A STUDY ON THE BENEFITS AND BARRIERS OF SOCIAL MEDIA MARKETING AMONG ORGANISATIONS IN MALAYSIA

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A Study on the Benefits and Barriers of Social Media
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DECLARATION

I hereby declare that:

(1) This MKMA25106 Research Project is the end result of my own work and that due acknowledgement has been given in the references to all sources of information be they printed, electronic, or personal.

(2) No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutions of learning.

(3) The word count of this research report is 21,807.

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DEDICATION

To my beloved parents,

Leong Kam Seng and Ooi Lee Lee

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Abstract

The introduction of World Wide Web and the revolutionary Web 2.0 gives greater impact not only to personal but also to business world. Competition has become sniffer as the world is now connected via Internet instantly. There are many benefits of engaging into social media marketing but also barriers that keep some marketers from the new trend.

This research aim to identify the key benefits and barriers perceive by local organisation, at the same time to identify the relationship between organisation perception and organisation size. Research question and research objective were developed as guidance for the research, and 4 hypotheses are set to answer the research question. The Research is carried out by distribute online survey questionnaire to local SME and Corporation using convenience sampling method though email and social media website. Targeted organisation covers service provider industries that either already have a company Facebook page or do not have one yet.

Total of 114 respondents were gather from the survey and the data was analyze using Statistical Package for the Social Sciences (SPSS) version 20. Descriptive analysis, reliability analysis, and independent t-test analysis are use to test the data gathered for discussion and hypothesis testing.

Result of the research shows the key benefits and barriers perceive by local organisations and there are relationship between organisation sizes to the perception on different benefits and barriers. The research also provides an in-depth understanding on the different benefits and barriers.

CHAPTER 1

INTRODUCTION

1.0 Background of Study

According to the statistics from Internet World Stats (2013) as of the second quarter of 2012, there are approximately 2.5 billion of internet users. This is almost 36% of the world population. It had experience growth of 500% over the 10 years, in line with the development of computer hardware infrastructure and software. At the same time the World Wide Web had also experience great changes and improvement with the development to Web 2.0 from Web 1.0.

The early generation of Web 1.0, which only distributes information from content providers to users, limits the interaction between both the information provider and the users. The new Web 2.0 can be refers as a new generation for web compare to Web 1.0, the idea of Web 2.0 was first used in October 2004. Web 2.0 is also known as the new Internet which enables online users to create and share knowledge together from multiples sources, leverage collective intelligence and organise action (Hwang, Altmann, and Kim 2009). Web 2.0 initiatives were originally discuss in a seminal article by Tim O'Reilly entitled "What is Web 2.0?" (Gilroy, 2006).

O'Reilly brings up the Web 2.0 idea during a conference brainstorming session where he notice that although dot-com bubble busted in the fall of 2001, the company that

survived the actually have some common things in terms of their web model. They agree that the web have become more important than ever with many new creative applications and new websites coming up with regularity (Reilly, 2005). His argument set out a framework for others to look into and identify the importance of the new Web 2.0. Together with the spread of broadband internet, email, messaging, application, smart phone, tablet and many others.

O'Reilly says: "Web 2.0 is a set of social, economic and technology trends that collectively form the basis for the next generation of the internet – a more mature, distinct medium characterized by user participation, openness and network effects" (Reilly, 2005). The essential difference between Web 1.0 and Web 2.0 will be content provider. There are few and limited content providers in Web 1.0 and most users only act as consumer for the content provided. Web 2.0 simply allows anyone with access to the web to be the content provider (Graham & Balachander, 2008).

Social media were built based on the ideology and technology of Web 2.0. According to the study done by Antony Mayfield (2008), social media refers to a new kind of online media which have some of the important characteristic such as participation from users, open for feedback and comment from users, two way communication between users, communities that share the same interest and connectedness that link users to other sites, resources and users.

Some of the example of social media type includes social network site, blogs, wikis, podcasts, forums, content communities, and microblogging. The fastest growing and most popular social media type will be social network website which includes the famous Facebook, Twitter, Google+, and others. Out of the many famous social media website, Facebook was one of the most successful. It also changes the world social media behavior.

In order to understand the speed and impact of Web 2.0, we can look into few interesting news about some of the online giant corporation such as, Wikipedia is the

Internet's fifth most visited site but they only have seven full time staff and their operating budget is actually less than $1 million, Rupert Murdoch's News Corporation bought over Myspace with $580 million just two years after it was founded, Google bought over YouTube paying $1.65 billion 20 months after its founding, Facebook was marked with the overall value at $15 billion by a fall 2007 investment from Microsoft despite its annual revenues of only $150 million (Gallaugher, 2009).

The rapid growth of social media together with Information Technology had change people's lifestyles as social media website encourage the participation of user interaction. People are now connected easily and sharing of information had become easier and fast as never before. We get to know news around the world within second sharing by anyone with access to the Internet.

According to the report done by Alcatel Lucent, the new Web 2.0 changes the behaviour of internet users. Some major impacts including the shift of attitude for internet users, growth of broadband connection, much more information being delivered without charges, social networking becoming a new communication domain,, fragmentation of consumer markets, internet is now the main source for transmitting knowledge, internet security and privacy issues, and mass data ownership (Alcatel Lucent, 2012).

The change of lifestyle also influences our behaviour as a consumer. Consumers are more knowledgeable and intelligent with the help of information sharing on the Internet especially though social media website. With the help of Information Technology such as Smartphone, consumers are now attached to social media site almost 24 hours a day anywhere.

According to the data from Malaysia Communications and Multimedia Commission (MCMC) (2012), the online penetration in Malaysia is about 66% out of our total population of 29 million as of the first quarter in year 2013, and 92% of the total

penetration use internet few times a week, top online activities by most of the Malaysia internet user are dominated by social media, as much as 84% of internet user spends their time on social networking website.

According to a research done by Nielsen Malaysia in April 2010, 52% of the total respondent use social media sites to make purchase decision. Investment on internet advertisement in Malaysia had also increase to 0.6% in year 2011 proving more organisation are now putting more effort into internet marketing tools. According to the same report publish by Nielsen, online advertising achieves higher return on investment compare to other conventional advertisement such as TV, print, and outdoor. The research shows that in Asia Pacific region itself, the return are 1.78 dollars for every marketing dollar spent (Nielsen, 2012).

It shows that more consumers are doing their own research and fact finding before purchasing certain products. Consumer no longer only listen to what the supplier got to say about their products, consumer also take other consumer comments into consideration as supplier might be bias towards their own products.

This research are targeting Facebook as the prime study social media website as Facebook can be ranked as the Number 1 social media website on the Internet, with the most active user account compare to all others social media website. Facebook was also the fastest growing social media website in the history of Internet that changes the behavior of social media experience.

Yahoo did a research at Penisular Malaysia in year 2011 which involve 2295 participants from different gender, age group, race and many others aspect. Out of the 2295 participants, 100% of them own a Facebook account, and 50% of them visit Facebook site at least once a day (Yahoo, 2011). According to the statistic from SocialBakers (2013), there are currently about 13 million of users which represent about 46% of total Malaysia population, and about 82% penetration of total online users. Malaysia is rank at 18 of global Facebook users by country.

We have learned about the impact of Facebook through various activities and news that was organise and spread through Facebook platform and eventually become nationwide news within hours. Activities and news such as Bersih 2.0 and Bersih 3.0, Earth Hour, KFC incident, Nayati's kidnapped, and others were all on Facebook before it was reported in news and paper.

Many organisations had noticed these importance impacts of social media on consumer behavior and hence had tackle into social media marketing to gain and retain customer loyalty. We can now easily find many big or small organisations publishing their Facebook or Twitter link on their webpage or advertisement. Many events and interaction games or contest was held by these organisations though Facebook in order to attract more users' participation and involvement as well.

Facebook had greatly promotes another type of marketing strategy, Word of Mouth. It also allow consumer to gather and compare all kind of information before buying any products. Consumers are now more dependent to online information. Organisations would have to handle their Facebook strategy differently compare to the previous marketing strategy, as information sharing are now transparent through Facebook, compliments and complaints can come hand to hand, any mistake done or overlook can easily destroy a organisation hard build reputation overnight.

Organisation that launch their own Facebook page need to consistently monitor and hold different activities to catch user attention and interest, or else having a Facebook page without updates is as good as nothing. Facebook had also become a platform for many organisations to announce new products and information at lowest cost and achieve highest audience attentions.

The top 5 brand in Facebook Malaysia with over 1 million subscribers is McDonald's Malaysia, Air Asia, Pizza Hut Malaysia, KFC Malaysia, and Tourism Malaysia. Out of the total top 5 brand, 3 of them are from Food and Beverage companies.

It seems like Facebook had all kind of advantages and benefits over traditional type of marketing, but there are still many others organisations that do not have any plan to involve into it. Facebook marketing, same as many others new strategy would have its own barriers that prevent certain market players to step into it, even if organisations that already had gone into Facebook marketing will find these barriers as an ongoing threat. The report will discuss in details certain barriers that these organisations are facing and suggested solution to counter it.

There are still plenty of organisations or SME in Malaysia that maintain the most traditional way of marketing such as Newspaper, Magazine, TV, Radio, and Billboard. These organisations might not even operate their daily business with email not to mention company website, hence using internet marketing channel such as Facebook might be a culture shock to them. We will try to look into the barriers for these companies to look into internet marketing specially Facebook marketing in this report. And for companies that already have engaged with Facebook marketing, beside the advantages there must be risk that marketer need to take into consideration and counter with it. Different company might have different approach to resolve problems, the research will also try to look into the risk management of certain internet marketing problems by these companies.

1.1 Malaysia Household use of Internet Survey

Malaysian Communication and Multimedia Commission carry out routine survey pertaining to Malaysia communication and multimedia sector, one of the important survey will be the Malaysia household use of internet survey, the survey help us understand the internet usage pattern in Malaysia and the forecast future of it.

Figure 1: Malaysia household use of internet age band

AGE	PERCENT
Below 15	11.0
15-19	8.6
20-24	16.5
25-29	17.5
30-34	15.7
35-39	10.4
40-44	7.1
45-49	5.8
50 and above	7.4

Note. Adapted from *Malaysian Communication and Multimedia Commission* (2011). Retrieved July 20, 2013, from http://www.skmm.gov.my/skmmgovmy/media/General/pdf/Household-Use-of-The-Internet-Survey-2011_051212.pdf

According to Figure 1 above, adults from the age of 20-49 years old were the main user of internet with about 73% penetration. Adults from 20-29 years old age group contribute the most as the top internet user age group, adults from these age group were also the top user for Facebook page globally. Teenager to the age group of 19 appears to be more actively involve online compare to senior citizen at the age 50 and above by almost double the size. It is believes that social networking site penetration among teenager group to be as high as adult as well, making social networking site to be the second top online activity in Malaysia household.

Figure 2: Daily usage of internet

INTENSITY OF USE	PERCENT
< 1 hour	13.0
1 - 4 hours	60.7
4 - 8 hours	19.7
8 - 15 hours	5.0
15 - 24 hours	1.6

Note. Adapted from *Malaysian Communication and Multimedia Commission* (2011). Retrieved July
20, 2013, from http://www.skmm.gov.my/skmmgovmy/media/General/pdf/Household-Use-of-
The-Internet-Survey-2011_051212.pdf

According to Figure 2, normally every internet user would spend averagely 1-4 hours daily for online activities. User who spends averagely 4-8 hours daily online appears to be more than user who only spend less than 1 hour online daily. There are 5% of users that will spend 8-15 hours online daily and only 1.6% who spend 15-24 hours online daily.

Figure 3: Place for using internet

PLACE FOR USING INTERNET	PERCENT
Home	88.3
Office	8.0
School	1.2
Internet cafe	0.3
Library	0.2
Mobile phone	1.1
Friend's house	0.1
Free Wifi	0.5
Others	0.2

Note. Adapted from *Malaysian Communication and Multimedia Commission* (2011). Retrieved July
20, 2013, from http://www.skmm.gov.my/skmmgovmy/media/General/pdf/Household-Use-of-
The-Internet-Survey-2011_051212.pdf

Figure 3 shows that 88% of internet user actually goes online at their home follow by 8% at office, although smart phone that can go online anytime anywhere is getting

more popular but there is only 1.1% of internet users uses mobile phone to go online. Normally office would have internet facility nowadays, but workers might not have the luxury time to surf the internet for their personal matter and there are also a lot of company actually restrict their staff from going onto other none business related website. 1.2% of internet user goes online from their school and 0.5% from free wifi location. Places such as internet café, friend's house, library, and others location sums up the balance of 0.8% internet users.

Figure 4: Purpose for use of the internet

PURPOSE FOR USE OF THE INTERNET	PERCENT
Getting information	88.3
Communication by text	66.4
Education	63.5
Internet banking	40.9
Reading	57.2
Social networking	84.4
Online shopping	24.5
Maintain homepages	18.2
Government services	38.4
Selling goods	9.4
File download	62.3
Internet telephony	29.5
Navigation system	22.5
Surfing	54.6
Others	8.8

Note. Adapted from *Malaysian Communication and Multimedia Commission* (2011). Retrieved July 20, 2013, from http://www.skmm.gov.my/skmmgovmy/media/General/pdf/Household-Use-of-The-Internet-Survey-2011_051212.pdf

Figure 4 shows there are as high as 88.3% of Malaysian uses the internet to get information and 84.4% for social networking. It is clearly that internet had become one of the most important information center for public and to get connect to friends and family on social media site. Figure 4 also shows that most of the Malaysian

household uses internet for more leisure purpose compare to more formal usage such as education, banking, and government services. It can be conclude from figure 4 that social networking site had become one of the most important reasons for people to get online.

Figure 5: Social networking usage

SOCIAL NETWORKING USAGE	PERCENT
At least once a day	65.5
At least once a week	29.3
At least once a month	3.4
Less than once a month	1.8

Note. Adapted from *Malaysian Communication and Multimedia Commission* (2011). Retrieved July 20, 2013, from http://www.skmm.gov.my/skmmgovmy/media/General/pdf/Household-Use-of-The-Internet-Survey-2011_051212.pdf

Out of the 84.4% of social networking users, over 90% of them were consider as frequent visitor which visit the site at least once a week, there are up to 65.5% of user which actually visit the site at least once a day as shown in Figure 5. There are 3.4% of users who visit social website at least once every month, and only 1.8% of users who only visit social networking site less than once every month. The frequency of visit show the dependency of user towards social networking site, the purpose of visiting social networking site will be discuss at the following Figure.

Figure 6: Malaysia household purpose for social networking

PURPOSE FOR SOCIAL NETWORKING	PERCENT
Find information	64.6
Get opinions	53.7
Entertainment	60.1
Socialise	58.8
Stay in touch with friends	69.7
Highlight product	12.0
Share experience	59.3
Others	7.6

Note. Adapted from *Malaysian Communication and Multimedia Commission* (2011). Retrieved July
   20, 2013, from http://www.skmm.gov.my/skmmgovmy/media/General/pdf/Household-Use-of-
   The-Internet-Survey-2011_051212.pdf

Extended from Figure 4 and 5 to Figure 6, out of the 84.4% of social networking user, 64.6% user actually uses social networking site to find information, 53.7% to get opinions, and 59.3% to share their experience. Besides staying in touch with friends and to socialize, social networking site had become one of the very important channels to gather and share information. Refer back to Figure 4, the top online activities by Malaysian is getting information which is the same purpose as finding information on social networking site, but social networking have the advantages for users to ask for opinions and share their experience because it is build on Web 2.0 technology.

Many organisations had actually set up their company Facebook page to gather consumer feedback and opinion besides promoting the brand. Consumer had find Facebook to be one of the best channel to communicate with organisation as the channel is very user friendly and feedback is instantly. Consumer also expect to get better treatment when they complaint on organisation Facebook page compare to the conventional channel.

1.2 Problem Statement

Consumers were previously more passive as the information receive are mostly one way and only from the seller, decision were made base on the one-way communication and limited two-way communication between the other consumers around us. Consumers are more conservative and have little bargain power against the supplier. Things had change today as consumers are exposed to multiple two-way interactive communications because of these social media website.

The change of online communication channel from to Web 2.0 from Web 1.0 contributes to growth of information sharing among consumers. Consumers are now actively involved to share information with others and this had change the behavior of traditional consumer.

