Facebook. One way is through commenting, liking and sharing posts made by the business. Other ways include writing

on the businesses timeline, writing a recommendation, or tagging the business in a status update that is on a fans personal timeline. For example, someone's status update can say, "I really enjoyed my dinner at Chili's tonight!" and if the fan wants they can tag Chili's in that post. Every business page has the ability to control what kinds of fan interaction are visible on the businesses Facebook timeline. Most of the national pages have disabled the recommendation box on their timeline and do not allow status updates or posts they are tagged in to be visible. The recommendation box is largely unnecessary because the national businesses are well established, and keeping tagged content hidden is one way to control their online image.

Walmart and Dairy Queen are two business pages from this study that did not allow individual customer comments to be visible on their timeline. By making comments invisible businesses get to monitor what is being said and reply to questions and concerns, but they do not have to worry about other fans seeing what is going on. Walmart's Facebook Engagement Guidelines state that, "If you are a customer and have a customer service comment, complaint, concern or idea, we encourage you to post it on Walmart's Facebook Feedback tab, to ensure that we can respond in a timely manner. Please note that any customer service posts published on a Walmart page by customers will be removed when discovered." This policy is effective and calculated because Walmart can still provide customer service, but does not have to do so publically.

The other eight national pages in this study allowed comments both on content the business posted and on their Facebook page timeline. Each business has their own idea of how to handle customer interaction and these ideas generally fell into one of three categories. One, some businesses chose to publish content (posts) and not reply to any comments either on that post or on their timeline. Two, businesses replay to individual comments on their timeline but do not

reply to comments on posts and, three, businesses reply to comments anywhere on their Facebook.

I now want to take a closer look at two of the businesses, Starbucks and Walmart, and discuss their policies when it comes to sharing content and interacting with fans. Starbucks and Walmart have the most likes out of the ten pages I studied, with Starbucks having over 33 million fans and Walmart having over 26 million. Walmart chooses to post content three to five times everyday. Their posts consist mainly of pictures with an occasional link to their website or Pinterest page. Many of Walmart's posts are neutral (i.e. not promoting themselves or a product) and they asked their customers questions. Another popular thing Walmart does is "Like v. Share" where they will post a picture of a dog and cat or Greek salad and pasta salad and ask fans to like or share the post depending on which option they prefer. Most Walmart posts elicit many fan comments. Walmart will frequently join the conversation and validate customer opinions, make suggestions or ask follow up questions. This technique allows Walmart to keep the conversation going and personally interact with fans. Walmart does not allow individual comments on their timeline so responding to fan comments on posts is another way to stay engaged.

Starbucks takes a different approach to social media compared to Walmart. Starbucks posted two times during the week as apposed to Walmart's 29 times. Starbucks used a picture for each post, one promoting their new Blonde Roast coffee and another was a picture of coffee beans talking about "#coffeepassion." Starbucks allows comments on their timeline, but chooses not to reply to many comments there or on their posts. However, many fans are still involved and interacting with the page by sharing their own photos and commenting on other fan's posts. Many of the interactions I saw during the content analysis were positive comments, stories about

a good Starbucks experience, or questions about services. What was interesting to see was the community that was created when someone asked a question. Because Starbucks does not reply to most comments, other fans will jump in and provide answers, advice, or helpful links. Walmart and Starbuck have different techniques when it comes to utilizing Facebook. Walmart is very involved with fans, encouraging many likes, shares and comments on content the business posts as well as directly replying to comments and questions. Starbucks, on the other hand, only posts occasionally and generally lets fans interact with each other instead of personally being involved.   It is also interesting to note the visual difference between the Starbucks and Walmart page. Walmart's cover images have a unique fun look because they are photo collages of families, pets, and cute crafts. Starbucks uses cover images that have warm color filters and generally feature cups of coffee or coffee beans.

