

**AN INVESTIGATION INTO THE IMPACT OF SOCIAL MEDIA  
ON BRAND PERCEPTIONS: A CASE STUDY OF  
ESTÉE LAUDER**

DISSERTATION

By

## ABSTRACT

*Social media has evolved through many generations and eras, it has been defined in various ways by different authors, researchers as well as academia. Some argue that it stems from the very early forms of interpersonal communication via email, while others solely accept it as the more recent form of social interaction on social media sites. Despite all the different arguments that exist regarding social media, extant academic literature on the topic is rather sparse. That being said however, the topic of brand perceptions has been studied and researched in depth in both the academic and corporate worlds. The understanding of brand perceptions has been the source of many debates which has resulted in a wealth of literature to draw on for this research study.*

*This research study sought to assess the impact that Social Media has on brand perceptions of consumers, with a specific focus on Facebook and the Blogosphere. In order to add structure and guidance to the research study, three research objectives were set. The first objective was to review extant conceptual models and theoretical frameworks related to social media and brand perceptions. The second was to evaluate Facebook and consumer blogs in their role as reference groups on consumers. The final research objective was to determine optimal strategies to improve sales and brand reputation of cosmetics through an increased presence on social media platforms; specifically Facebook and blogs.*

*The researcher deemed it appropriate to conduct this investigation from a qualitative research paradigm. Given the nature of the topic under investigation, qualitative research would allow the researcher to delve deeper into the subject matter. Consequently, the study was carried out in an inductive approach using a case study strategy where data was collected from Estée Lauder and using multiple sources of evidence. This data collection was coupled with online survey in-depth as well as semi-structured interviews for both employees of the company under study as well as regular consumers of cosmetics products. For the purposes of analysis, thematic data analysis method was chosen based on the fact that it would be most appropriate for qualitative analyses. This method of data analysis allowed the researcher to draw major themes that arose from the data collected as well as the few permeated themes that came through.*

*The findings from this research study revealed that in principal, consumers and management accept and appreciate the importance of the impact that social media has on brand perceptions. It would seem, based on the results that the challenges boil down to the execution of social media marketing activities. Essentially, Facebook and the blogosphere fulfil distinctive roles in communicating marketing messages, both consumer and company generated. Where Facebook is considered to be a social interaction space, blogs are seen to serve an information providing role. Based on the results of this research study, cosmetics companies have failed to recognise these critical differences. Despite the fact that Facebook is considered a private interpersonal communication space, the findings suggest that adding tangible value in holding a presence on Facebook can yield positive results on brand perceptions. Results from this study reveal the untapped potential residing in social media provided strategies that have consumer needs and desires are critically considered.*

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 ENQUIRY OVERVIEW**

The purpose of this research was to investigate the impact of social media on brand perceptions using Estée Lauder as a case study. Social media in the context of this research study specifically refers to Facebook and Blogs. This research is qualitative in nature and is largely focused on proving the feasible solutions for Estée Lauder concerning leveraging social media. This enquiry overview seeks to provide the reader with an outline of what to expect from the rest of the paper. Each chapter of the study is concisely summarised to as to achieve this.

The first chapter of the study opens up with a comprehensive introduction to the study. This section leads the reader into the study by providing the essential background and justification of the study. Moreover, the aims and objectives without which the paper would have no direction are laid out in this chapter and equally important are the research questions which the research seeks to answer. The subsequent chapter then delves into literature review of existing material on the subject of social media and brand perceptions, and where possible, literature on cosmetic marketing was also investigated. The purpose of this chapter was to build solid theoretical foundation from which the rest of the study could be built. Additionally, chapter two is aimed at ensuring that the ‘wheel is not re-invented’ where certain relevant subjects had previously been researched and could therefore enhance this study.

Chapter is primarily concerned with research methodology utilised in the study. Importantly, chapter attempts to rationalise the chosen research path. Further on to this, the research paradigm, the selected research instruments as well as the sampling methods, ethical considerations and pilot study are discussed in this chapter. This chapter provides the reader with a full understanding of the way in which the research aims and objectives are bridged with the direction the study takes.

Chapter four is essentially focused on presenting the data and then analysing it. More interestingly, in chapter four the reader is taken through the data collection and analysis process. It is in this section that the research questions are mainly addressed. Thematic analysis, which is the selected data analysis tool for this research study is discussed and

justified at the same time; alternative analysis tools deemed to be unsuitable for the study are discussed therein.