According to the study done by Wilson (1999), consumer or any person who seek for information will have certain characteristic as describe by the figure below:

Figure 7: Wilson's information behavior model
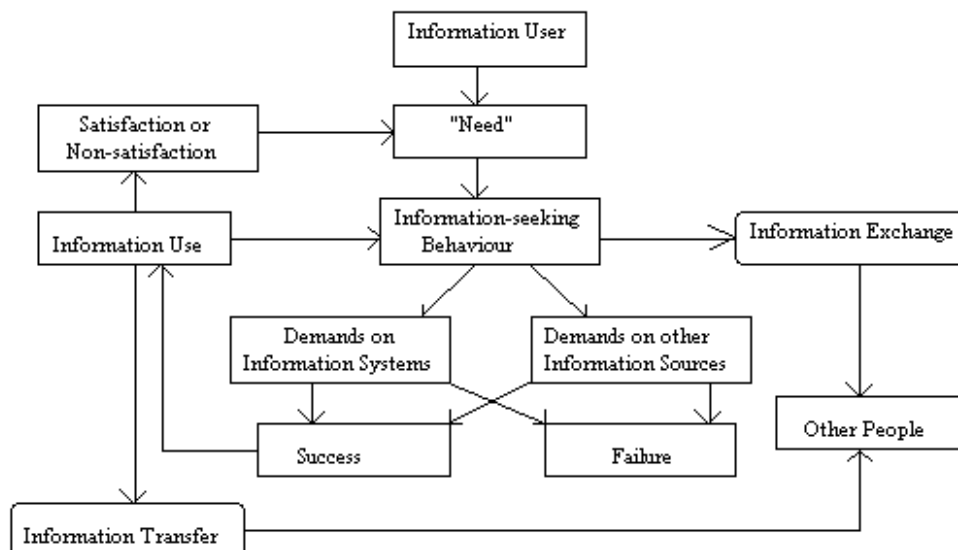
Note: Adapted from *Models in information behavior research* (1999). Retrieved July 18, 2013 from
http://informationr.net/tdw/publ/papers/1999JDoc.html

Figure 7 explains how normally information user seeks for information for their use and the cycle of it. Information user normally go through three different channel in order to find the information that will fulfill their needs, information system is one of the channel follow by traditional or other information sources and to exchange information with another user. The diagram shows that whether the user is satisfied by the information found or not, they will most likely exchange their information in the later part to other user. The advancement of information technology especially the social media website enhances the flow of information seeking and sharing behavior hence creating a more knowledgeable consumer cycle.

Consumers that are more educated will analyze the information they receive from seller and they can now easily compare or validate the information using social media website. Consumer can also gather different non-bias feedback and comments from others consumer to help in their purchasing process. Consumers now have greater bargain power as they are more open to many others choice and feedback from various sources.

It is also believes that social media had increase consumer bargaining power when it comes to complaints. Consumer uses to have little bargaining power towards supplier when the goods or service received are unfavorable, but with the help of social media consumer now can actually easily raise up their complaints to the attention of hundred and thousand of public, these will normally result consumer to receive more favorable treatment and compensation from their supplier compare to original contracts (Barnes, 2011).

Besides getting more information about their needs, it is believes that the introduction of US consumer bill of rights in 1963 changes the way consumer behave. The right was introduce by the US government to protect consumer, it highlights the right of consumer to be safety, to be informed, to choose, and to be heard (Voines & Filip, 2011).

Organisation that notice on change of consumer behavior in such way had reacted fast to participate in the same channel where the consumers are communicating. Some other organisation that had not involved in social media taking consideration of their Return of Investment (ROI) and others factors is slowly having the effect from it.

As for the organisation that had already involve in social media marketing, different from all the old and existing marketing strategy, social media marketing cannot be measure using the previous ROI or benchmark. Customer engagement on company media website might not convert to company direct sales. Number of followers or fans on social media side might not reflect the organisation sales directly. More followers and fans discuss about the organisation online will not necessary have any instant impact on the organisation performance. Social media marketing might have a slower and longer effect on consumer behavior (Champoux, Durgee & McGlynn, 2012).

Social media being a free platform for discussion will have positive and negative comments, organisation that do not handle negative comments from consumer carefully will find social media become their greatest nightmare. Human brains will normally heavily weight negative input by nature, it is our ability to help us keep away from harm and danger, and hence bad news will travel faster (Champoux et al. 2012). It is a thread for organisation if they are not ready to handle the bad comments.

This research aim to study the key benefits and barriers of Facebook marketing perceive by organisation. The research will also look into the organisation culture and size to determine the way organisation perceives certain benefits and barriers. By understanding the benefits and barriers, it will assist organisation in the decision of investment into Facebook marketing and also better understanding of Facebook marketing in Malaysia.

1.3 Research Question (RQ)

There are 2 main research questions in this study which as stated below:

- What are the key benefits and barriers of Facebook marketing perceive by local organisation?
- How organisation size affects the perception of organisation towards the benefits and barriers of Facebook marketing?

1.4 Research Objective (RO)

The following research objectives were set to answer the research question:

- Identify the key benefits and barriers of Facebook marketing perceive by local organisation.
- Identify the relationship between organisation size and the perception on benefits and barriers of Facebook marketing.

1.5 Conclusion

This chapter provides an overview for the research subject by looking into the background of study, problem statement, research question, and research objective. Understanding of the background of study prepare a guideline for the research on how, where, and why to carry on this research. Research question and objective set from this chapter will also serve as the backbone of the entire research. At the end of this chapter, reader should be able to understand the objective of this research and some brief understanding of the research subject.

CHAPTER 2

LITERATURE REVIEW

2.0 Web 1.0

The World Wide Web was one of the very important inventions that change everything in the world. Concept of the web is originally started at CERN (Centre Européen en Recherche Nucléaire) in 1991 by a group of researchers. The father of the web and the creator of the hyperlink Sir Tim Bernes-Lee was one of the researchers (Kioskea, 2013).

Tim Berners-Lee formally introduces his first webpage on August 6, 1991 aiming to share any information anywhere with the use of hyperlink on the internet (Boswell, 2013). The basic idea of web is the share of document in the form of webpage via internet, webpage is written in language called HTML and anyone with internet access will be able to retrieve the webpage using a browser (Kioskea, 2013).

The first generation of web called the Web 1.0 is different from Web 2.0 mainly in a set of technique use to design and execute website, there's no specifically technology advance in Web 2.0 compare to Web 1.0 (Strickland, n.d).

Web 1.0 sites are static and will not attract users to visit the site again. Information display on the webpage was produce by the owner but no changes after it is publish.

Normal users that retrieve the information can only read but no interaction with the content provider. The lack of user interaction makes the webpage less attractive to user and also limits the information flows on the internet.

Web 1.0 applications are proprietary where users will not know how the application works and they are also not allowed to change it. This limitation restricts the sharing of creative idea by different people hence indirectly slows down the development of the web as well. Web speed was also slow during the Web 1.0 era, consumer could only get internet speed around 64 to 128kbps, browsing the internet is not a pleasant experience for consumer.

2.1 Web 2.0

Web 2.0 concept began with a conference brainstorming session between O'Reilly and MediaLive International. The term Web 2.0 was taken hold before the conference was hold but there are no clear guideline and definition. Hence the conference was hold to discuss the actual meaning of Web 2.0 and the implication of it (O'Reilly, 2005).

O'Reilly thinks that the dot-com bubble marks the turning point for the web which promotes the idea to have a new generation of web, the Web 2.0 (O'Reilly, 2005). Before the brainstorming session to discuss about Web 2.0, there are already more than 9.5 million citations about "Web 2.0" in Google, but at the same time there are still many disagreements about the meaning of Web 2.0. Some people actually think that it is only some meaningless marketing buzzword.

Figure 8: The meme map for Web 2.0
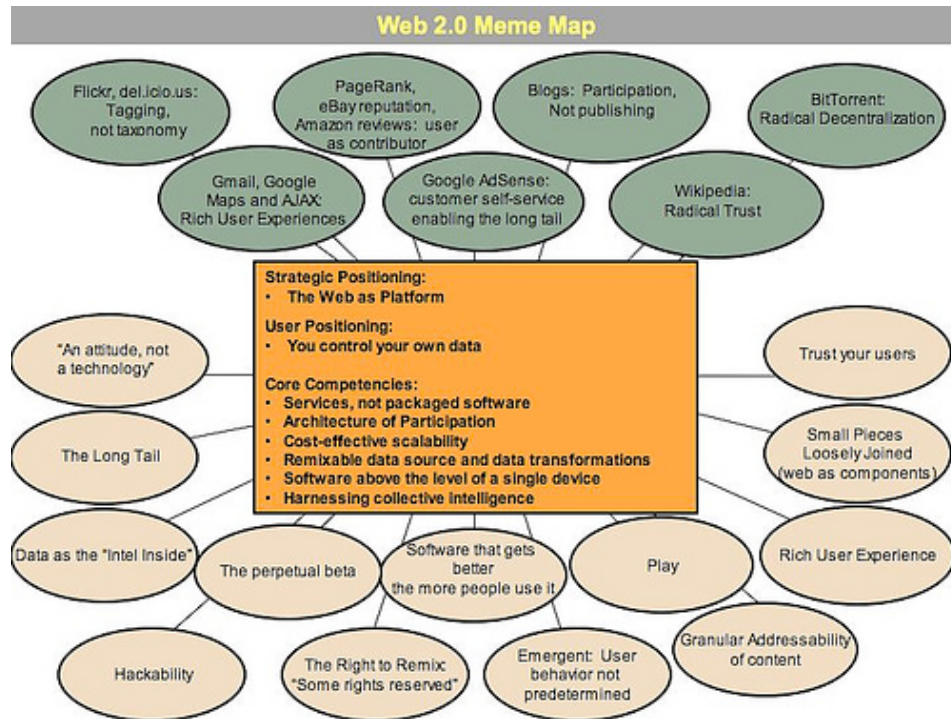
Note: Adapted from *What Is Web 2.0* (2005). Retrieved July 22, 2013 from
http://oreilly.com/pub/a/web2/archive/what-is-web-20.html?page=1

During O'Reilly's conference brainstorming session, he and John Battelle outlined their opinion about Web 2.0 and describe it in 7 main principles as shown in Figure 8. The first principle is the definition of "Web as platform", their idea is to build software application base on the web instead of the computer desktop. The idea is different from the flagship Web 1.0 site Netscape, Netscape definition of web as platform is to build software base on desktop requirement, and Netscape's flagship product is the high-priced server products and their web browser.

The second principle is to define web as a place or platform to harness collective intelligent. The organisations who survived from the dot-com bubble are those who manage to realize the power of the web that can help them to harness collective intelligence. When web connects every individual together it actually provide users the platform to share their ideas and thought, one can use this as a channel to gather

as much great ideas as possible for a better invention or revolution. Sites that understand this principle had been proven to succeed such as Wikipedia.

Data is the next Intel, this is the third principle discuss in the conference. With web being the platform to collect data, web is now the super brain that consist almost everything in its data, which ever controls the data will be able to control the market. But of course, the respective party must have the ability to process the huge amount of data in order to leverage from it. The more marketers interpret from that data the better decision can me make and the better business position and competitive advantages can be achieve.

The fourth principle highlights the end of the software release cycle when it comes to Web 2.0 where software should be delivered as a service instead of product. Software will never able to keep up to date with the ever changing information and world, hence to treat the software as a service will be more appropriate. Company that deal with web service need to focus on their operations as their core competency instead of developing new software to release routinely, company such as Google is one of the best examples of such principle. Google still focus mainly on their search engine business besides developing some other software such as Google map and Gmail.

Lightweight programming models was emphasize in Web 2.0 where people realize a lightweight program can reach many more people compare to the heavy weight programming models. Lightweight programming model are normally simple and easy to understand for co-developers which is the normal users, in the end it will be able to harness collective intelligent for such program and able achieve wider development compare to heavy weight and complex programming model. Lightweight programming models are also easier to transport compare to heavy weight programming models which also helps to promote the usage of it.

The sixth principle mentions that software had gone above the level of a single device. Last time we can only access to internet with pc platform but with the technology

revolution in terms of hardware and software, we can now access to the internet from many different platform such as mobile phone and tablet. Easy accessible of internet from more device enhance the collective intelligent at the same time.

The last principle is better user experience for Web 2.0. This is necessary for web so that it can have a better web application that leads to better information flow, it will promote more web usage and lead to a higher degree of collective intelligent in the end. Better user experience is actually the result from collective intelligent as well, when more information is gather around to develop something that everyone thinks is better. It goes back to the earlier principle that had been discussed.

All the seven principles discussed are only the outline from the mention conference at year 2004 which is already 9 years back. Users might find the principles to be different from current practice but it is still some very good information for us to understand from the beginning how Web 2.0 behaves. It will also serve as the fundamental for future web service development.

2.2 Web 3.0

Web 1.0 refers more to a content provider process where information flows one way from content provider to reader. Web 2.0 refers to communication process between the content provider and reader. Web 3.0 suggest that the internet will be cooperative platform, users can now be gather base on common interest and passion for a better collective communities (Raffl, Hofkirchner, Fuchs, and Schafranek, n.d). Web 3.0 may refers to the emergency of the communicated Web 1.0 and Web 2.0 content (Hammersmith, 2009).

Figure 9 shows the model of Web 1.0 to Web 3.0. The evolution of web content involves the enrichment in contents and functions that makes the web a more

informative and collective platform to ease, assist, and advance human daily life. Although Web 3.0 still remain at the suggestion and discussion stage, but we believe that it will be another important revolution stage in the very near future.

Figure 9: Dynamic of techno social self organisation of the web.
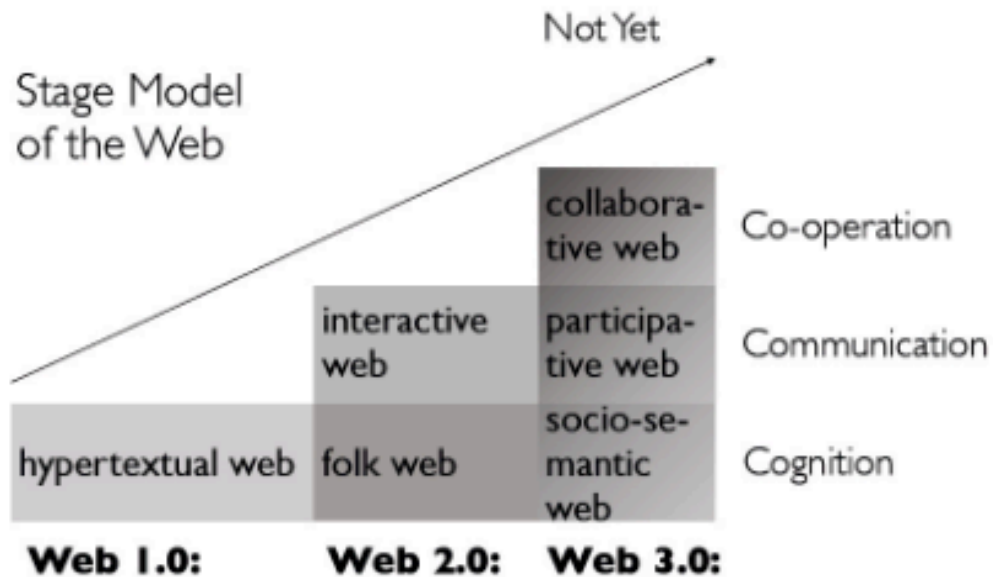
Note: Adapted from *The Web as Techno-Social System: The Emergence of Web 3.0* (n.d). Retrieved July 30, 2013 from http://www.bertalanffy.org/media/pdf/pdf39.pdf.

2.3 Web 4.0

Web 4.0 is only a concept as Web 3.0 is still on the emerging stage. There are research indicate that Web 4.0 may shift our online experience and functionality into physical daily life for more useful assistant. The example given was user might be able to locate the objects at home by Google (Hammersmith, 2009).

Figure 10: Web 1.0 to Web 4.0
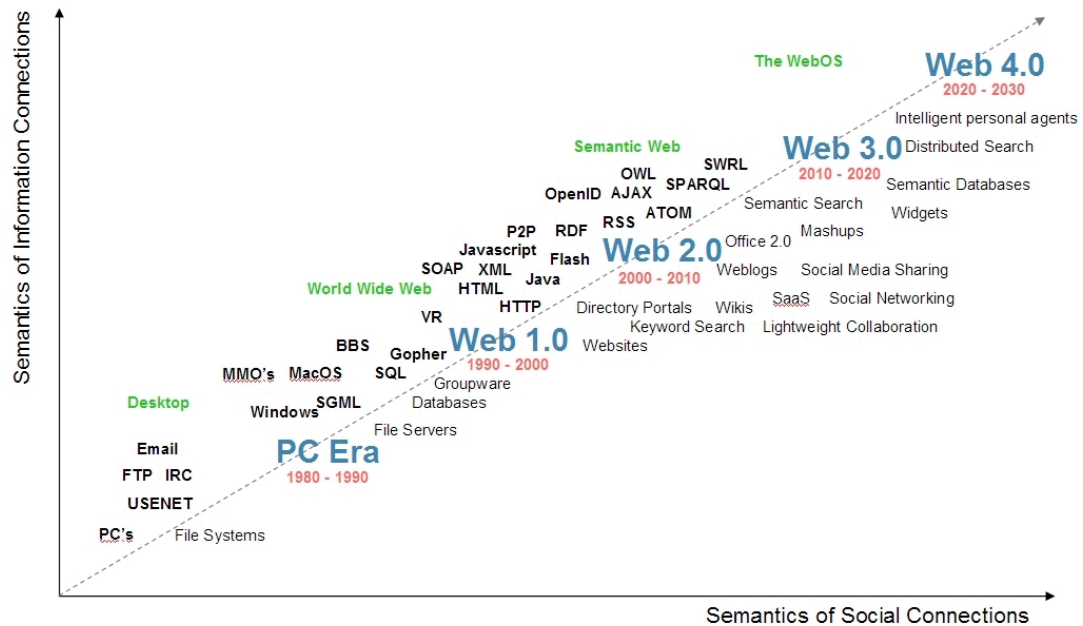
Note: Adapted from Nova Spivack and Radar Networks (2007)

According to Figure 10, Web 4.0 may be referring the web as an intelligent personal agent that is able to interact with online users. Web 4.0 can also be refers as the WebOS which represent the Web that react as an operating system that are able to think itself prior to users instruction. It is believe Web 4.0 will involve more Artificial Intelligent ever.