As one-way to help me evaluate the Facebook pages I used a website called Recommend.ly. The website will produce a conversation score or CScore when you give them the ULR for a Facebook page. Recommend.ly evaluates four areas of communication: response to fans, broadcasting (number of posts per day), fan love (how many fans are active on the page), and virality (how many non-fans are reached). When I looked at Starbuck's CScore the page was classified as a "Fan Favorite" with the fan love category getting four out of five stars. That translates to 2% of their fan base being active which is over 680 thousand people liking, commenting, and sharing posts. Walmart's CScore page classification is "Conversationalist" because they respond to fans and participate in the conversations. The CScore also showed that both pages almost always use photos when they post.
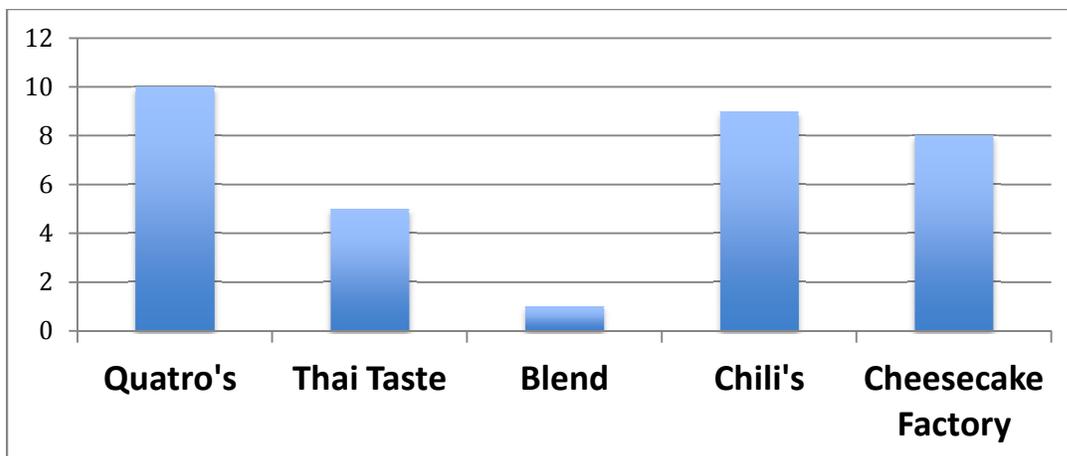
Another interesting comparison to make is with businesses in the same market sector to see how they use Facebook to create community. The first sector I will look at is grocery stores,

nationally, I studied Kroger, and locally I studied Arnold's Market and the Neighborhood Co-Op. Arnold's Market is a small grocery store known for their deli sandwiches and fresh meats. During the week of the content analysis, Arnold's did not post anything or reply to comments on their timeline. The Neighborhood Co-Op, on the other hand, posted content on five days, occasionally posting more than once a day. The Co-Op shared information about their daily menu, pictures of fresh produce they received with details about which farm in the area it came from, health related articles, upcoming events the store was hosting, and a video on fair trade. Each of the posts received likes but not many comments, even though the content was interesting and valuable. Out of the national businesses I looked at, Kroger had the fewest fans but had a high level of interaction. Most of the content Kroger posted was pictures of food and an occasional "how-to" video such as how to get the seeds out of a pomegranate. Kroger rarely replied to fan comments on posts, but replied to most comments on their timeline. Out of all the businesses I studied, Kroger interacted with individual fan comments the most. Every complaint was responded to with an apology and an offer to help make the issue better, and every positive comment received a "thank you." There were a couple of interesting comments that occurred multiple times during the study. One was a fan wishing Kroger a good morning everyday, and multiple fans asked Kroger to build a store in their town.

   Facebook is a useful tool for companies to use to help create a community around a brand. Out of the three grocery stores in this study, Kroger was the best at engaging fans and working to create an online community. This is due to Kroger's consistent posting and their replies to fan comments. The Neighborhood Co-Op posted content consistently, but was not good at interacting with fans. The Co-Op generally chooses to like fan comments instead of replying to

the comment. Arnold's Market was not effective at all in creating a community, as they did not post anything during the week or reply to comments.

Next, I will look at the differences in how national and local restaurants use Facebook. The national restaurants in the content analysis were The Cheesecake Factory and Chili's and local restaurants were Quatro's Pizza, Thai Taste, and Blend Tea and Crapes (see Figure 6). During the content analysis, Blend posted a photo one time promoting a new specialty drink that was on the menu. The one post received a handful of likes and there were no comments on the post or on the timeline during the week. Thai Taste posted five times over two days and received a lot of likes and several comments, especially on pictures, but the businesses never engaged with fans by replying back to comments. Quatro's Pizza had the most fan involvement on their Facebook page during the content analysis week. Quatro's posted something almost everyday and most of the content was not promoting the business. Quatro's was one of the only local Facebook pages that worked to have a personality. Instead of only posting about pizza and lunch specials, the business made comments about the weather, asked people if they were ready for Game of Thrones to return, posted a music video with a joke about appealing to a certain demographic, and told people to go back to bed. Quatro's created a personality so the Facebook page is friendly, inviting, and fun.