The study concludes with a chapter which proposes feasible recommendations to Estée Lauder concerning the way in which social media can be realistically leveraged in order to positively impact brand perceptions among its target audience. These recommendations are based on the empirical findings from this research study, discussed in the preceding chapter. Importantly, chapter five seeks to examine the findings of this research in relation to the research aims and objectives set out at the beginning of the study.

## **1.2 RESEARCH AIMS AND OBJECTIVES**

The purpose of this study is to investigate the impact of Social Media sites on brand perceptions, with specific focus on the cosmetics industry using Estée Lauder as a case study. This study will have a two-facet approach. It will analyse the impact of exposure of cosmetics brands, on Social Media sites from the influence of content generated by consumers or general members on Facebook and blogs; and on the other hand, this study will investigate the impact of content generated by cosmetics companies. Consumer generated content, in particular through blogs and ‘conversational’ interactions on Facebook by way of individual or private comments, status updates and photographs. Company (brand) generated content will specifically be focussed on fan pages created by cosmetics companies; using Estee Lauder as a case study. This research aims to achieve the following objectives.

1. To review extant conceptual models and theoretical frameworks related to social media and brand perceptions
2. To evaluate Facebook and consumer blogs in their role as reference groups on consumers
3. To determine optimal strategies to improve sales and brand reputation of cosmetics through an increased presence on social media platforms; specifically Facebook and blogs.

### **1.3 RESEARCH QUESTIONS**

In order to assess the effectiveness of social media platforms as a means of influencing brand perceptions of cosmetics, using Estée Lauder as a case study; the following questions must be answered through this research study.

1. What role do reference groups play in the purchase decision-making process of cosmetics?
2. Is there a link between exposure of brands on Facebook and blogs the consumer's propensity to purchase cosmetics?
3. Are social media sites, specifically Facebook and blogs effective marketing tools when used in isolation in the absence of monolithic marketing programs?

### **1.4 RATIONALE OF THE STUDY**

Marketers are presently faced with the ever-increasing challenge of creatively developing communication techniques that will effectively reach their target audience. Where in previous years, consumers did not have access to a wide array of product information or choices, today; consumerism is dominating all aspects of life (Rahman and Rahaman; 2008). Industry expert, Raphael Viton (2009) postulates that social media marketing strategies work best for "high involvement" categories where information, feedback and testimonials from trusted sources play an important role in buying decisions. He further posits that this being the case for beauty products makes social media "perfect for cosmetics" Viton (2009).

What has been clearly evident over recent years is that although numerous cosmetics companies have made efforts to have some presence on social media sites, very few are truly committed and many are unsuccessful in their approach. Many such companies embarked on a social media marketing campaign in the height of digital euphoria but did little to nothing in order to maintain these campaigns.

According to research conducted by Forrester Research (2009) traditional advertising is on the decline with the rise of social media in the UK and the USA. This research further indicates that Social Media spending will increase to \$3,113 (in millions) in 2014 from \$716

in 2009 representing a compound annual growth rate of 34% – the highest percentage gain in the marketing mix. This spending activity also ranks it as the third most prominent program behind search marketing and display advertising.

Edelman (2010) proposes, “Though marketing strategies that focused on building brand awareness and the point of purchase worked pretty well in the past, consumer touch points have changed in nature. For example, in many categories today the single most powerful influence to buy is someone else's advocacy. Social Media presents marketers with a less costly means of micro-targeting their audience effectively. Whereas as previously, exorbitant budgets were required for mass reach, social media is able to achieve the same at a fraction of the cost. A paradigm shift has occurred where consumers are getting product information and interacting, this revolution calls for an appraisal on the part of companies wishing to remain salient. Whereas more traditional promotional techniques, specifically, television, radio and print advertising once dominated product promotions; offline channels are now taking over.

Owen (2010) claims that, "It's important to realise that an expanding audience in one channel does not automatically mean a decline in another." As much as social media marketing is on the rise, evidence proving the effectiveness of these platforms used in isolation is scant. Social media is a fairly young discipline and many marketing managers are uncertain on how to effectively approach it in terms of coupling it with traditional marketing methods. Evidence is equally meagre with regards to how brands' exposure on social media platforms affects their image either through brand fan pages or friend's communication

Galak and Stephen (2010) put forth that while social media was once the domain of younger, tech-savvy, early adopter consumers who were faster to adopt new technologies, it has now evolved into mainstream and covers a broad demographic spectrum. Today, 75% of Internet-using adults in the United States are active on such social media Bernoff et.al. (2009). This large number of users makes it critical to understand not only how social media influences consumers, but also how it operates alongside traditional media. Findings from this research study will add value to the development of effective social media marketing strategies for cosmetics companies (brands) going forward.