2.4 Social Media Website

Social media website refers to website that allows individuals to own and share their personal profile within a connected network (Boyd and Ellison, n.d). Individuals will be able to connect and communicate to each another though the linked network.

The early stage of social media networking was quite different from what we have currently. The first social media service created was known as Bulletin Board System (BBS) in 1978, the system allow user to sign in and interact with another sign in user

at one time. Later in 1994, the first social media website called Geocities was launched that allow users to create their own website and interact with other users that share the same interest (Peppetta, 2011).

The first social media website that allows users to create their own profile and link with their friends was called SixDegrees.com and was launched in 1997. The history of some famous social media website will be discussed as below.

2.4.1 SixDegrees.com

SixDegrees.com was the first social media website which functions about the same as our Facebook today launched by Sir Andrew Weinreich in year 1997. SixDegrees.com was created base on the theory to connect every person in the world by just six degrees of separation (Plymale, 2012). Six Degrees of separation was an idea initiate by a Hungarian author Frigyes Karinthy, it was further popularized after a play written by John Guare in 1990 (Flores, n.d).

Same as Facebook, user of SixDegrees could create their own profile and have friends connected via the network, its popularity were reported to grew over one million members before the site is shut down in 2001 (Hershey, 2010).

Founder of SixDegrees believes that the site was ahead of its time during that period where people were not ready for it yet, online advertising was not popular during those time. Most of the users did not extend their network and little activities can be carry online by that time. After the burst of the dotcom bubble, people become more skeptical to the Internet hence SixDegrees were unable to sustain its business and shut down.

2.4.2 Friendster

Friendster is started at year 2012, which is 3 years ahead of Facebook, it garners over 90 million active users mainly from Asia (Hershey, 2010). Friendster is also very similar to Facebook were users can create their own profile, upload photo and connected to their friends and family. Friendster was originally designed to help friends to find partners online though the connection of friends' users might have. The founder believes that friends' friend will make a better partner compare to stranger (Boyd and Ellison, n.d).

Because of that, users on Friendster can only view and add friends that are 4 degrees within their friends' connection. This limitation in the end result a lot of fake profiles just to collect strangers profile (Boyd and Ellison, n.d). Friendster also never counters for its popularity surged and the site starts to encounter technical problems that frustrated their users.

Besides that, Friendster also lack of many interactive action compare to Facebook. Functions such as news feeds, video and photo sharing, games and application, which in the end overtake by Facebook sometime later. News feeds is one of the main reason for Facebook success over many social media site, people are more connected together though the discussion, updates and shares (Pachal, 2011). That is also what keeps users returning to the site as compare to games and media which users would get bored ultimately.

2.4.3 MySpace

In Year 2003, MySpace was establishes and quickly grew to the largest social media site in 3 years time. Users of MySpace can create profile with personalize backgrounds, and embed the profile page with photos, slideshows, and music players. Users can also share their blogs through MySpace profile page. MySpace serves more

as a direct websites for DJs and musicians with the customization that they can do (Hershey, 2010).

Although MySpace growth quickly but it reaches its peak very soon and start to slow down and losing its market to Facebook. The main reason MySpace fail is because the lack of innovation compare to Facebook, MySpace remain its operation and function about the same as it was just launched without much improvement and adaption to new technologies and trend (O'Reilly, 2011). MySpace also restrict their platform to third-party developers at the early stage that further limits the innovation of the website.

MySpace had been emphasizing too much on their revenue compare to the development of the website after it was purchase by News Corporation (Silverstein, 2011). The forecast of News Corporation owner Rupert Murdoch of MySpace would bring up to $1 billion in revenue right after it was purchase cause panic at MySpace. Change of focus into revenue growth by MySpace stops the innovation and development within the company and numbers of users start to decline steadily after that.

2.4.4 LinkedIn

LinkedIn was officially launched on May 5, 2003 by Sir Reid Hoffman together with his friends and had 4,500 members in the network by end of May 2003 (About LinkedIn). LinkedIn was the first business and colleague-based social network site aiming to connect all professional networks together for more productive and successful (Hershey, 2010). Sir Reid Hoffman vision is to create economic opportunity for every professional in the world when he founded the site that come with a tagline "Relationships matter" (Hoffman, 2013).

Different from many other social network site that aim just to connect everyone together online, LinkedIn aim to connect all professional together for economic

opportunity such as recruitment and consultation. The company revenue doesn't come from online advertisement alone but also from talent solutions, marketing solutions and premium subscription products (About LinkedIn).

2.4.5 YouTube

YouTube was founded in 2005 by three PayPal employees after one of the boys was frustrated while trying to email a video clip. They begin to have the idea to design and publish a platform that allows online users to share video clip easily (Sanger, 2008). Users can create online profiles and upload video into their profiles, user can then share the video they upload to all online users via the link provided by YouTube (Hershey, 2010).

YouTube have more than 1 billion unique visitor every month with over 4 billion hours of video watched each month. In year 2011, there are more than 1 trillion YouTube views which are around 140 views for every single person on earth (YouTube Statistic). YouTube had been enhanced with many news features such as subscription that allow users to connect with another user on YouTube. The site was then bought over by Google in 2006 one year after it was founded for US $ 1.65 billion in stock.

YouTube main revenue comes from online advertisement and the site had reported to have generate more than US $ 3.6 billion in gross avenue in year 2012 (Kafka, 2012). Besides being a famous video sharing site and profitable company, YouTube was also famous for contributing to numerous successes of musician and singer such as Justin Bieber and Greyson Michael Chance (Hershey, 2010).

2.4.6 Twitter

Twitter is yet another success social media site which was established in 2006. Twitter is actually a micro-blogging website that only allows it's users to post topic limited to 140 characters called "tweets"", users can also follow others to receive their tweets update (Kwak, Lee, Park and Moon, 2010). Twitter capitalizes the use of News Feeds and uses it as the main means of communication between people (Hershey, 2010).

There are about 550 million of active registered twitter users with average 58 million tweets per day (Twitter Statistic). Twitter had growth to become a social phenomenon where many breaking news were first tweet by user before it goes to official news for example Michael Jackson death. Twitter had also become a place for many celebrities to communicate with their fans via the daily live update. There had been many cases where celebrities were followed on tweet and real life base on the tweets.

Twitter had also being use by many organisations to communicate with their customer for example one of the well-known case study is about Dell. Dell started to use Twitter to communicate to their customer and market their product in year 2007 and according to Dell they had around US $ 3.25 million yearly return driven by Twitter (Eaton, 2009). As for local company, AirAsia is one of the local companies that emphasize on communication with customer via Twitter.

2.4.7 Facebook

Mark Zuckerberg together with his classmates wrote his very first idea of social website during his second year in Harvard on October 28, 2003, the website was originally called Facemash. Facemash is a type game for Harvard students where students get to compare two side-by-side student photos and judge which one they

think is hot or not. Mark Zuckberg gets the student photo for their Facemash site use by hacking into Harvard's network (Bellis, 2012).

There are about 450 visitors and 22,000 photo-views in Facemash just first four hours it goes online, it means that the 450 unique visitors actually view a total of 22,000 photos on Facemash during the first four hour online. But the site was shut down few days later by Harvard executive. Mark Zuckberg faced few charges of breach of security, violating copyrights, and violating individual privacy for stealing student photos that he use and publish on website. He also faced expulsion from Harvard University for his actions (Bellis, 2012).

Mark Zuckberg re-launched his website with a different name called Thefacebook on the 4th of February year 2004 but only restrict to registration of Harvard students. Within half a month time, half of the Harvard undergraduate already registered in Thefacebook. At the same time Mark Zuckberg faced another problem when his senior files a lawsuit of stealing their idea about Thefacebook concept. The case was settled out of court with 65 million dollars after that (Reed, 2012).

The original idea of Mark Zuckberg seniors is to develop a networking site that is only available to the Harvard elite as they believes the site should be exclusivity to ensure only high-quality ideas are generate and share. But Mark Zuckberg saw the opportunity within the concept and turn it into the world largest social networking site. Thefacebook was then available in different universities months after it was first introduced, Mark Zuckberg drop out from Harvard four months after Thefacebook was launched to fully concentrate on the website in view of its potential and business opportunities (Croft, 2007). At the same year also, Mark Zuckberg manages to secure several venture capital fund which later help him to push Thefacebook to a whole new stage.

Thefacebook change to Facebook at year 2005 after the purchase domain name of facebook.com on the World Wide Web with $200,000 us dollar (Bellis, 2012). At the

same time, the Facebook network was opened up not only to universities anymore, a total of about 30,000 organisations around the world are able to register in Facebook using their institutional email address. In September 2006, Facebook official open for registration for everyone in the world with a valid email address (Croft, 2007).

Mark Zuckberg had market his website and idea from Harvard University to the World, and from a student to a successful business man all within 2 years time. 4 years after the introduction of Facebook, he had become the world youngest billionaire. But of course his success did not come easy, Mark Zuckberg was reported to have high interest in computer specially programming when he actually learns how to write software code before he was 12 (Rom, 2013).

Facebook active users increase by millions every year, from nearly 1 million at year 2004 when it was first stated, Facebook have 350 million active users at end of 2009. As of March 2013, there are 1.11 billion active Facebook users with billions of contents sharing around the world. Facebook was also listed on NASDAQ on May 18, 2012 and it declares an income of USD 5.1 billion for year 2012.

According to the statistic share by Facebook, there are averagely 4.5 billion like daily as of May 2013 compare to 2.7 billion likes generated daily in August 2012, the numbers increase by 67% within 9 months time. There are 4.75 billion content items shared daily by users with an increase of 94% compare to August 2012. Out of the 1.11 billion active users, there are 751 million active mobile users which represent about 70% of Facebook active users are all on Facebook 24/7 via their Smartphone.

On the business side, there are 16 million local business pages as of May 2013 compare to 8 million in June 2012. The local business pages increase by 100% in just 1 year time, this clearly show that Facebook had become a important marketing tools for organisation and organisation had also realize that. Besides setting up business page, organisation also actively putting advertisement onto Facebook in anywhere

they can, which brings a total of $1.25 billion advertisement revenue to Facebook in the first quarter of 2013 alone.

The top 5 countries in the world with most active Facebook users are United States, Brazil, India, Indonesia, and Mexico. Malaysia is ranked within top 30 according to the statistic from Socialbakers.

2.5 Social Media Marketing

The traditional forms of media include television, radio, newspaper, magazine, and billboard, during this traditional forms, the author sends the message to public via the above mention media and it disallow the person who receive the message to feedback and interact with author. Social media change the traditional forms of media because after the message was transform to the receiver, it allows feedback and interaction between the sender and receiver (Williams, 2009). The key point and most important features of social media is interaction, social media allow interaction between anyone to anyone for multiple purpose.

According to the study done by Bond, Ferraro, Luxton, and Sands (2010) Organisation brands can use social media as a channel to successfully engage with public and also their consumer. The study shows that the engagement enable brands to build strong and loyal customer relationship following which ultimately become the ambassador of that particular brand.

Social media allow every employee, customer, prospect, and basically everyone else connected to one organisation and hence they can influence organisation's online reputation. It is crucial for organisation to get prepared to control and respond to the message and the corporation branding (Vocus, n.d).

Social media promotes word of mouth marketing strategy, according to the study done by DEI Worldwide (2008), 70% of the consumer will visit social media website to receive information rather than visiting the company website. Consumers have better believe in social media as compare to official data. And consumers are most likely to share their feedback and other information using social media over the company website.

Growth of the social media was driven by the growth and success of mobile network and smart phone revolution. The ease of accessing internet promotes the connections between people around the world hence increasing the impotency of social media network. According to the report done by International Telecommunication Union, there are about 6.4 million mobile cellular subscriptions and about 1.5 million mobile broadband subscriptions as of the year 2012 (International Telecommunication Union, 2013).

The revolution of smart phone enables users to stay online 24/7 without attaching to a computer station. Both Apple and Android platform have millions of apps for download onto their smart phone platform and social media apps such as Facebook and Twitter were among the all time top download applications.

According to the social media industry report by Stelzner (2013) in United State there are up to 86% of marketers who actually agree that social media is important in their business, compare to only 83% in year 2012. Another important finding of the report indicates that Facebook is actually the top social media platform for most of the marketer.

2.6 Benefits of e-Commerce

E-Commerce is one of the top study subjects and discussed topic before social media marketing, there had been many studies and research on the benefits and barriers of e-Commerce though out the years. We will be adapting the benefits of e-commerce from previous study as our benchmark for benefits to Facebook Marketing. Both subject show similarity in terms of technology and business operation changes. Understanding on the benefits of e-commerce will help us to understand the benefits of Facebook Marketing as well.

With the help of e-commerce, marketer can now gain access to wider range of customer and supplier online, e-commerce provide high degree of convenience to their customer without the worries of store operating hour and travelling. The flow of information is actually better as it is now faster and easy accessible hence increase company efficiency and customer service. E-commerce also cut down company operating and transaction cost as the process is now simplify and automated by computer (Stockdale and Standing, 2004).

Small companies can now compete with large companies online as the barriers to enter for e-commerce is low compare to real life, the setup cost for e-commerce is so much lower which is a great advantages specially for small companies so that they can also sell their product on the same platform as others marketer. E-commerce promotes a platform that companies can due directly to their customer without any other third parties, this relationship cut down the companies cost and provide direct and most valuable feedback from customer to companies (Liliana, n.d).

E-commerce helps to reduced companies inventories and overhead cost as e-commerce uses the pull marketing factor where customer will order from the company first, and company will only execute the process when order is received.

With the help of e-commerce, companies can now go into untapped market and increase the business opportunity (Khurana, n.d).

According to a study done in Malaysia by Khatibi, Thyagarajan, and Seetharaman (2003), most of the respondent believes e-commerce able to enhance the company brand and the total company image. E-commerce can also increase customer loyalty and retention, as it promotes direct and efficient respond from both the company and customer. There are about 99% of marketer believes e-commerce increase their company business information flow hence creating a more competitive and efficiency. Human error can be minimize through e-commerce as everything is computerize and systematic now, reduce error will directly increase customer satisfaction and company overhead charges. E-commerce can also reduce cycle time and reduce time to market as it cut down the unnecessary process and increase efficiency (Ratnasingam, 2002).

Most of the study shown similar output of research despite the country of research, common perceive benefits of e-commerce is actually similar to the perceive benefits of many Information System Solution. The use of new technology enhance company operating process as it is faster compare to old method. Information can also be transfer much faster and accurately.

Implementation of e-commerce also reduce companies cost significantly from process simplicity, lower overhead and inventory charges, lower requirement of manpower as it is fully automated. Customer service was increase and higher customer loyalty and retention can be achieved through the e-commerce process.

Increase Revenue

With the accessibility of e-commerce, products and service can be publish to customer around the world at lowest cost possible, this will increase the sales and revenue since the products and services can be market to a wider market ever (Steel et al., 2011). One of the most success online retailers will be Amazon which is setup at year 1995.

E-commerce reduces operating cost through simplicity process and hence able to increase the revenue of business. Although the saving from operating cost to revenue might not be as significant as compare to increase in sales revenue, but in long run the saving will be relevant as well.

Internet provides lower search or even no search cost for customer hence customer can now specify their needs more accurately and precisely. Organisation can create different e-commerce channel to sell different products, organisation can also attack a niche market which are not available before, all of these will be able to increase the revenue in the end (Steel et al., 2011).

Reduce Operating Cost

Implementation of e-commerce will be able to reduce transaction cost by a company dramatically, distributing the product online and the whole buying process can be complete online without much human participation hence lowering the transaction cost of each order. The cost of handling a small transaction maybe the same for big transaction, hence the cost per sales will be high for smaller transaction, but with e-commerce the cost can be dramatically decrease (Krumwiede, Swain, and Stocks, 2003).

E-commerce are able to reduce operating cost as it cut down the dependency of human operation throughout the process and replace with automated computer system, the use of computer system also cut down the overhead cost as computer do not make error as human did. The cost of running the computer system all day long are also significantly lower compare to running the process by human.

Increase Customer Service

Increase customer service is one of the major benefits perceive by many organisations with the use of information technology. Technology gadget such as smartphone, laptops, notebook, e-reader, tablet, and even television can be use to surf Internet, gather and share information. Technology provides a channel for customer to find, check, compare, and buy the product or services at their conveniences. Customer will expect to receive the same degree of service from every organisation when there are business transactions (Reach, 2011).

The use of e-commerce fastens the company operating process and saves up many of the employee's time so that they can now focus more on customer service. Company can now attend back to customer inquiries and complaints faster with the help of computer system hence increase the level of customer satisfaction. Computer system also helps customer to feedback to the company fastest and accurate for solution and consultation (Krumwiede, Swain, and Stocks, 2003).

Customer can now use online system to check the status and progress of their order and company can use online system to keep their customer update with any changes and hence increase the customer satisfaction while doing business (Kumar and Petersen, 2006). Higher customer satisfaction often leads to better customer service. E-commerce and social media website also provides the platform for company and customer to stay connected besides doing business. Company can use the information they gather online such as e-mail to stay connected with customer by sending festive

greetings email or news and updates so that customer will not forget about the company.