Figure 6 – Number Of Posts During Content Analysis

The Cheesecake Factory posted pictures of food and desserts everyday and received many

likes on each picture. The page also garnered a decent amount of comments everyday on their

posts and on their timeline. The Cheesecake Factory chose not to reply to comments on posts

but did reply to many of the comments on their timeline. They offered to fix problems if

customers had complaints about their food or service and congratulated several couples that got

engaged at one of their restaurants. Chili's use of Facebook is similar to that of the Cheesecake

Factory. Chili's posts a variety of pictures, coupons, and text only updates and receive a lot of

comments, likes, and shares. Chili's frequently asked fans questions such as, "are you ready for

the weekend" and "what's your favorite margarita?" These kinds of posts invited fans to

respond and gave them something to talk about. Chili's does not reply to fan comments on posts

but they reply to many comments on their timeline. They are quick to apologize for bad

customer service and engage in light conversation with other fans.

CHAPTER 5

DISCUSSION, LIMITATIONS, AND FUTURE RESEARCH

To restate my research questions:

RQ1: What strategies and policies have businesses developed for marketing and branding on Facebook?

RQ2: What are the key characteristics of local Facebook business pages?

RQ3: What are the key characteristics of national Facebook business pages?

RQ4: How do customers use the national and local Facebook page of each company?

With respect to research question one, there are many strategies companies have developed to market and brand themselves on Facebook. National pages consistently post content they believe fans will find interesting, and many businesses interact with customers through comments. On the local level, most of the businesses use Facebook as a tool to disperse information about products and services. Businesses have different policies about how fans can use their page. For example a business can choose to allow fan comments to be visible on the businesses timeline, they can choose whether to allow recommendations, and they can choose where and how they respond to fan comments.

What I found in the content analysis was that many local businesses do not appear to know how to fully take advantage of Facebook for marketing and branding. When it comes to identifying the key characteristics of a local Facebook page, I found three characteristics that each of them shared. First, local business pages had infrequent and irregular posting. Second, there was little to no interaction with fans, either because fans were not commenting on posts and the timeline, or because businesses were not replying to fans. Third, many of the posts from local businesses were text only, and though informative the posts did not invite fans to engage. One exception to these characteristics is found on the Facebook page for Quatro's Pizza who

posted frequently, used a variety of content, and interacted with fans consistently. Most local Facebook pages emphasize the spread of information to fans versus creating conversation and interaction.

There are three major characteristics of national Facebook pages. The first characteristic of National Facebook pages is the use of pictures and other media. Pictures made up 52% of the content posted during my analysis, with links to the companies' website or other social media pages making up another 31%. Second, national pages were characterized by frequent and consistent posting. Seven out of ten pages posted all seven days of the week, two of them posted five to six times, and Starbucks was the one business that only posted once. The third characteristic is a high volume of customer comments and business interaction with fans. Many of the businesses used Facebook as a tool for building fan relationships and handling customer complaints. Starbucks is the exception to some of these characteristics. Starbucks posted one time during the week and did not reply to fan comments either on their posts or on their timeline. This, however, did not stop fans from frequently posting individual comments and pictures on Starbuck's timeline.

Interaction on social media is very important. Social media opens up a whole new way for businesses to communicate with fans on a personal level, to build a community, and encourage fans to become brand ambassadors. However, Facebook is a tool that has to be learned and small businesses with limit resources are behind the curve. Facebook can be challenging because it is different from other media businesses are familiar with using. For example, with printed flyers, radio advertising, or television commercials the message is being broadcast to potential customers and the only feedback a business gets is when people walk into the store to make a purchase. Social media offers the possibility of constant two-way communication

between the business and the fan. When using Facebook, businesses must be willing to open themselves up and share information that they may not have thought about sharing before. National businesses work with marketing firms year-round and have an abundance of resources to utilize, which allow them to quickly master new marketing tools such as Facebook.