## **1.5 SCOPE AND LIMITATIONS**

The generally accepted definition of Social Media spans to cover a wide spectrum of innumerable online tools. The extensiveness of existing social media platforms spans further than this research is able to cover. Financial restraints as well as time constraints inhibit this research study to cover the entire scope of social media platforms available today. This research will strictly concern itself with investigating social media in as far as it includes Facebook and beauty blogs. The study will also be purely focussed on the impact of brand perceptions on Facebook and blogs on the cosmetics industry using Estee Lauder as a case study.

Moreover, data collected for this research will be limited to what is accessible through Estee Lauder company reports and secondary information that is publically available. Lack of access to internal marketing and sales data may limit the robustness of the Estee Lauder specific information.

In addition to the above stated restraints, in order to achieve a more focussed study, it was deemed necessary to exclude the plethora of demographics that are also active on Facebook and blogs; consequently, this study will only focus on the female consumers between the ages of eighteen and thirty-five that purchase cosmetics at least once a month.

Consequently, some may regard the generalisation of these findings as inconclusive or rather narrow. There may be product specific factors that affect the outcome of these results as pertaining only to the cosmetics industry and not necessarily to other product categories across the board. There may also be factors that may uniquely affect people within that specific age group that will impact the outcome of the results of this research study.

However, the findings of this study will contribute the understanding of social media on brand perceptions albeit for a specific industry. Notwithstanding the above-discussed limitations, this study will establish a foundation on which to build on when organisations embark social media marketing strategies to enhance their brand reputations.

## 1.6 BACKGROUND OF THE STUDY

Boyd and Ellison (2008) define social media sites as “web-based services that allow individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system. The nature and nomenclature of these connections may vary from site to site.”

For the purposes of this research study, all mention of social media sites refers specifically to Facebook and Blogs. The research will consider both consumer and company (marketing) generated content on these sites.

An increasing number of people across the race and age spectrum are spending significant amounts of time online, socialising with friends through a variety of social networking sites. Traditionally, visitors to these social networking sites visited such sites primarily for the purpose of interacting with friends and publicly sharing details, comments and photographs of their lives.

Human beings are social and have an innate need or desire to feel accepted and to fit in. Accordingly, they tend to be heavily influenced by the people around them or with whom they spend the most time on making purchase decisions. Such people range in the type or relationships, including- family, friends, colleagues or even just casual acquaintances. Such groups of people help form and shape perceptions of brands. The word used to define this group of people is *reference group*. Solomon et.al (2010) define a reference group as “an actual or imaginary individual or group conceived of having significant relevance upon an individual’s evaluations, aspirations, or behaviour.”

These are the people that consumers often rely on for product information they can trust. Stallen et.al clarify this concept further by explaining that, “decision-making is often influenced by the behavior of others. For instance, people frequently make similar decisions as their friends do (e.g. teenagers may choose to wear clothing that is identical to that of their buddies); while they also often choose differently than the ones they do not like (e.g. the clothing should not be identical to what is worn by “uncool” kids).”

As social media sites are where many people are now spending most of their time, these interactions are now taking place on such platforms.

Over time, the social media landscape has evolved into a space where a broad range of information is disseminated.

Consumers are now looking to these sites for product information that they can rely on from trusted sources-friends and family online. Thus, social media sites have in themselves, evolved to become a “reference group” as such.

Casteleyn et.al (2008) suitably notes that the information that people display on their Facebook pages is constructed to communicate their personality to their friends and to the rest of the world. More often than not, these are the ‘desired’ perceptions that people would like others to have of them. Nonetheless, a myriad of information is propagated through these channels and reaches a wide spectrum of people beyond any geographical borders.

This type of information dissemination is known as online Word of Mouth (WOM). WOM is commonly defined as an unpaid form of promotion in which a satisfied customer tells other people how much they like a product or service or even sharing a positive experience.