According to the study by Oracle (2012), organisations should take the advantages from social media huge users group and leverage from it, it is important for organisations to be where the customer are, social media provide the best interaction platform for customer and organisation. Organisations can also leverage from the social media group by building the brand community so that customer can share their knowledge and experience to each other, better understanding of the customer needs and opinions will leads to better customer service.

Another study by IBM (2011) also shows that social interaction is important for organisations to gather valuable customer insights which can help organisations to improve their customer service. Social media also enable rapid and viral distribution of information of the organisations at minimum cost as compare to traditional channel, good feedback and comment about the organisations can reach and affect more customers.

Increase Information Flow

Company can increase information flow through the use of computer system in e-commerce, this is achieve because information technology equipment is faster, precise, and cheaper compare to human. Storage and processing of document are also more accurate and fastest when we use computer system (Sarkane, 2006).

Information flow is faster and accurate between company and customer with the help of information system technology. Company and customer previously rely on conventional communication channel such as mail, call, and fax which are less efficient and accurate compare to information system. With the help of information system, interaction between company and customer is now faster and more efficient.

Enhance Company Brand and Corporate Image

With the increase of customer service through e-commerce or other information system, organisations can also increase their company brand and corporate image. According to Nguyen and LeBlanc (1998), customer that receive better service and product quality from an organisation will normally have better perception on the organisation image. Research done by Kuzie, Fisher, and Scollary (2002) also indicates that enhance company brand and corporate image were some of the key benefits of e-commerce.

The use of electronic platform further enhances the spread of good company branding and corporate image. Happy customers that use word of mouth online can easily share the experience with hundreds or thousands of other customers. Organisations will be able to gain better company branding and image benefits at minimum cost by using the electronic platform.

Increase Customer Loyalty and Retention

Study did by Nguyen and LeBlanc (1998) indicates that better service quality will lead to higher customer loyalty and retention. Customer that is happy with the organisations provided service or product is most likely to buy again from the same organisations, this is because customer will like to enjoy the pleasure of buying besides getting their needs fulfill, higher customer retention will lead to higher customer loyalty.

With the lower switching cost on e-commerce, it is important for organisations to promote customer loyalty and retention online. According to Asim and Hashmi (2005), some of the factors influencing customer loyalty and retention are convenience, choice, community, and interaction. Electronic platform have the advantages to provide customer with the most convenience and greater choice of

shopping, also provides the channel for customer to form community between consumers and provides the most effective way to interact with organisation.

Improve Business Process Flow

Business processes were improved through the introduction such as emails, instant messaging tools, and other electronic programs or devices that react instantly (Fraser, Fraser, and McDonald, 2000). The use of information technology in business minimum the chances of human mistake and down time. Information technology also provides the organisation with better overall view of their business process.

According to Ratnasingam (2002), organisations can now cut down the unnecessary business process with the help of e-commerce, organisations can now re-design their business flow in more effective and better competitive advantages way. Better business process flow will benefits the organisations in many ways such as reduce operating cost, increase revenue, and increase customer service.

2.7 Barriers of e-Commerce

The study on barriers of e-commerce is normally carried out together with the benefits of it so that it will help the reader of the research to compare and make better decision out of it. As per discuss in the benefits of e-commerce, barriers of e-commerce will serve as a benchmark on our study of barriers to Facebook Marketing. Lack of knowledge to e-commerce implementation is one of the main barriers of marketer in e-commerce business, companies might not have the manpower and skilled workers to handle e-commerce operation if it is implemented, even if staff are skillful to handle the operation, there is also risk that customer might not know how

to use the e-commerce platform. Hence designing a user friendly and easy to understand platform is crucial to the success of e-commerce (Khatibi et al. 2003).

High setup and maintenance cost to implement e-commerce is also one of the barriers perceive by many marketer, since we all aware of the ever changes of information technology, in order to keep up to the changes of the technology environment it will require investment from time to time from the companies (Khatibi et al. 2003).

Another important barrier is actually the customer attitude and mindset towards e-commerce business, there are many customer who still prefer the touch and feel factor before deciding to purchase certain product especially when it comes to expensive item (Khatibi et al. 2003).

Security and privacy was always the top issue in e-market place, there are still plenty of customers who are not convince by providing their personal and financial details on internet worriers that the information to be misused. The open market on e-commerce increase the competitive disadvantage among marketer as well since the barriers to enter are low, competition are greater compare to the old market approach (Khurana, n.d).

E-Commerce increase the possibility of fraud case as everything is only interaction between system to system, companies is unable to judge the transaction without physical contact with customer. The chances of client using false credit card is highest on e-commerce business (Liliana, n.d).

The types of barriers face by e-commerce are common to barriers to other e-business as well. Security and privacy remains one of the top concern subjects even today there always news about online security and privacy breach. Lack of human contact in the fully automated process brings advantage but also disadvantage to companies as business are done without human communication and intersection, everything seems to be cold blooded.

Not Convinced of the Financial and Business Benefits

Both study done by Lee and Runge (2001), Purao and Campbell (1998) suggested that there are still plenty of business owners that do not see the advantages of implementing e-commerce despite there are studies show the revenue for e-commerce is increasing ever year. Organisations will have to use different measurement models to identify the financial and business benefits by e-commerce which is very different from the conventional business model.

Especially for small and medium enterprise (SME) with lower financial cost and smaller business operation, they might not be able to see the financial and business benefits in short terms as the benefits might seems too small. Even some bigger organisations might not be able to realize the financial and business benefits in short term depending on the type of industries the organisation is in.

Lack of Knowledge and Understanding on e-Commerce Regarding Rules and Regulations

Most of the organisations have problems dealing with rules and regulations of e-commerce in their business. The lack of clear rules and regulations on e-commerce to protect both the seller and buyer is one the major barrier for e-commerce. The existence of some new rules and regulations for e-commerce is not widely introduce to the public resulting the lack of knowledge and understanding whether there is such rules and regulations.

According to the research done by United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) (2007), there are a few issues related to the problems arise from rules and regulations on e-commerce. Some of the issues are cybercrime, consumer protection, intellectual property rights, and electronic contracting. As e-commerce provide cross nation business opportunity, the rules and

regulations will also have to be cross nation so that the buyer and seller can be protected.

Computer Technology Not Widely Used in Our Business Operation

According to the report from International Telecommunication Unions (2013), household with computer in the Asia and Pacific region only reaches about 31 per 100 inhabitants end of 2012, compare to 58.4 per 100 inhabitants in United States and 76.2 per 100 inhabitants in Europe. The number of computer use in Asia is still relatively low compare to other developed country.

There are still organisations in Malaysia that have minimum computer usage and rely on traditional business operation method such as post mail, manual forms, and fax machine. Shifting from traditional and existing manual business process to automated computer process might be difficult for organisations with low operating cost, lack of skilled workers, and minimum resources.

Concern on Security and Privacy

Security and privacy are the most concern and major barriers for organisation e-commerce activities. Study by Udo (2001), Ackerman and Davis, Jr (n.d), Yazdanifard, Edres, and Seyedi (2011) all indicates that security and privacy were among the top concern barriers for e-commerce. With the rise of cybercrime issue around the world, security for e-commerce had been the top study subject and top issue to settle in order for e-commerce to continue develops.

Absence of human interaction and observation prevent both seller and buyer to justify the genuinity of the transaction. Security issue is the major concern for both buyer and seller as both parties also might suffer loses if there is any fraud in the

transaction. Fraud credit card is one of the most common cybercrime nowadays, ABC news (2013) reported the biggest credit card fraud case in US history amounting more than $300 million US dollar.

Security and privacy issues come one with another as it is closely link together, privacy threats lead to security issues and sometimes security issues lead to privacy threats. Chung and Paynter (2002) highlighted that the most concern privacy threat includes tracking of users visit to certain website, email address and others personal information being sold without permission of the owner, and credit card theft.

Privacy on Facebook had always been one of the hot topics as Facebook is the world largest social media website. The famous "News Feed" function not only allows users to update their status and upload photo but also allow user to "check-in" to different places. Study done by Debatin, Lovejoy, Horn, and Hughes (2009) shows that there are still many Facebook users are not aware of the privacy threat on Facebook.

One of the top privacy issues discussed over the months is the agent from National Security Agency (NSA), Edwards Snowden being the whistleblower known as the biggest intelligence leak in the history telling the world how United States and United Kingdom spy on citizen's email and gather mass amount of privacy data from giant online company such as Facebook and Google (Delgado, 2013). This had raise more concern of security and privacy issues online, public might not feel safe to go online.

Lack of Skilled Workers to handle/maintain e-Commerce

According to the Internal Survey of e-Commerce did by World Information Technology and Services Alliance (2000), workforce is one of the main issue for e-commerce development. E-commerce system requires skilled and well trained workers to operate the system (Lee, n.d). Although the automated computer system

may require less workforce compare to the old system but high-skilled workers is needed for the operation process.

Organisations might not have skilled workers to handle the system if they implement e-commerce, and hiring new workers may increase the company expenses before justifying the return from e-commerce. Hence many organisations will face more issue if they decided to implement e-commerce but did not properly plan out the maintenance process.

Not Enough Customers have Internet Access

Malaysia internet penetration is about 66% which is still lower compare to Singapore, Hong Kong, and Taiwan. If we refers back to the Malaysia household use of internet survey discussed in the first chapter, out of the 66% of online users, there are about 73% age from 20-49, if we assume that customer with spending power is in the age range of 25-49, it is only less than 60% of potential customer out of the total online population.

From the Malaysia Today News (2009) and Yahoo News (2012), Malaysia has the highest broadband cost and among the worst internet connection speed in the region. Broadband is not as affordable as our neighbor country hence internet penetration is still lower, broadband cost for commercial usage is even higher compare to household.

Internal Channel Conflicts with Current Physical Channels

Tsay and Agrawal (2004) highlighted that the introduction of e-commerce channel actually conflicts with the current physical channel. Organisations that use e-commerce actually sell direct to their customer without going through any re-seller that they normally do. The organisations actually act as another competitor to their re-

seller in a way, although selling price might be lower if organisation sell direct to the customer, but this action might trigger the unsatisfactory or even boycott from the re-seller.

In order to maintain the good relationship with their long time business partner, organisation might decide not to go into e-commerce or invest minimum in the system. As such, a channel conflict is also one of the barriers for organisations to go into e-commerce system.

Set up cost of e-Commerce System

According to the study done by Khatibi et al. (2003), high set up cost is another barrier for e-commerce system. Organisation will have to enroll a totally new computer system in terms of software and hardware in order to operate their e-commerce system, the cost will relate directly to the complexity and usage of the system, the better the organisation want the system to be the higher the cost will be. Alam, Khatibi, Sim, and Haque (n.d) also commented that it is costly to set up e-commerce system as it involves many technological appliances. This is will be a big issue especially for small organisations with limited resources.

Keeping up with Changing Technology

Technology never stops from upgrading and improvement in order to perform better to assist the users. Hence in order to keep up to the changing technology one will need to continuously invest into technology. For our case, many organisations will find it difficult to keep up to the change of technology (Harned, Ball, Berger, and Cleary, 2008).

Although the price for computer system have drop dramatically compare to the last decade, it is still consider costly for many other small organisations with limited budget (Harned et al. 2008). Furthermore with the high broadband cost in Malaysia, it is actually a burden for many organisations to keep changing their system in order to keep up to date.

Mindset Shift in Using e-Commerce

From the study did by Oracle (2011), there are customer who do not buy through e-commerce channel as they still prefer the conventional way of "touch and feel" the product before buying it. Study also shows some customer actually commented they feel it is better to buy at merchant as they get to compare the same product from different company at one time.

The popularity use of e-commerce is still restricted to certain product where the "touch and feel" factor will not come into place such as buying movie tickets, airline tickets, concert tickets, or other services related transaction. Because of this, organisations that are more to physical product oriented business still find the conventional channel the best to promote and sell their products.

2.8 Relationship between Organisation Size and Action

Geeraerts (1984) commented that organisations size is relatively link to higher formalization and more delegate in the decision making process. Child and Mansfield (1972) study shows that organisation size is positively related to organisations decision making, structural, rules, and specialisation. Nooraie (2012) also commented organisation size is one of the factors that will influence the decision making process.

Decision in organisations is normally make by one specific person who is normally the owner, or a group of professional management team from the organisations. Past study shows that different organisations size will have impact on the organisation structure and action. Hence it is unfair to assume the same behavior for all organisations despite evaluating the size of it.

Study by Han (2001) stated that same issue will perceive differently by different organisation base on the size of it. For example small enterprise might find it costly to invest ten thousand into a new project when the company turnover is only two hundred thousand annually, the figure is already 5% from the annual turnover. But the figures might be relatively small if it goes to organisation with millions of annual turnover.

The argument is, bigger organisations will have the resources to cover certain barriers to make it less important compare to smaller organisation with limited resources. Different organisations size also promotes different risk management factor among the company employees. Manager in small companies might pursue an entrepreneur perspective where else manager in big corporation might have more managerial and conservative perspective (Mayhew, n.d).

Hence organisational size and structure should be evaluated together with the factors to identify if there is any relationship between them. In this research, researcher aims to identify the relationship between organisations size and perception of benefits and barriers for Facebook marketing.

2.9 Hypothesis Development

Hypothesis for this study were developed base on the reference to previous completed study related to e-commerce, organisation will have their own perceive benefits and

barriers towards e-commerce implementation in their business (Rao, Chow and Perry, n.d; Khatibi et al. 2003; Kruger, 2007). The hypothesis will be as below:

Hypothesis 1: Increase customer service is the top perceive benefit for Facebook Marketing among organisations in Malaysia.

Hypothesis 2: Security and privacy is the top perceive barrier for Facebook Marketing among organisations in Malaysia.

Hypothesis 3: There is a significant relationship between the sizes of the organisation and perceived benefits of Facebook Marketing.

Hypothesis 4: There is a significant relationship between the sizes of the organisation and perceived barriers of Facebook Marketing.

2.10 Theoretical Framework

Figure 11 shows the developed theoretical framework which will be use in this study. The Theoretical framework was adapted and modified from Rao, Chow and Perry study on the Benefits and Barriers of e-Commerce in Goods and Service in Hong Kong. The entity of the framework was replaced by the other study of Perceived Benefits and Barriers of e-Commerce in Malaysia (Khatibi et al. 2003).

Figure 11: Preliminary benefits and barriers

Benefits:	Barriers:
- Increase revenue - Reduce operating cost - Increase customer service - Increase information flow - Enhance company brand and image - Increase customer loyalty and retention - Improve business processes flow	- Not convinced of the benefits - Lack of knowledge of Facebook marketing - Computer technology not widely used - Security and privacy - 0Skilled workers - Customer without internet access - Conflicts with current strategy - Setup cost - Keeping up with change of technology - Mindset shift in Facebook marketing

Note: Developed for research purpose

2.11 Conclusion

As a conclusion for chapter 2, literature review from previous study and in-depth review of the relate technology to the research had been discussed. The research hypothesis and theoretical framework were also developed. Chapter 2 provides reader with better understanding on the research subject.

CHAPTER 3

RESEARCH METHOD

3.0 Overview

This study is concerning on the perceive benefits and barriers by local organisation towards the usage of Facebook marketing, hence the research design will focus on gathering data to analyze the benefits and barriers of Facebook Marketing. The result from the study will tell us the sequence of importance for each benefits and barriers so that it would assist organisation to make more precise decision from it. This research will also try to identify the relationship between organisations size and the perceive benefits and barriers of Facebook marketing.

This chapter will further discuss the type of research, research design, sampling method, source of data, data collection method, questionnaire design, and data analysis method. At the end of the chapter we will be able to understand the process of designing and collecting our research data and how to analyze and interpret the data for our research discussion in the later chapter.

3.1 Research Design

Quantitative research methodology will be use for this research and will be carry out using descriptive and analytical research by conducting survey questionnaire to our target respondent. Survey method is use because it is inexpensive and easy to distribute though online platform to our target respondent. Survey is also more precise and the result is easy to access using respective tools, the result of the survey will then be analyze for discussion.

Quantitative research method is chosen over qualitative research method because it is faster and the data collected can be analyze and measure using statistic tools for better understanding. The research aim to identify the key benefits and barriers of Facebook Marketing among organisations in Malaysia, hence using quantitative research method the propose benefits and barriers can be rank using statistic tools to understand the importance of each factors.

Descriptive research under quantitative research methodology will be use to analyze and categorize the data collected, and analytical research to explain the relationship between the data collected. Due to the limitation on time and resources, the study will be cross sectional study instead of longitudinal study where questionnaire will be distribute to target respondent at one particular time (Neville, 2007).

Literature reviews were carry out before conducting the questionnaire survey so that there is basic understand of the fundamental and also the conceptual framework. Questionnaire was design base on previous study done on similar topic, and lastly the result of the survey will be analyze using SPSS software for our final discussion.

3.2 Sampling Method

Nonprobability sampling method is use because it is inexpensive, convenience, and faster to carry out. By using Nonprobability sampling method, we are unable to identify the probability of taking or not any particular sample. There are generally three categories in Nonprobability sampling namely quota sampling, purposive sampling, and convenience sampling (Battaglia, 2011).

Convenience sampling method was use for this research. Convenience sampling method normally will be describe as getting respondent who are available, reachable, and agree to take part in the research (Latham, 2007). Convenience sampling method was chosen because it is inexpensive and easier to carry out and provide quick result for the research.