It is clear that Facebook fans use each business pages differently. There were some similarities between national or local businesses in the same sector, such as Chili's and The Cheesecake Factory. Fans on both of these companies' pages were interested in what was being posted, and they commented frequently on the business's timeline. Many of the local Facebook pages have informative posts, and fans do not make many comments on posts or the business's timeline. The majority of the comments on local Facebook pages were positive, often thanking the business for a service. During the week of the content analysis many of the Macy's fans were using the Facebook page to express their dissatisfaction with Macy's choice to continue to associate Donald Trump with their brand. Many of the comments on Macy's timeline, and for a number of days, were simply, "Dump Trump." This is an example of fans using their voice on social media to let Macy's know they were not pleased. Best Buy had a problem with their online reward point system and fans used Best Buy's timeline to express their dissatisfaction with the problem. Other Facebook pages had a friendlier atmosphere during my content analysis. Walmart, Starbucks, and Kroger, for instance, had many positive comments about services, products, or overall satisfaction.

Each business has managed to create a kind of community via Facebook centered around their brand. Starbucks has created a community focused on mostly positive experiences. For national businesses that have hundreds of locations around the country, Facebook is one way to unite people in a single place through a common experience. Someone from New York City can

walk into a Starbucks and have virtually the same experience as someone who visits the

Starbucks in Boise, Idaho, and the Starbucks Facebook page is a central place where both

customers can share their experience. Through standardized service and an online platform, two

customers in different parts of the country can have the same experience and share about it in

one place. With Facebook, Starbucks has created a community that is able to exist apart from

geographical location. Not every uniting experience is a positive one. On the Walgreens

Facebook page, many fans express their displeasure with bad customer service from store

locations across the country.

Local business communities are different from national ones because they already have a real

geographic location. This allows the local business to post on Facebook about weather and local

events. During the week of the content analysis there was a winter storm with a lot of ice and

several of the businesses posted about the storm. Two of them were letting fans know the store

would be closing earlier due to bad weather conditions and another one posted pictures of their

sign covered in ice. The posts about the storm received many comments and likes because

people across the community were all experiencing what was going on. Quatro's Pizza has been

able to create another kind of online community with their Facebook page. Quatro's is one of

the most popular pizza places in Carbondale and has been around since 1975. The Facebook

page has many fans that have experienced Quatro's while they were students in Carbondale and

have since moved on. The Facebook page is a place for new and old customers to come together

and continue to share the Quatro's experience.

Implications of the Research

The practical implications of my research are that these findings can be used by businesses to

improve their current Facebook strategy. These findings could be very important to local

businesses when it comes to understanding what they are doing right and what steps they can take to improve their Facebook use. Beyond the practical implications of my research, this research is important because is increases our understanding of how Facebook can be a platform for creating communities. My research addresses the theoretical issue of how businesses are able to use social media to create a space where people from all over the country can come together in one place and connect with a business and with other fans of that business. The data I collected provides knowledge about the ways in which local and national businesses are using Facebook pages. Future researchers will be able to use this data to better understand how online Facebook communities function.

The research of Culnan, McHugh and Zubillaga (2010) found that social media creates a "Virtual Customer Environment" where businesses can interact with fans in a personal way. My research is in line with their findings, and the data from my content analysis reflects that businesses do in fact use Facebook to personally interact with consumers. There has been previous research about how local businesses are using Facebook and my research provides a deeper understanding of the different strategies being implemented. I found that fans on Facebook pages responded well to posts that were entertaining or asked questions to encourage fan involvement. This follows the findings of Lewin, Strutton, and Taylor (2011) who said that entertaining Facebook advertisements generated more interest.

The results of this study provide more information about the uses for Facebook for effective marketing by local and national businesses. The content analysis yielded useful information about the posting habits of businesses, as well as how they choose to interact with fans and build a community. Many of the most successful business pages posted frequently, and about many different things, including questions and information that did not specifically have to do with

products or services they provided. This means the some business are working to engage with fans and give them interesting posts that are easy to interact with. As more businesses are investing in online marketing and Facebook continues to grow, it is important to understand how businesses are utilizing Facebook as a marketing tool.

Based on the content analysis, it is easy to see that consumers interact with businesses on Facebook in many different ways. Some users choose to share positive experiences, some ask questions, others enjoy sharing content, and perhaps one of the most frequent uses is for customer service purposes. Facebook provides a convenient place for customers to reach out to a business and voice their concerns or approval and receive a personal reply from the business. With more customers connecting with businesses online it is important to understand more about how they want to connect and what they are looking for in return from businesses. This research examines both of these ideas and provides insight into this issue. Further research can expand on my project in both breadth and depth by utilizing larger samples and tracking specific Facebook pages for longer periods of time.