Target respondents are chosen base on the listing of Malaysia Organisations Facebook page sort out from Facebook page itself. Criteria for choosing the target respondents will be Local operating organisations with active corporate Facebook page that have been constantly update. Since the study are to identify the key benefits and barriers of Facebook marketing by local organisations, the target respondent must already own their corporate Facebook page in order to realize the benefits and barriers out of it.

3.3 Source of Data

This research will be collecting primary and secondary data. Primary data is the direct data specially collect for the first time for the research. Specific question to address the problems and objective of the research will be develop in order to collect the primary data, primary data can be collect through survey questionnaire, focus group, in-depth interview, and experiments (Curtis, 2005).

We will be using questionnaire method in this research to collect our primary data for analysis as we want to generate a general overview of the subject, in-depth interview or experiments can only capture limited participant's opinions. Questionnaire is also fast and easier to distribute to our target respondent compare to other method, questionnaire can also reduce bias from interview or focus group discussion.

Secondary data is the data collected from previous research (Long-Sutehall, Sque, and Addington-Hall, 2010). Secondary data is use to study and analyze the different benefits and barriers from previous related research. Secondary data provide an in-depth understanding of the study subject from different perspective as different researcher will have different interpretation. Details study on the secondary data is crucial and necessary before we carry out the primary data collection method so that we can narrow down and focus on the topic and also develop a quality questionnaire.

Secondary data is collected from different online database such as Emerald, EBSCOhost, Scopus, ACM Digital Library, and others. Statistics were also collected from respective organisations such as Internet World Stats, Malaysia Communication and Multimedia Commissions, International Telecommunication Union, and others related party.

3.4 Data Collection Method

Questionnaire will be distributed to targeted participants to collect our data for analysis. We use questionnaire survey method over interview or experiment as it have greater geographical coverage compare to the earlier without adding much of cost. Questionnaire also reduces bias in our result which will cause by the interviewer and interviewee characteristic (Phellas, Block, Seale, 2011). By using questionnaire method the research will be able to reach more respondent compare to other research method.

Questionnaire is first uploaded to online survey tools (Google Document) before distributing to target respondent. Google Document is chosen to distribute the questionnaire as it is a free tools and provide on time monitoring of the respond to the questionnaire, the final result of the questionnaire can be easily convert to working file from Google Document for SPSS software analysis.

Organisations with corporate Facebook page sorted out from Facebook website is listed down and contacted via email or Facebook message function. The web address of online survey questionnaire is then sent to targeted respondent for feedback. The questionnaire was targeted to be answer by person in charge of the corporate Facebook page.

The final result from questionnaire will be convert to Microsoft Excel spreadsheet form and download from Google Document website for analysis using SPSS software analysis.

3.5 Questionnaire Design

In order to gather sufficient and reliable data from questionnaire, the question design will need to be focus and short (Driscoll, 2011). Respondent must be able to understand the question asks easily and time to answer the questionnaire must not be too long, respondent will normally be unlikely to answer all the question if the questionnaire is too long, it is also difficult for the researcher to analyze the data later if there is too many question.

The questionnaire was adapted from previous study done by Khatibi et al. (2003) regarding the perceived benefits and barriers of e-commerce in Malaysia at year 2003. This questionnaire was adapted as it reflects the actual situation of e-commerce in Malaysia 10 years back when e-commerce in Malaysia begins at its initial stage,

similar to our study subject of Facebook Marketing which is also currently consider at its initial stage. This questionnaire consists of four main parts which will be further discussed as below.

First part of the questionnaire is the general entity of the organisation such as size of the organisation and current business operation method and culture. From the first part of the questionnaire we target to understand the size and employees general behavior referring to Facebook Marketing. Base on the size of the organisation and employee's behavior we will be able to justify the relationship between type of organisation and organisation culture towards Facebook Marketing later (Khatibi et al. 2003).

Second part of the questionnaire is the business utility of Facebook Marketing perceives by the organisation, it describes some general perception of organisations towards Facebook Marketing. It will help us understand what does organisation thinks about Facebook Marketing and relationship with their current business. The perception on Facebook Marketing will affect the decision of the organisation to invest into it (Khatibi et al. 2003).

The third part of the questionnaire discuss about the perceived benefits of Facebook Marketing by organisation. Base on the different perception of organisation on these benefits, we can identify whether the adapted perceived benefits from e-commerce in Malaysia apply the same for Facebook Marketing strategy. The questionnaire will also indicate the rank of perceived benefits and identify the main benefits perceived by Malaysia organisation (Khatibi et al. 2003).

Last part of the questionnaire discuss about the perceived barriers of Facebook Marketing. Similar to perceived benefits, from the result of this section we can identify whether the perceived barriers from e-commerce in Malaysia organisation apply the same for Facebook Marketing. The questionnaire will also indicate the rank

of perceived barriers and identify the main barriers of Facebook Marketing in Malaysia (Khatibi et al. 2003).

The answer to questionnaire will be design mainly to use Likert Scale and Yes or No. Likert Scale is commonly use in questionnaire to identify the degree of acceptance or rejection with the statement given (Bertram, n.d). Some part of the questionnaire requires respondent to answer yes or no, some part of the questionnaire also requires respondent to indicate the amount of workers in the organisation or department.

The Likert Scale use in the questionnaire is described as below:
1= Totally Agree
2=Agree
3=Neutral
4=Disagree
5=Totally Disagree

3.6 Pilot Test

Pilot test or also known as feasibility study is to test out the questionnaire on small group of respondent to find out the questionnaire design is workable and realistic before carrying on to collect the actual data (Impact, 2011). The research questionnaire was distributed to 10 friends to answer before it is distribute to our target respondent. Result from the pilot test shows the pilot test respondents are able to answer the question within 10 minutes time frame. The questionnaire is now ready to be distribute to target respondent to collect actual data for analysis.

3.7 Data Analysis

Data collected from the online survey will be export to Microsoft Excel spreadsheet and later to be imported into SPSS for analysis, SPSS version 20 is use in this research. SPSS is normally used to analyze quantitative data gather from survey. SPSS provide wide range of options for analysis, SPSS also provide better data and output organisation. SPSS is one of the most famous statistic tools for quantitative research.

Reliability analysis, descriptive analysis, and independent t-test will be use to analyze our collected data for discussion later. The analysis will provide us with in-depth understanding of our study subject. We will be using the different type of analysis to test our predefine hypothesis as well. The different type of analysis will be discussed in details as below.

3.7.1 Reliability Analysis

Reliability analysis is important so that the questionnaire design will be able to measure the variable, reliability analysis will analyze the consistency and validity of the data so that the research will be accurate. Cronbach's Alpha is normally used to measure the reliability of the data and it is developed by Lee Cronbach in year 1951 (Tavakol and Dennick, 2011).

Cronbach's Alpha is range from 0 to 1.0, the higher the value represent higher reliability of data, it is suggest that the value should be at least 0.80 for the data to be sufficient reliable and consistent for decision (Webb, Shavelson, and Haertel, 2006).

Table 1: Cronbach's Alpha Reliability Test

Cronbach's Alpha	N of Items
.827	34

Note: Developed for research purpose.

Table 1 show the reliability analysis result of the questionnaire in this research, as observe from table 1, the cronbach's alpha value is 0.827 which means the data is highly consistent and valid to be use for the rest of the research.

3.7.2 Descriptive Analysis

Using descriptive analysis we will be able to summarize the data collected and describe the data better and understandable using numerical and graphical approach (Jaggi, n.d). Descriptive analysis will indicate the frequency of each Likert Scale and indicate the mean, mod, and standard deviation of it.

The mean of the analysis will show the average score of Likert Scale in each and every statement, statement can be rank following the mean value from the analysis. Mod from the analysis will show the most selected Likert Scale in each statement, and standard deviation will show the variation of each Likert Scale from the mean score. Descriptive analysis will be use to test out hypothesis 1 and 2 in this research.

3.7.3 Independent t-Test Analysis

Independent t-Test analysis is use to compare the mean of two independent group to check whether there is any significant difference between the two group (Lee, 2013). In this research, Independent t-Test will be use to compare the mean of SME and Corporate organisations.

If the p value is less than 0.05 the null hypothesis (H_0) on the equity of variance will be rejected and the alternative hypothesis (H_1) will be accepted. If the p value is more than 0.05 the null hypothesis (H_0) will be accepted and the alternative hypothesis (H_1) will be rejected. Hypothesis 3 and 4 will be test using Independent t-Test.

3.8 Conclusion

Chapter 3 discussed about the research method and how the process of data to be collects and analyze later. The type of analysis for the data had also been discussed and how the hypothesis will be test.

CHAPTER 4

RESEARCH RESULTS

4.0 Overview

Chapter 4 will analyze the data collected from our survey questionnaire. As per discussed in the earlier chapter, the data will be analyze using SPSS software. The data will be analyzed using descriptive analysis and independent t-test analysis. Result of the analysis will be shown in table or graph form and interpretation of the result.

4.1 Descriptive Analysis

The questionnaire was distributed and given the time frame of 2 months before the data is collected for analysis. Total of 114 respondents were gather from the survey for analysis and further discussion as below.

Descriptive analysis is use to analyze the general entity of the organisation so that we understand the general about organisation in terms of size, culture, and employee's behavior. We will also analyze the general business utility of the organisation with Facebook Marketing, and lastly to analyze the perceived benefits and barriers of Facebook Marketing. Descriptive analysis of the perceived benefits and barriers of

Facebook Marketing will also indicate the rank of importance of each benefits and barriers.

Descriptive analysis will be use to test out hypothesis 1 and hypothesis 2 in this research as well. The result of the analysis will be shown below.

4.1.1 Organisation Culture

Figure 12: Distinct Organisation Culture
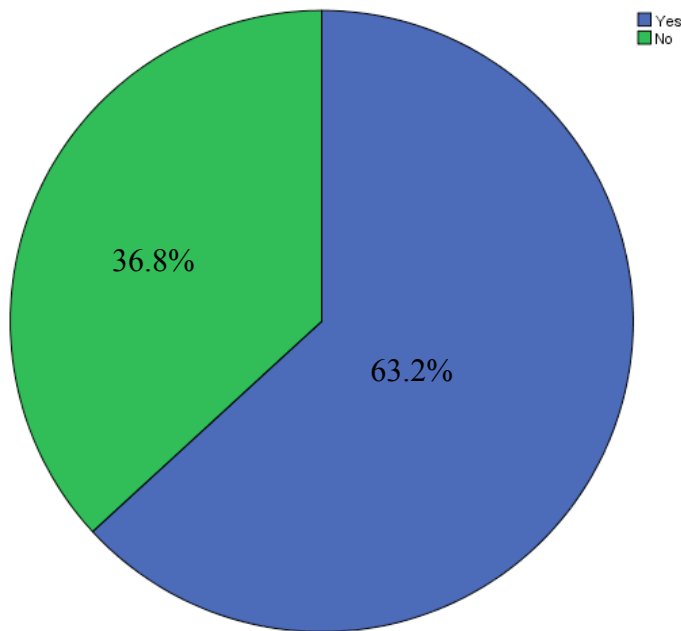
Note: Developed for research purpose.

Figure 12 show that out of the total 114 respondent to our survey questionnaire, only 63.2% of the organisations have their own distinct organisation culture. The other 36.8% of them do not have a distinct organisation culture.

4.1.2 Organisation Size

Figure 13: Numbers of employees
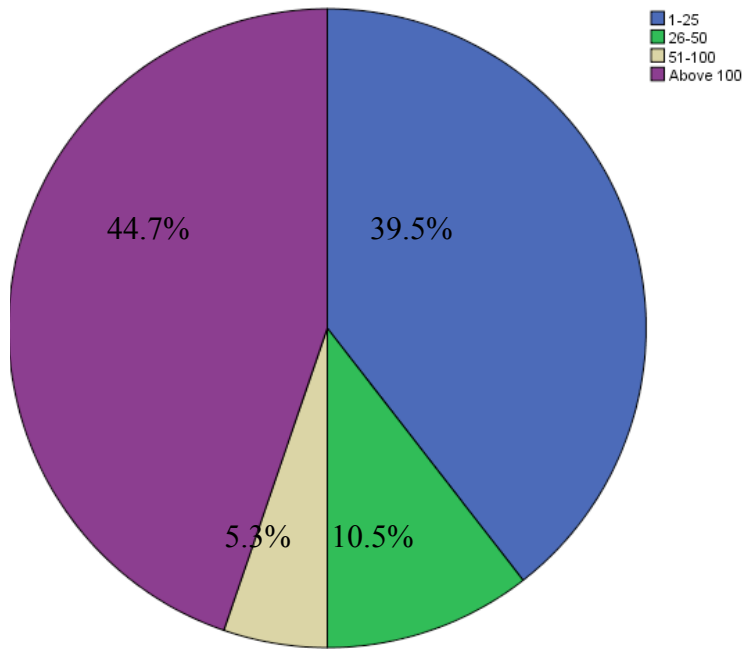
Note: Developed for research purpose.

Figure 13 indicate the size of the organisation, according to the guideline from Small Medium Enterprise (SME) Corporation Malaysia, SME means company with less than 50 employees for service based company. Since all the respondents are from service related industry we can conclude that 50% of our respondents are category as SME and another 50% are large corporation.

4.1.3 Organisation and Facebook Marketing

Figure 14: Organisations that provides training for staff on Facebook Marketing
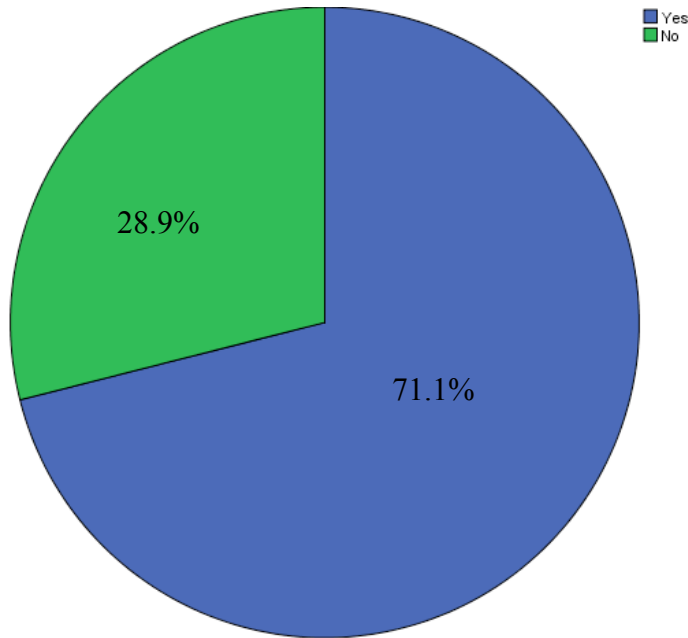
Note: Developed for research purpose.

Figure 14 show that 71.1% of the responded organisations are willing to provide training for their staff to explain about the organisation Facebook Marketing strategy and guideline. But there are still 28.9% of responded organisations will not conduct training for their staff.

Figure 15: Organisations that take photo or video during events
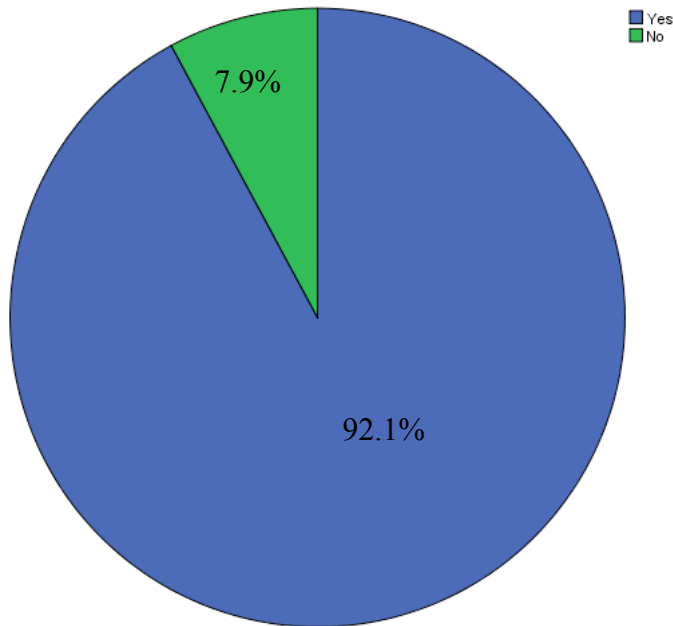
Note: Developed for research purpose.

Figure 15 show that up to 92.1% of the responded organisation will take photo or video during their company events. Only 7.9% of the organisation will not take photo or video during company events.

Figure 16: Time spend per week to gather content for Facebook Marketing
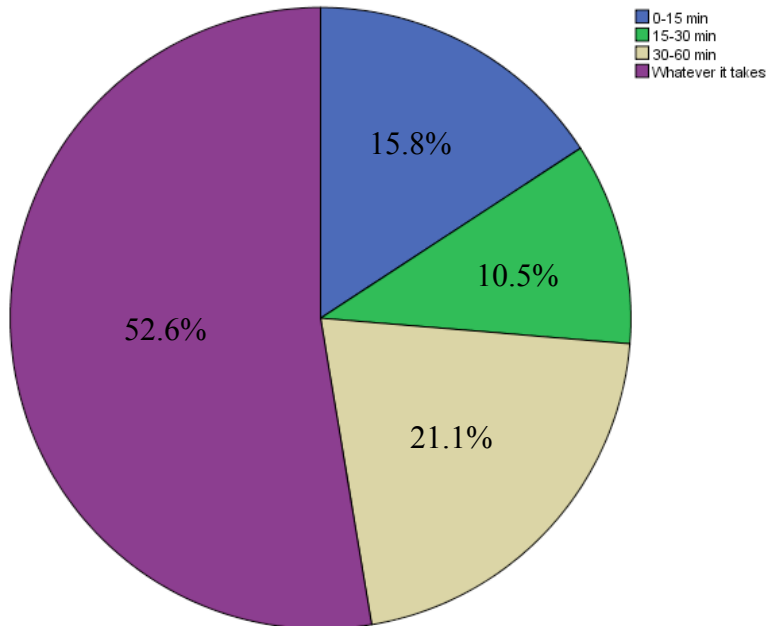
Note: Developed for research purpose.

Figure 16 show1 that 52.6% of the organisations are willing to spend more than one hour per week to gather content for their organisation Facebook page. 21.1% of organisations spend 30-60 minutes per week, 10.5% of organisations spend 15-30 minutes per week, and 15.8% of organisations only spend 0-15 minutes per week to gather content for their Facebook page.

Figure 17: Others marketing tools to promote organisation's Facebook page
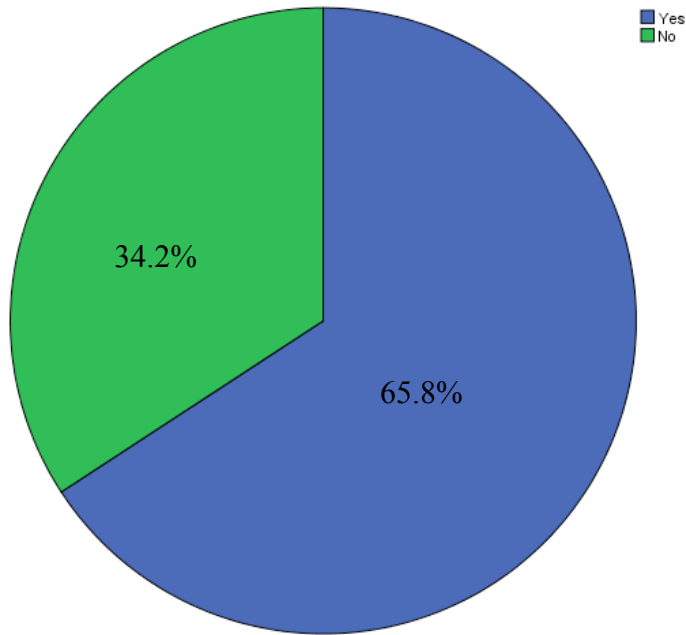
Note: Developed for research purpose.

Figure 17 show that about 65.8% of organisations have other marketing tools to promote their own Facebook page and 34.2% of organisations do not have any others marketing tools to promote their Facebook page.

4.1.4 Employee's Reaction towards Facebook Marketing

Figure 18: Employees to bring management of organisation Facebook page back home
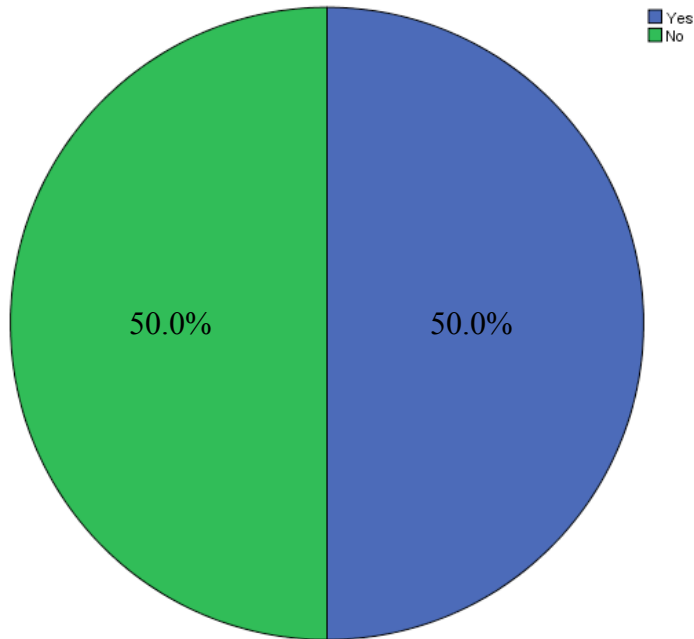
Note: Developed for research purpose.

Figure 18 show that 50% of the employees of the organisation are willing to bring home the management of their organisation Facebook page and another 50% of them are unwilling to do so.

Figure 19: Employees that will send out personalized email asking others to join organisation Facebook page
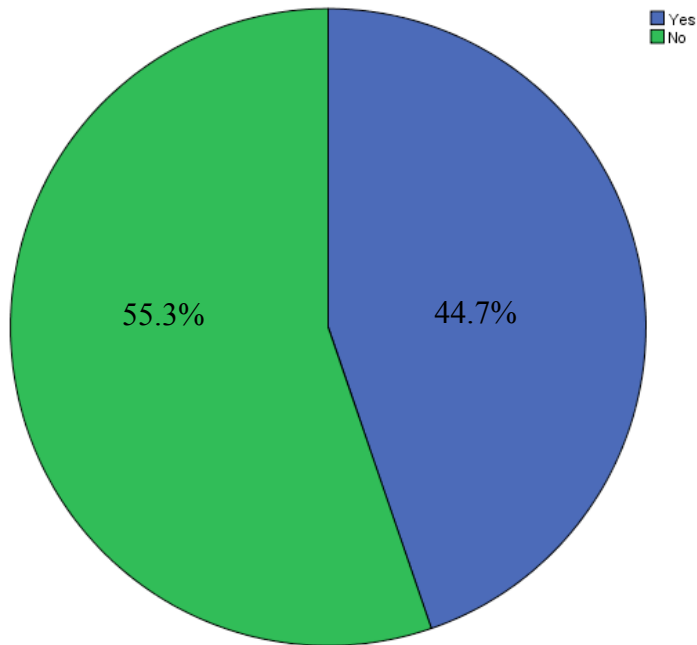
Note: Developed for research purpose.

Figure 19 show that only 44.7% of the organisation employees are willing to send out personalized email to others asking others to join their organisation Facebook page, the other 55.3% are unwilling to do so.

4.1.5 Business Utility Statement of Organisation and Facebook Marketing

The following analysis will be using a scale of 1-5 as describe below:

1= Totally Agree

2= Agree

3= Neutral

4 = Disagree

5 = Totally Disagree

Table 2: Business utility statement perceive by organisation about Facebook Marketing (FB) rank by mean score.

Business utility statement	Mean	Mode	Std. Deviation
FB will affect greatly on business in 3 years time	2.13	1	1.060
Organisation will rely more on FB in 3 years time	2.42	1	1.233
FB offers real competitive advantage	2.45	3	1.073
Organisation with FB have greater competitive edge	2.61	4	1.231
Organisation with FB enjoy long term success	2.74	3	1.212
FB is overly hyped and will fade away	2.92	4	1.138
It is better to wait and see on FB now	3.16	4	1.209

Note: Developed for research purpose.

Table 2 shows the business utility statement perceive by organisations about Facebook marketing, and we can see from Table 2 generally almost all of the business utility statement have a mean of 2-3 but with a standard deviation range about 1 to 1.2. The result indicates that most of the organisations are either neutral or disagree towards the stated business utility, but there are also organisation which are totally agree with the statements of, Facebook marketing will affect greatly on how organisation do business, and organisations will rely more on Facebook marketing both in 3 years time.

The mode shows the highest frequency of Likert scale use to measure the specific business utility statement. Most of the organisations are either disagree or totally disagree with 5 out of the total 7 business utility statements, but most of the organisations totally agree on both Facebook marketing will affect greatly on how organisation do business and organisations will rely more on Facebook marketing in 3 years time.

4.1.6 Perceived Benefits of Facebook Marketing

The following analysis will be using a scale of 1-5 as describe below:

1= Totally Agree

2= Agree

3= Neutral

4 = Disagree

5 = Totally Disagree

Table 3: Increase Revenue

Scale	Frequency	Percent	Cumulative Percent
Totally Agree	36	31.6	31.6
Agree	18	15.8	47.4
Neutral	42	36.8	84.2
Disagree	9	7.9	92.1
Totally Disagree	9	7.9	100.0
Total	**114**	**100.0**	

Note: Developed for research purpose.

Table 3 shows that up to 47.4% of responded organisations either agree or totally agree that Facebook marketing will be able to increase their business revenue. 36.7%

are neutral towards the statement and only about 16% disagree or totally disagree Facebook marketing will increase their revenue.

Table 4: Reduce Operating Cost

Scale	Frequency	Percent	Cumulative Percent
Totally Agree	24	21.1	21.1
Agree	33	28.9	50.0
Neutral	18	15.8	65.8
Disagree	30	26.3	92.1
Totally Disagree	9	7.9	100.0
Total	**114**	**100.0**	

Note: Developed for research purpose.

From Table 4, we understand that cumulative about 50% of the organisations are either totally agree or agree the use of Facebook marketing can reduce the operating cost. 15.8% are neutral towards this statement and 34.2% of the organisations are either disagree or totally disagree that they can reduce their operating cost.

Table 5: Increase Customer Service

Scale	Frequency	Percent	Cumulative Percent
Totally Agree	51	44.7	44.7
Agree	24	21.1	65.8
Neutral	18	15.8	81.6
Disagree	15	13.2	94.7
Totally Disagree	6	5.3	100.0
Total	**114**	**100.0**	

Note: Developed for research purpose.

As shown by Table 5, up to 65.8% of organisations are positive that Facebook marketing can increase customer service, in fact up to 44.7% totally agree about it.

Another 15.8% of organisations are neutral towards this benefit, and 18.3% of organisations disagree about it.

Table 6: Increase Information Flow

Scale	Frequency	Percent	Cumulative Percent
Totally Agree	45	39.5	39.5
Agree	51	44.7	84.2
Neutral	12	10.5	94.7
Disagree	3	2.6	97.4
Totally Disagree	3	2.6	100.0
Total	**114**	**100.0**	

Note: Developed for research purpose.

Up to 84.2% of organisations either agree or totally agree that Facebook marketing can increase the information flow as shown in Table 6. 10.5% or organisations are neutral and only about 5.2% disagree that they can increase their information flow though Facebook marketing.

Table 7: Enhance Organisation's Image and Corporate Branding

Scale	Frequency	Percent	Cumulative Percent
Totally Agree	39	34.2	34.2
Agree	48	42.1	76.3
Neutral	21	18.4	94.7
Disagree	6	5.3	100.0
Totally Disagree	0	0.0	100.0
Total	**114**	**100.0**	

Note: Developed for research purpose.

Table 7 shows that 76.3% or organisations actually agree that Facebook marketing can enhance the organisation's image and corporate branding. 18.6% are neutral and only 5.3% disagree and no organisations totally disagree about this statement.

Table 8: Increase Customer Loyalty and Retention

Scale	Frequency	Percent	Cumulative Percent
Totally Agree	33	28.9	28.9
Agree	39	34.2	63.2
Neutral	21	18.4	81.6
Disagree	21	18.4	100.0
Totally Disagree	0	0.0	100.0
Total	**114**	**100.0**	

Note: Developed for research purpose.

Table 8 shows that 63.2% of the organisations agree that Facebook marketing can increase customer loyalty and promote customer retention towards the organisations. 18.4% are neutral and another 18.4% disagree about it. But there are none organisations that are totally disagree about it.

Table 9: Improve Business Flow

Scale	Frequency	Percent	Cumulative Percent
Totally Agree	12	10.5	10.5
Agree	30	26.3	36.8
Neutral	42	36.8	73.7
Disagree	24	21.1	94.7
Totally Disagree	6	5.3	100.0
Total	**114**	**100.0**	

Note: Developed for research purpose.

Only 36.8% of organisations agree that Facebook marketing can improve their business flow as shown in Table 9. Another 73.7% are actually neutral towards the statement and the balance 26.4% disagree they can improve their business flow.

Table 10: Summary of perceived benefits by local organisation rank by mean score

Perceived Benefits	Mean	Mode	Std. Deviation
Increase information flow	1.84	2	0.908
Enhance organisation image and corporate branding	1.95	2	0.861
Increase customer service	2.13	1	1.266
Increase customer loyalty and retention	2.26	2	1.073
Increase revenue	2.45	3	1.234
Reduce operating cost	2.71	2	1.281
Improve business flow	2.84	3	1.044

Note: Developed for research purpose.

From Table 10, both increase information flow and enhance organisation image and corporate branding have the mean below 2 which means generally organisations are positive towards this two statement. All other perceive benefits have the mean between 2.13 to 2.84 which indicate that organisations are either positive or neutral about the benefits.

Table 10 will be use to examine Hypothesis 1 as below:

H_0: *Increase customer service is not the top perceive benefit for Facebook Marketing among organisations in Malaysia.*

H_1: *Increase customer service is the top perceive benefit for Facebook Marketing among organisations in Malaysia.*

Increase customer service have a mean score of 2.13 which is still lower compare to increase information flow at 1.84 and enhance organisation image and corporate branding at 1.95, hence reject H_1.

4.1.7 Perceived Barriers of Facebook Marketing

The following analysis will be using a scale of 1-5 as describe below:

1= Totally Agree

2= Agree

3= Neutral

4 = Disagree

5 = Totally Disagree

Table 11: Not Convince of the Financial and Business Benefits

Scale	Frequency	Percent	Cumulative Percent
Totally Agree	30	26.3	26.3
Agree	36	31.6	57.9
Neutral	30	26.3	84.2
Disagree	15	13.2	97.4
Totally Disagree	3	2.6	100.0
Total	**114**	**100.0**	

Note: Developed for research purpose.

57.9% of the organisations agree that they are not convinces of the financial and business benefits by Facebook marketing as shown in Table 11. 26.3% are neutral and the balance 15.8% of organisations disagrees with the statement.

Table 12: Lack of Knowledge and Understanding on Facebook Marketing Regarding the Rules and Regulations

Scale	Frequency	Percent	Cumulative Percent
Totally Agree	33	28.9	28.9
Agree	27	23.7	52.6
Neutral	24	21.1	73.7
Disagree	24	21.1	94.7
Totally Disagree	6	5.3	100.0
Total	**114**	**100.0**	

Note: Developed for research purpose.

Table 12 shows that 52.6% of the organisations perceive that they are lack of knowledge and understanding on Facebook marketing regarding the rules and regulation. 21.1% are neutral and 26.4% disagree with the statement.

Table 13: Computer Technology Not Widely Used In Our Business Operation

Scale	Frequency	Percent	Cumulative Percent
Totally Agree	9	7.9	7.9
Agree	24	21.1	28.9
Neutral	6	5.3	34.2
Disagree	60	52.6	86.8
Totally Disagree	15	13.2	100.0
Total	**114**	**100.0**	

Note: Developed for research purpose.

Only 28.9% of organisations agree that computer technology is not widely used in our business operation from Table 13, where only 5.3% are neutral, and the balance 65.8% disagree about it.

Table 14: Concern on Security and Privacy

Scale	Frequency	Percent	Cumulative Percent
Totally Agree	39	34.2	34.2
Agree	42	36.8	71.1
Neutral	18	15.8	86.8
Disagree	15	13.2	100.0
Totally Disagree	0	0.0	100.0
Total	**114**	**100.0**	

Note: Developed for research purpose.

Up to 71.1% of organisations actually agree that they are concern on the security and privacy issue about Facebook marketing from Table 14. 15.8% are neutral and 13.2% disagree with no organisations totally disagree about this statement.

Table 15: Lack of Skilled Workers to Handle or Maintain Facebook Marketing

Scale	Frequency	Percent	Cumulative Percent
Totally Agree	33	28.9	28.9
Agree	12	10.5	39.5
Neutral	24	21.1	60.5
Disagree	42	36.8	97.4
Totally Disagree	3	2.6	100.0
Total	**114**	**100.0**	

Note: Developed for research purpose.

Table 15 shows 39.4% organisations are generally disagree towards the barrier lack of skilled workers to handle or maintain Facebook marketing. Where 39.5% are agrees with the barriers and the balances 21.1% are neutral about it.

Table 16: Not Enough Customer Have Internet Access

Scale	Frequency	Percent	Cumulative Percent
Totally Agree	15	13.2	13.2
Agree	0	0.0	13.2
Neutral	27	23.7	36.8
Disagree	45	39.5	76.3
Totally Disagree	27	23.7	100.0
Total	**114**	**100.0**	

Note: Developed for research purpose.

Table 16 shows that 63.2% of organisations disagrees not enough customers have internet access nowadays. Only 13.2% organisations agree about this statement and 23.7% are neutral.

Table 17: Internal Channel Conflicts with Current Physical Channels

Scale	Frequency	Percent	Cumulative Percent
Totally Agree	18	15.8	15.8
Agree	9	7.9	23.7
Neutral	33	28.9	52.6
Disagree	42	36.8	89.5
Totally Disagree	12	10.5	100.0
Total	**114**	**100.0**	

Note: Developed for research purpose.