Limitations of the Study

There are a few limitations of this study and it is important to mention them. One of the biggest restrictions was time. This study was conducted over the period of one semester, which means I did not have time to explore every idea as fully as I wished. There are many issues this study touches on such as marketing practices, social media uses and popularity, consumer behavior, and online communities. These other areas of research could provide a more thorough understanding of the content analysis. Understanding how Facebook fits into an overall marketing plan, and how businesses use other social media in conjunction with Facebook would be interesting and helpful knowledge to have. Developing a theoretical section of the paper

focused on the popularity and uses of Facebook and consumer behavior would give the reader a deeper understanding of the current research. Though it would have been advantageous to include more research from these other areas in this project, there was not enough time to sufficiently research and include other topics.

Another limitation was the length of the content analysis. I conducted the analysis for one week and gathered a sufficient amount of useful data, but a longer content analysis would have yielded even better results. Because local Facebook pages post infrequently, several of the pages I looked at posted just one time or less during my content analysis. In some cases I did not get to see fans interacting with a business's page at all. When studying the national Facebook pages many of them had a high volume of comments everyday. It was hard to analyze every comment when one post alone received over 500 comments. There were many useful pieces of data I wanted to gather from comments on businesses timelines, such as were the comments positive, negative or neutral? How many likes and comments from other fans did each original comment get? How frequently did the business reply? Due to the high volume of comments on some pages, however, it was impossible to collect all of the data I wanted from each interaction. I believe that collecting more data about fan comments would lead to a better understanding of how fans are primarily using the Facebook page and how businesses are handling it.

Future Research

There are many ways in which this research could be expanded upon in the future. I would suggest using a larger Facebook page sample size. This study had ten national and ten local Facebook pages and in the future it would be good to double or triple the sample size in order to gain a fuller understanding of the many ways Facebook can be used. Conducting a longer content analysis would also provide clearer insight to the posting habits of businesses, especially

local businesses. Most of the national Facebook pages were posting content at least once a day, but several of the local pages were sporadic. In order to draw better conclusions about local Facebook pages a longer study would be needed. The content analysis in this study lasted one week and I believe that in the future four weeks would be an appropriate length.

In addition to more extensive content analysis, interviews would be another way to expand on this research. When it comes to the local Facebook pages it would be helpful to interview the business owners about how they use Facebook, about some of the challenges they face, and whether they think Facebook is a useful tool. Interviews would provide a better context for the content analysis and possibly explain why some businesses post infrequently and why some do not reply to fans quickly or at all. Interviewing the people within marketing agencies that manage national businesses Facebook pages would be interesting, though it might be hard to speak with them due to concerns about confidentiality. Nonetheless, information gathered from such interviews could be very valuable in future research.

Facebook is just one form of social media businesses could be using for marketing. Other social media tools include: Twitter, Pinterest, Google +, LinkedIn, Instagram, and Tumbler. Another direction for future research would be observing how Facebook fits in with a business's other social media tools. Facebook could be a small piece of the overall online strategy, targeted at a specific demographic, or the businesses main communication tool. Looking at more than one form of social media use by a businesses would give insight into various ways fans interact with a business.

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APPENDIX

APPENDIX A

Content Analysis Guidelines

Posts from the business studied
1. Date of post
2. Time of post
3. What kind of post?
   a. Text (what Is said?)
   b. Picture (what is it a picture of?)
   c. Video (what is it a video of?)
   d. Link (what does it link to?)
   e. Promotion (what is being offered?)
   f. Question (using Facebook questions to
4. What is the message of the post?
   a. Sale or promotion
   b. Encouraging the audience to purchase something
   c. Announcement about product or service
   d. Reference to the number of "likes" the page has
   e. Neutral comment (i.e. weather)
   f. Other category
5. Number of "likes" the post has after 24 hours
6. Number of comments the post has after 24 hours
7. Number of user comments on a post
8. Number of business comments on a post

Posts from "Fans" on the business's Facebook wall
1. Change in the number of likes the page has everyday
2. Number of posts the business is tagged in
3. Does the business allow comments on their wall?
4. Number of comments on the Facebook wall
5. When possible to track, how many positive, negative, and neutral comments?
6. When possible to track, is the business replying to customer comments?
   a. If so, is the response standardized?
   b. Is the response personal?
7. When possible to track, how many comments or likes does each fan post get?
8. Does the page have a recommendation box and is it being used?
9. Number of new positive recommendations everyday
10. Number of new negative recommendations everyday

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