Table 17 shows that only 23.7% of organisations agree that internal channel conflicts with current physical channels, and 28.9% are neutral about this, where 47.3% disagree that there is conflicts between internal channel and current physical channels.

Table 18: Setup Cost of Facebook Marketing System

Scale	Frequency	Percent	Cumulative Percent
Totally Agree	15	13.2	13.2
Agree	12	10.5	23.7
Neutral	18	15.8	39.5
Disagree	60	52.6	92.1
Totally Disagree	9	7.9	100.0
Total	**114**	**100.0**	

Note: Developed for research purpose.

Table 18 shows that 52.6% organisations disagree and 7.9% totally disagree about the setup cost of Facebook marketing system is a barrier. 15.8% are neutral and 23.7% are agrees or totally agree about setup cost for Facebook marketing being a barrier to enter.

Table 19: Keeping up With Changing Technology

Scale	Frequency	Percent	Cumulative Percent
Totally Agree	27	23.7	23.7
Agree	36	31.6	55.3
Neutral	21	18.4	73.7
Disagree	21	18.4	92.1
Totally Disagree	9	7.9	100.0
Total	**114**	**100.0**	

Note: Developed for research purpose.

Table 19 shows that 55.3% organisations finds that keeping up with the changing technology is one of the barriers to Facebook marketing. 18.4% are neutral and 26.3% disagree with the statement.

Table 20: Mindset shift in Using Facebook Marketing

Scale	Frequency	Percent	Cumulative Percent
Totally Agree	30	26.3	26.3
Agree	12	10.5	36.8
Neutral	39	34.2	71.1
Disagree	30	26.3	97.4
Totally Disagree	3	2.6	100.0
Total	**114**	**100.0**	

Note: Developed for research purpose.

Table 20 shows that 36.8% organisations agree that mindset shirt in using Facebook marketing is one of the barrier, 34.2% are neutral about it, and 28.9% disagree that mindset shift is a barrier in Facebook marketing.

Table 21: Summary of perceived barriers by local organisation rank by mean score

Perceived Barriers	Mean	Mode	Std. Deviation
Concern on Security and Privacy	2.08	2	1.014
Not Convince of the Financial and Business Benefits	2.34	2	1.088
Lack of Knowledge and Understanding on Facebook Marketing Regarding the Rules and Regulations	2.50	1	1.257
Keeping up With Changing Technology	2.55	2	1.256
Mindset shift in Using Facebook Marketing	2.68	3	1.200
Lack of Skilled Workers to Handle/Maintain Facebook Marketing	2.74	4	1.297
Internal Channel Conflicts with Current Physical Channels	3.18	4	1.216
Setup Cost of Facebook Marketing System	3.32	4	1.177
Computer Technology Not Widely Used In Our Business Operation	3.42	4	1.189
Not Enough Customer Have Internet Access	3.61	4	1.231

Note: Developed for research purpose.

We can understand from table 21 that organisations will perceive computer technology not widely used in business operation, not enough customer have internet access, internal channel conflicts with current physical channels, and setup cost of the system are not the barriers for Facebook marketing.

Organisations are generally agrees that financial and business benefits, security and privacy, keeping up with the changing technology are the main barriers for Facebook marketing. Most of the organisations are actually uncertain by neutral feedback to our questionnaire on mindset shift in using Facebook marketing is one of the barrier.

Table 21 will be use to examine Hypothesis 2 as below:

H_0: *Concern on security and privacy is not the top perceive benefit for Facebook Marketing among organisations in Malaysia.*

H_1: *Concern on security and privacy is the top perceive benefit for Facebook Marketing among organisations in Malaysia.*

Concern on security and privacy have a mean score of 2.08 which is the highest compare to others statement hence accept H_1.

4.2 Independent t-Test Analysis

The Independent t-Test analysis will be use to identify the relationship between organisations size and perceive benefits or barriers. Hypothesis 3 and 4 will be test using Independent t-Test analysis.

4.2.1 Organisations size and perceived benefits of Facebook Marketing

Independent t-Test to examine Hypothesis 3 as below:

H₀: There is no significant relationship between the sizes of the organisation to perceived benefits of Facebook Marketing.

H₁: There is significant relationship between the sizes of the organisation to perceived benefits of Facebook Marketing (revenue, operating cost, customer service, information flow, company branding, customer loyalty, and business flow).

Table 22: Independent t-Test analysis between organisations size and perceive benefits.

		Levene's Test for Equality of Variances		t-test for Equality of Means						95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference		Lower	Upper
Increase Revenue	Equal variances assumed	2.401	.124	-5.328	112	.000	-1.105	.207		-1.516	-.694
	Equal variances not assumed			-5.328	111.740	.000	-1.105	.207		-1.516	-.694
Reduce Operating Cost	Equal variances assumed	4.580	.035	-1.098	112	.275	-.263	.240		-.738	.212
	Equal variances not assumed			-1.098	110.067	.275	-.263	.240		-.738	.212
Increase Customer Service	Equal variances assumed	13.496	.000	-2.025	112	.045	-.474	.234		-.937	-.010
	Equal variances not assumed			-2.025	101.592	.045	-.474	.234		-.938	-.010
Increase Information Flow	Equal variances assumed	5.516	.021	-3.220	112	.002	-.526	.163		-.850	-.202
	Equal variances not assumed			-3.220	87.197	.002	-.526	.163		-.851	-.201
Enhance Company Brand	Equal variances assumed	2.751	.100	.651	112	.516	.105	.162		-.215	.425

				t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
	Equal variances not assumed			.651	109.487	.516	.105	.162	-.215	.426
Increase Customer Loyalty	Equal variances assumed	.233	.630	-1.048	112	.297	-.211	.201	-.609	.188
	Equal variances not assumed			-1.048	111.732	.297	-.211	.201	-.609	.188
Improve Business Flow	Equal variances assumed	18.394	.000	-2.770	112	.007	-.526	.190	-.903	-.150
	Equal variances not assumed			-2.770	97.457	.007	-.526	.190	-.903	-.149

Note: Developed for research purpose.

As seen from Table 22 above, benefits such as increase revenue, increase customer service, increase information flow and improve business flow all have p value lower than 0.05, hence H_0 is rejected. There is significant relationship between organisations size and perceive benefits of Facebook marketing.

4.2.2 Organisations size and perceived barriers of Facebook Marketing

Independent t-Test to examine Hypothesis 4 as below:

H_0: *There is no significant relationship between the sizes of the organisation to perceived barriers of Facebook Marketing.*
H_1: *There is significant relationship between the sizes of the organisation to perceived barriers of Facebook Marketing.*

Table 23: Independent t-Test analysis between organisations size and perceive barriers

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Differ ence	Std. Error Diffe renc e	95% Confidence Interval of the Difference	
									Lower	Upp er
Not Convience of Business Benefits	Equal variances assumed	.384	.536	-1.827	112	.070	-.368	.202	-.768	.031
	Equal variances not assumed			-1.827	110.030	.070	-.368	.202	-.768	.031
Lack of knowledge	Equal variances assumed	.088	.768	-1.575	112	.118	-.368	.234	-.832	.095
	Equal variances not assumed			-1.575	110.823	.118	-.368	.234	-.832	.095
Technology not widely use	Equal variances assumed	5.559	.020	-1.912	112	.058	-.421	.220	-.857	.015
	Equal variances not assumed			-1.912	110.121	.058	-.421	.220	-.857	.015
Concern on security and privacy	Equal variances assumed	2.510	.116	-4.494	112	.000	-.789	.176	-1.138	-.441
	Equal variances not assumed			-4.494	109.816	.000	-.789	.176	-1.138	-.441
Lack of skilled workers	Equal variances assumed	.395	.531	-1.304	112	.195	-.316	.242	-.796	.164
	Equal variances not assumed			-1.304	111.961	.195	-.316	.242	-.796	.164
Customer no internet access	Equal variances assumed	34.792	.000	-3.600	112	.000	-.789	.219	-1.224	-.355

		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
	Equal variances not assumed			-3.600	81.695	.001	-.789	.219	-1.226	-.353
Conflicts with current channels	Equal variances assumed	5.599	.020	-2.111	112	.037	-.474	.224	-.918	-.029
	Equal variances not assumed			-2.111	106.379	.037	-.474	.224	-.919	-.029
Setup cost for FB	Equal variances assumed	36.722	.000	-3.504	112	.001	-.737	.210	-1.154	-.320
	Equal variances not assumed			-3.504	84.501	.001	-.737	.210	-1.155	-.319
Keeping up with technology changes	Equal variances assumed	2.755	.100	-1.120	112	.265	-.263	.235	-.729	.202
	Equal variances not assumed			-1.120	105.545	.265	-.263	.235	-.729	.203
Mindshift in using FB	Equal variances assumed	3.040	.084	-.936	112	.351	-.211	.225	-.656	.235
	Equal variances not assumed			-.936	109.879	.351	-.211	.225	-.656	.235

Note: Developed for research purpose.

Table 23 shows that barriers such as concern on security and privacy issue, not enough customer have internet access, internal channel conflicts with current physical channel, and set up cost of Facebook marketing have the p value lower than 0.05, hence reject H_0, there is significant relationship between organisations size and perceive barriers.

4.3 Summary result of Hypothesis Testing

From the analysis above, the result of the hypothesis testing is summarize as Table 24 below.

Table 24: Summary result of Hypothesis Testing

Hypothesis		Accepted	Rejected
1.	Increase customer service is the top benefit for Facebook Marketing among organisations in Malaysia.		√
2.	Security and privacy is the top barrier for Facebook Marketing among organisations in Malaysia	√	
3.	There is a significant relationship between the sizes of the organisation and perceived benefits of Facebook Marketing	√	
4.	There is a significant relationship between the sizes of the organisation to perceived barriers of Facebook Marketing.	√	

Note: Developed for research purpose.

4.4 Conclusion

This chapter analyzes the gathered data from questionnaire using descriptive analysis and independent t-test analysis. Result from the analysis is use to test the research hypothesis. Raw data collected from the questionnaire had been interpreted for better understanding and discussion in the next chapter.

CHAPTER 5

DISCUSSION AND CONCLUSION

5.0 Overview

The main purpose of this research is to identify the perceive benefits and barriers by local organisations towards the use of Facebook marketing in their business. Base on the analysis result from the previous chapter we will now discuss in details the result and also to answer relate and answer the research question. With the in-depth explanation in this chapter, reader can understand better the outcome of the study. This chapter will also discuss the limitation of this study, provide suggestion for future study, and lastly conclusion for the research subject.

5.1 Discussion on Analysis Result

The result of analysis from chapter 4 earlier will be discuss in details under different section so that an in-depth discussion can be carry out for easy and better understanding of the reader.

5.1.1 Organisations and Facebook Marketing

The questionnaires were distributed to organisations among Malaysia that owns their corporate Facebook page, hence in the questionnaire there are questions about general statement between the organisations and their Facebook page. From the result of our analysis, most of the organisations actually willing to conduct training for their staff in regards to Facebook marketing. Many institutions had already set up social media marketing training program for organisation that is interested in it.

In Malaysia itself, there are many training center that already setup social media training program for organisation, some example of the training center are Charlesmann training and consultancy sdn bhd, Clicka Academy Asia, Minfotech Sdn Bhd, and others. The course fee is range from RM 950 – about RM 2,500 per participants.

From the result of our analysis, it also shows that most of the organisations actually aggressively take photo and video during their company event so that they can upload in to their Facebook page later, most of the organisations also willing to spend time per week to gather content for their Facebook page. If there is no update on the corporate Facebook page, consumer will never notice or pay attention to the brand.

Constant update of the Facebook page will catch the consumer attention easier but it is also important for organisations to update the correct content. Fincham and Sturgill (2010) mentions that it is important to update at high traffic timing so that the post will be notice by more consumers and it is also important to make the content posted eye-catching and easy to understand.

As organisations also understand Facebook marketing is getting commonly popular and reaches their consumer faster, despite starting up to operate a Facebook page, organisations also starts to promotes their Facebook page. It can easily be notice on newspaper advertisement, television advertisement, brochure, and signage from the

organisations either asking people to like their Facebook page or to join in the contest from their Facebook page.

Organising contest on Facebook is one of the most effective ways to get consumer attention and gather traffic for the corporate Facebook page. Some of the recent activities by organisations that created high attention and traffic on the site including Mcdonalds Malaysia that gives out free Mug, and Samsung Malaysia that gives out free ticket to friendly football match between Chelsea and Malaysia team.

5.1.2 Employee's Reaction towards Facebook Marketing

Facebook offers all day long marketing without down time, but Facebook also offers all day long platform for consumer to attack in terms of writing bad comments or complaints. If the complaints are not handled properly in time it will turn out to be thread of the organisations. As mentions in the previous chapter, bad news will always travel faster compare to good news (Champoux et al. 2012). Hence Facebook page might needs close and real time monitoring by the organisations before the thread like wildfire.

In order to monitor the corporate Facebook page at all time, staff might need to bring this task home after working hours. There are question asking whether the employees are willing to bring home their Facebook page management, and only half of the respondent are willing to do so. There are still many employees that unwilling to touch on work related task after official working hours.

The analysis also shows that most of the employees are not willing to send out personalize email to their friends and family asking them to like their corporate Facebook page. It seems that employees do not want to mix their work life with personal life. Is a sign of getting more work life balance as there is previous study

that shows Malaysian tend to prioritize on work compare to leisure time (Aman, Fauzee, and Mohamed, n.d).

5.1.3 Business Utility Statement of Organisation and Facebook Marketing

The business utility statement is use to identify what organisations thinks about Facebook marketing currently. Understanding on the business utility statement allows the reader to understand better why these organisations are pursuing Facebook marketing and their future action. There are 7 business utility statement been asked in the questionnaire and the sequence of importance is shown as Table 25 below.

Table 25: Sequence of importance of business utility statement perceive by organisations.

Business utility statement
1. Facebook marketing will affect greatly the way we do business in three years time.   2. Organisation will rely more on Facebook marketing in three years time.   3. Facebook marketing offers a real competitive advantage to organisation.   4. My competitor that is Facebook marketing enabled will have a greater competitive edge.   5. Organisation that embarks on Facebook marketing will enjoy long-term success.   6. Facebook marketing is overly hyped up and it will fade away in the near future.   7. It is better to wait and see how Facebook marketing develops rather than pursue it now.

Note: Developed for research purpose.

Most of the organisations think that Facebook marketing will affect greatly the way they do business and they would have rely more on Facebook marketing in three years time. It is clear that most of the organisations are ready to involve more on Facebook marketing even though they are not sure whether embarking Facebook marketing offers a real competitive advantage and enjoy long-term success. One thing

for sure is all these organisations will not wait and see how Facebook marketing develops and they do not think it is overly hyped up to be fade away soon.

Organisations had realized the effect and importance of Facebook marketing hence had been continuous investing into it. Facebook itself had reported the revenue of $1.81 billion as of the second quarter of 2013, increase of 53% compare to the previous quarter and also higher compare to the analyst expected revenue (Holpuch, 2013). Facebook main revenue came from advertisement on the site by international organisations.

If compare to the study done by Khatibi et al. (2003) on the benefits and barriers of e-commerce where the questionnaire of this study was adapted, the sequence of importance of these statements are about the same except for organisations at that time thinks e-commerce is overly hyped and will fade away soon.

5.1.4 Perceive Benefits of Facebook Marketing

The top three perceive benefits for Facebook marketing are increase information flow, enhance organisations image and corporate branding, and increase customer service. Hypothesis 1 states that increase customer service is the top perceive benefits but the hypothesis is rejected base on the result from Table 26. Although increase customer service is one of the key benefits but organisations actually thinks that increase information flow and enhance image and branding is more achievable and important via Facebook marketing.

Table 26: Sequence of importance for perceive benefits of Facebook marketing

Perceived Benefits
1. Increase information flow
2. Enhance organisation image and corporate branding
3. Increase customer service
4. Increase customer loyalty and retention
5. Increase revenue
6. Reduce operating cost
7. Improve business flow

Note: Developed for research purpose.

Study done by Khademhosseinieh and Khan (2009) indicates that information technology can increase the information flow, study done by Khatibi (2003) also highlighted that increase information flow is one of the key benefits from information technology advancement.

Enhance organisations image and corporate branding, increase customer service, and increase customer loyalty and retention are quite closely link together. This is explainable as increasing customer service will also enhance the organisations image, happy customer tends to tell 1-5 other customers about their happy experiences (Connexiagroup, 2008). When happy customer spreads good comment about the organisations, organisations image will also be increase. When customer is happy about they receive from particular organisation, they also tend to stay loyal to that organisation.

Increase revenue and reduce operating cost are the less important benefits perceive by local organisations. ROI for social media campaign is different from conventional marketing campaign. In order to measure the ROI for social media marketing, one can measure the numbers of follower, and participations of their follower on the online activities. As most of the organisations still remains the ongoing operation

even they have enroll Facebook marketing, they will not feel any saving from the operation cost instead some might perceive they will have to invest more.

Improve business flow is the least perceive benefits by local organisations as most of the local organisations only adapt Facebook marketing as one of the alternative business tools. The dependency of Facebook marketing is still relatively low to affect the organisation business flow.

5.1.5 Perceive Barriers of Facebook Marketing

The top three perceive barriers are concern on security and privacy, not convinced of the financial and business benefits, and lack of knowledge and understanding on Facebook marketing regarding the rules and regulations. Hypothesis 2 is accepted as concern on security and privacy is the top perceive barriers among the organisations in Malaysia. Concern on security and privacy not only focus on Facebook marketing but also to all others online media. As the amount of data are growing bigger with the help of Web 2.0 technology, security and privacy issues have also become bigger as there are now much more to leak and breach. The sequence of other perceives barriers can be observed from Table 27 below.

Table 27: Sequence of importance for perceive barriers of Facebook marketing

Perceived Barriers
1. Concern on Security and Privacy
2. Not Convince of the Financial and Business Benefits
3. Lack of Knowledge and Understanding on Facebook Marketing Regarding the Rules and Regulations
4. Keeping up With Changing Technology
5. Mindset shift in Using Facebook Marketing
6. Lack of Skilled Workers to Handle/Maintain Facebook Marketing
7. Internal Channel Conflicts with Current Physical Channels
8. Setup Cost of Facebook Marketing System
9. Computer Technology Not Widely Used In Our Business Operation
10. Not Enough Customer Have Internet Access

Note: Developed for research purpose.

The breach of security and privacy is leading to cybercrime issue nowadays, and cybercrime issue had become one of the biggest Internet issue. According to the Norton annual cybercrime report (2012), there are 18 adults become the cybercrime victims every second. There are estimated about 556 million of adults who suffer from cybercrime issue where the numbers are bigger than the population of the European Union. The U.S Department of Justice's reported more than $525 million dollar losses in 2012 itself because of cybercrime issues (Lemos, 2013).

Organisations also find it difficult to keep up to the change of technology currently, there are more advance technology items launch every month and upgrading will be a heavy cost for organisations. Mindset shift in using Facebook marketing and lack of skilled workers to handle Facebook marketing is the 5th and 6th most perceive barriers. Facebook had been widely use in our daily life hence organisations will perceive the strategy is easier to adapt by consumer and easier for their employees to handle as well. Organisations do not thinks that Facebook marketing will conflicts with their

existing physical channel as the dependency on Facebook marketing is still relatively low.

Setup cost for Facebook marketing is not the key barriers as most of the organisations are still using the very basic Facebook function which is free of charge. The least important barriers are computer technology not widely use in business operation and not enough customer have internet access. If compare to Khatibi (2003) study on the barriers of e-commerce in Malaysia. Computer technology and internet access still are the key barriers for organisations, but with the improvement of infrastructure in Malaysia for the last 10 years, these issues had slowly minimize.

5.1.6 Organisations size and perceived benefits of Facebook Marketing

Table 28: Summary of independent t-test analysis between organisations size and perceive benefits.

Perceive Benefits	p value
Increase Revenue	0.000*
Increase Information Flow	0.002*
Improve Business Flow	0.007*
Increase Customer Service	0.045*
Reduce Operating Cost	0.275
Increase Customer Loyalty and Retention	0.297
Enhance organisation image and corporate branding	0.516

Note: Developed for research purpose.   *significant value

Benefits such as increase revenue, increase information flow, improving business flow, and increase customer service is highly significant related with organisations size. Hypothesis 3 is valid as there is significant relationship between organisations size with perceive benefits. The research indicates that different organisations size might have different perception towards the same benefits.

5.1.7 Organisations size and perceived barriers of Facebook Marketing

Table 29: Summary of independent t-test analysis between organisations size and perceive barriers.

Perceive Barriers	p value
Concern on Security and Privacy	0.000*
Not Enough Customer have Internet Access	0.001*
Setup Cost for Facebook Marketing	0.001*
Internal Channel Conflicts with Current Physical Channels	0.037*
Computer Technology Not Widely Used In Our Business Operation	0.058
Not Convinced of the Financial and Business Benefits	0.070
Lack of Knowledge and Understanding on Facebook Marketing Regarding the Rules and Regulations	0.118
Lack of Skilled Workers to Handle/Maintain Facebook Marketing	0.195
Keeping up With Changing Technology	0.265
Mindset shift in Using Facebook Marketing	0.351

Note: Developed for research purpose.   *significant value

Barriers such as concern on security and privacy, not enough customers have internet access, setup cost for Facebook marketing, and internal channel conflicts with current physical channels are significant related to the organisations size. Hypothesis 4 is accepted as there are significant relationships between organisations size and perceive barriers. The research indicates that different organisations size might have different perception towards the same barriers.

5.2 Recommendation

This research is aim to identify the key benefits and barriers of Facebook marketing at the same time identify if there is significant relationship between the organisations size and perceive benefits or barriers. From the research result, all the discussed benefits should be further explained so that organisations will be able to see more important benefits out of Facebook marketing to assist the organisations to decide on the investment into it. Where the barriers should also be further understand so that organisations will understand clearly the risk of it and how should they avoid from it.

5.2.1 Brand Awareness

Facebook Marketing is still consider as new strategy to many local organisation, hence the objective for many organisations is still creating a brand awareness via Facebook marketing instead of increasing their revenue from it. With the help of smart phone and infrastructure that allow consumer to stay online all the time, Facebook marketing is one of the important channels for organisations to improve their customer service since the information flow is increase. The increase of customer service will lead to higher organisations image and corporate branding, higher customer service also lead to higher customer loyalty and retention.

All of the above will lead to higher brand awareness by consumer to the particular brand. Macdonald and Sharp (1996); Gustafson and Chabot (2007); Homburg, Klarmann, and Schmitt (2010); and Hoyer and Brown (1990), all of their study shows that brand awareness is one of the crucial factor to the success of an organisation. The more consumers remember about the brand the higher chances of buying the product or service from the brand even though the quality might not be the best. High brand awareness often leads to higher sales volume for the organisations.

As such, organisations should fully utilize the e-marketing channel to make their brand well-known without boundaries. Facebook being one of the most online users gather place should be the top consideration of organisations to increase their brand awareness. Despite getting higher attention via Facebook page, organisations can also utilize the social media platform for word of mouth strategy by providing efficient and effective customer service.

5.2.2 Training is Essential

In order for organisations to fully enjoy the benefits out of Facebook marketing, one must have sufficient knowledge to operate the page correctly and effectively. Issues such as security and privacy, rules and regulation for online media are out of the organisation's control, but apart from that most of the barriers are actually solvable even by the organisations themselves.

Training is the process of transferring certain knowledge to another person in hope that the person will be able to put the knowledge in practical to perform effectively and productively (Silva, 1997). Pfeffer (1998) study shows that training is one of important practices of successful organisations. Aguinis and Kraiger (2009) study shows that training leads to important benefits for the individual and organisations.

It is important for organisations to provide extensive training to their employees so that the employees can gain more knowledge to work more effectively and productively. Training ensure employees are well equip to handle the task and others circumstances. Hence in order to fully enjoy the benefits from Facebook marketing, organisations should provide training for their employees who handle it. Training allows employees to understand better about Facebook marketing besides the basic user's knowledge.

According to Ministry of Science, Technology & Innovation (MOSTI) Malaysia, there are rules and regulation set up especially for cyber world to protect the users. If employees were provided with training on the cyber-law, employees would know better how to protect the organisation better and also make the consumer more confidence.

Training also allows the employees to understand better on the whole system and whether is it essential for the organisations to keep changing their technology up-to-date. Employees that have better understanding and confidence will also convince a customer better so that customer would accept the strategy better.

5.3 Implication of Study

In order to catch up with the latest marketing trend, organisations should first understand the benefits and barriers of it to plan out their strategy. This study tries to provide an in-depth understanding of some of the important benefits and barriers for Facebook marketing. Base on the research result, reader should be able to understand the key benefits and barriers of Facebook marketing. From the recommendation of the study, researcher hopes that it will be able to assist organisations better in planning their own Facebook marketing strategy.

5.4 Limitation of Study

There are some identify limitation of this research to be discuss as below so that future researcher will be able to improve their study. The limitations discussed below are already acknowledged and will not affect the result of the research. Purpose of discussing the limitation is to provide some guideline how to improve on future study.

First of all, the research only targeted to organisations within Malaysia that operate a Facebook page, organisations without Facebook page is taken into the research. The result might not be effective enough to represent all the local organisations, as organisations without Facebook page might have totally different perception towards the benefits and barriers set.

Secondary, there are only limited benefits and barriers for organisations to feedback. There might be many others factors that able to become the benefits and barriers for local organisations. Furthermore the benefits and barriers are adapted from previous study which is some time back, the environment might have change for the organisation to perceive differently now.

Lastly, the lack of previous research on the same topic locally and internationally. Social media marketing is still a new subject for Malaysia hence there are limited past study as reference. Researcher can only rely on other online media research subject such as e-commerce and information technology for referencing purpose.

5.5 Future Research

After the discussion of limitation of the research above, future research should use the few point below to improve on future research so that a better quality research can be carry on later.

First of all, future research should target more respondent instead of only organisations with Facebook page. Future research might need to consider conducting the research using conventional paper questionnaire method instead of electronic survey system as there might be organisation that do not own email account, it will be impossible to reach those organisation online without email account.

Secondary, future research should consider giving the respondent to name out their perceive benefits and barriers other than the few pre-define in questionnaire. After gathering the total result researcher will be able to identify whether there is any other important benefits or barriers that was left out.

Lastly, future research might need to consider getting more referencing from others online platform such as research on benefits and barriers of e-mail marketing, newsletter, and others online platform.

5.6 Conclusion

Research question 1 is being answer from the comparing the mean score of each and every benefits and barriers, and research question 2 is being answer by conducting independent t-test analysis for the respective group. From the result of the analysis, researcher can conclude that there is significant relationship between organisations size and perceive benefits and barriers. Researcher had also identified the key benefits and barriers perceive by local organisations.

The key benefits and barriers are very similar to the previous study did on e-commerce in Malaysia. It proves that local organisations are having similar perception on the benefits and barriers towards different online media.

Security and privacy remains the top concern barriers not only within local organisations but also internationally, every country are trying hard to set up rules and regulation to minimize the issues from security and privacy as they will have to suffer huge economic looses. Improve information flow is important for organisations that embark Facebook marketing as they can now close up the distance and gap between business and consumer.

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APPENDIX

Appendix A: Survey Questionnaire

General

1. Do you have a distinct company culture?

☐ Yes

☐ No

2. How many total employees do you have right now?

☐ 1-25

☐ 26-50

☐ 51-100

☐ Above 100

3. How many employees in sales, marketing or other "public" positions do you have?

☐ None

☐ Some

☐ Most

☐ All

4. How many employees in sales, marketing or other "public" positions use Facebook regulary?

☐ None

☐ Some

☐ Most

☐ All

5. Does your company take pictures or video during events such as parties, client entertainment (golfing, fishing, facility tours), or client training sessions?

☐ Yes

☐ No

6. How much time per week are you and your team willing to spend in gathering content?

☐ 0 – 15 min

☐ 15 – 30 min

☐ 30 – 60 min

☐ Whatever it takes

7. Are you willing to send out personalized emails and other announcements asking people to join your Facebook page?

☐ Yes

☐ No

8. Do you have other marketing tools such as newsletters (print or email), podcasts, or other regular correspondence that you can promote your page with?

☐ Yes

☐ No

9. Would you want company to conduct a training/information seminar to your staff explaining the strategy and guidelines?

☐ Yes

☐ No

10. Would the management of your Facebook page be something you would eventually like to bring in house?

☐ Yes

☐ No

Statements on the Business Utility of Facebook Marketing

1. Facebook marketing offers a real competitive advantage to my company.

☐ 1 (Totally Disagree)

☐ 2 (Disagree)

☐ 3 (Neutral)

☐ 4 (Totally Agree)

☐ 5 (Agree)

☐ 6 (Mean)

2. Company that embarks on Facebook marketing will enjoy long-term success.

☐ 1 (Totally Disagree)

☐ 2 (Disagree)

☐ 3 (Neutral)

☐ 4 (Totally Agree)

☐ 5 (Agree)

☐ 6 (Mean)

3. My competitor that is Facebook marketing enabled will have a greater competitive edge.

☐ 1 (Totally Disagree)

☐ 2 (Disagree)

☐ 3 (Neutral)

☐ 4 (Totally Agree)

☐ 5 (Agree)

☐ 6 (Mean)

4. Facebook marketing will affect greatly the way we do business in three years.

☐ 1 (Totally Disagree)

☐ 2 (Disagree)

☐ 3 (Neutral)

☐ 4 (Totally Agree)

☐ 5 (Agree)

☐ 6 (Mean)

5. My company will rely more on Facebook marketing in three years' time.

☐ 1 (Totally Disagree)

☐ 2 (Disagree)

☐ 3 (Neutral)

☐ 4 (Totally Agree)

☐ 5 (Agree)

☐ 6 (Mean)

6. It is better to wait and see how Facebook marketing develops rather than pursue it now.

☐ 1 (Totally Disagree)

☐ 2 (Disagree)

☐ 3 (Neutral)

☐ 4 (Totally Agree)

☐ 5 (Agree)

☐ 6 (Mean)

7. Facebook marketing is overly hyped up and it will fade away in the near future.

☐ 1 (Totally Disagree)

☐ 2 (Disagree)

☐ 3 (Neutral)

☐ 4 (Totally Agree)

☐ 5 (Agree)

☐ 6 (Mean)

Perceived benefits of Facebook Marketing

1. To increase revenue

☐ 1 (Totally Disagree)

☐ 2 (Disagree)

☐ 3 (Neutral)

☐ 4 (Totally Agree)

☐ 5 (Agree)

☐ 6 (Mean)

2. To reduce operating cost

☐ 1 (Totally Disagree)

☐ 2 (Disagree)

☐ 3 (Neutral)

☐ 4 (Totally Agree)

☐ 5 (Agree)

☐ 6 (Mean)

3. To increase customer service

☐ 1 (Totally Disagree)

☐ 2 (Disagree)

☐ 3 (Neutral)

☐ 4 (Totally Agree)

☐ 5 (Agree)

☐ 6 (Mean)

4. To increase information flow

☐ 1 (Totally Disagree)

☐ 2 (Disagree)

☐ 3 (Neutral)

☐ 4 (Totally Agree)

☐ 5 (Agree)

☐ 6 (Mean)

5. To enhance company brand and corporate image

☐ 1 (Totally Disagree)

☐ 2 (Disagree)

☐ 3 (Neutral)

☐ 4 (Totally Agree)

☐ 5 (Agree)

☐ 6 (Mean)

6. To increase customer loyalty and retention

☐ 1 (Totally Disagree)

☐ 2 (Disagree)

☐ 3 (Neutral)

☐ 4 (Totally Agree)

☐ 5 (Agree)

☐ 6 (Mean)

7. To improve business processes flow

☐ 1 (Totally Disagree)

☐ 2 (Disagree)

☐ 3 (Neutral)

☐ 4 (Totally Agree)

☐ 5 (Agree)

☐ 6 (Mean)

Perceived barriers to Facebook Marketing

1. Not convinced of the financial and business benefits

☐ 1 (Totally Disagree)

☐ 2 (Disagree)

☐ 3 (Neutral)

☐ 4 (Totally Agree)

☐ 5 (Agree)

☐ 6 (Mean)

2. Lack of knowledge and understanding on Facebook marketing regarding rules and regulations

☐ 1 (Totally Disagree)

☐ 2 (Disagree)

☐ 3 (Neutral)

☐ 4 (Totally Agree)

☐ 5 (Agree)

☐ 6 (Mean)

3. Computer technology not widely used in our business operation

☐ 1 (Totally Disagree)

☐ 2 (Disagree)

☐ 3 (Neutral)

☐ 4 (Totally Agree)

☐ 5 (Agree)

☐ 6 (Mean)

4. Concern on security and privacy

☐ 1 (Totally Disagree)

☐ 2 (Disagree)

☐ 3 (Neutral)

☐ 4 (Totally Agree)

☐ 5 (Agree)

☐ 6 (Mean)

5. Lack of skilled workers to handle/maintain Facebook marketing

☐ 1 (Totally Disagree)

☐ 2 (Disagree)

☐ 3 (Neutral)

□ 4 (Totally Agree)

□ 5 (Agree)

□ 6 (Mean)

6. Not enough customers have internet access

□ 1 (Totally Disagree)

□ 2 (Disagree)

□ 3 (Neutral)

□ 4 (Totally Agree)

□ 5 (Agree)

□ 6 (Mean)

7. Internal channel conflicts with current physical channels

□ 1 (Totally Disagree)

□ 2 (Disagree)

□ 3 (Neutral)

□ 4 (Totally Agree)

□ 5 (Agree)

□ 6 (Mean)

8. Set up cost of Facebook marketing system

□ 1 (Totally Disagree)

□ 2 (Disagree)

□ 3 (Neutral)

□ 4 (Totally Agree)

□ 5 (Agree)

□ 6 (Mean)

9. Keeping up with changing technology

□ 1 (Totally Disagree)

☐ 2 (Disagree)

☐ 3 (Neutral)

☐ 4 (Totally Agree)

☐ 5 (Agree)

☐ 6 (Mean)

10. Mindset shift in using Facebook marketing

☐ 1 (Totally Disagree)

☐ 2 (Disagree)

☐ 3 (Neutral)

☐ 4 (Totally Agree)

☐ 5 (Agree)

☐ 6 (Mean)