The same is applicable in a negative sense, in which case a customer may have had a distasteful experience with a business, product or service and shares that with their online network. Cheema and Kaikati (2010) propose that word of mouth (WOM) communication is central to the exchange process as consumers often rely on others for assistance with purchases, especially for products with high financial or psychological risk.

Several studies have empirically demonstrated that WOM is more persuasive than traditional media channels Godes et.al. (2005)

WOM is considered to be one of the most credible forms of promotion because a person puts their reputation on the line every time they make a recommendation and that person has nothing to gain but the pleasure of being heard.

Traditionally the spread of WOM was limited to those within one’s geographical area and was bound to a close network of people with whom a relationship was shared. In modern times, the proliferation of the Internet has expanded the network exponentially. The growth of the Internet and particularly the rapid increase in popularity of social networking sites as a preferred medium of communication has broken down the boundaries that once limited WOM communication. As a result of this, coupled with the recent surge in technological developments worldwide, particularly pertaining to the Internet and continuously advancing social media sites- traditional marketing seems to be losing power and space with a majority of companies.

The cosmetics industry is one that has had a significantly increased presence on social media sites. Extensive fan pages have been created on Facebook by both companies and consumers; wishing to share new product information, product experiences and recommendations. Similarly, there has been an equally considerable growth of beauty and cosmetics blogs. The definition of cosmetics is considered to comprise of skincare products (body and facial), make up, personal care products including deodorants, body washes and soaps. From this point on, for the purposes of this research study, all reference to *cosmetics* includes only skincare products (body and facial) and make up.

Typically, cosmetics are advertised in glossy fashion and beauty magazines as well as on television. However, at present, beauty product marketers are searching for new ways to expand their consumer reach beyond the traditional avenues of fashion and beauty magazines.

According to Decoursey and Sloan (2009) "Concerns, particularly for smaller companies, include magazine clutter, increased ad rates and policies concerning rotation of advertisers in prime space. And virtually all marketers worry about harried consumers, who have less spare time to pore over fashion and beauty books."

As a result of the above, social media sites have emerged as an increasingly popular avenue for beauty product marketers to explore as a medium to reach their consumers, where social media sites form part of the consumers' reference group.

Consequently, the following research study aims to assess the impact of social media sites on brand perceptions of cosmetics products, using Estée Lauder as a case study. Further to this, the changing role of social media sites as consumption reference groups for brand exposure and product sales of cosmetics brands will be analysed.

## **1.8 SUMMARY**

This chapter comprehensively introduced the research study. It provided an overview of the study by stating the aims and objectives of the research and providing the rationale of the work. Finally the chapter closed with a discussion of the scope and limitations and the background of this study. Chapter Two seeks to systematically investigate extant literature on the topic.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

The focus of this section of the paper delves deeper into present research that has been conducted in fields related to the area of focus of this study as laid out in the preceding chapter. The purpose is to gather theoretical literature to make for a solid study together with the data that will be collected in this investigation.

Research in the area of social media sites and consumer behaviour has only recently become of great interest to researchers in the past three to five years. The reason is two-fold 1) although social media sites have been around since the late nineties; they've only recently started to truly flourish in the past few years. 2) Brand marketers started identifying such sites as a suitable channel to communicate with their consumers over approximately the same period.

To begin with, this chapter will explore a conceptual clarification of the terms *social media* in the way it is intended for this paper. Following that will be an interpretation of *brand perception* in the way that it relates to and will be studied in this research.

In addition to this, further relevant literature on the topic will provide a broader scope into the subject under research will also be considered and examined.

#### **2.2 CONCEPTUAL CLARIFICATIONS**

Although social media is a relatively new construct in the communication world, a great many researchers and authors have provided their own interpretations of what it can be defined as (Chung and Austria, 2010; Dutta, 2009; Hoffman, 2004; Cova & Pace, 2006 Jones, 2009). As varied as the understandings may be from author to author, one thing remains consistent; social media is growing at a phenomenally rapid pace. Furthermore social media has revolutionised the way in which people communicate and that brands communicate with their consumers.

Chung and Austria (2010) postulate that Social media includes various methods of online communication such as social networking, user-sponsored blogs, multimedia sites, company-sponsored websites, collaborative websites as well as podcasts. This definition includes just about the entire scope of the activities that a majority of individuals who participate in online communications would be involved with.

Dutta (2009) further reiterates this point by stating “it’s no secret that social media—global, open, transparent, non-hierarchical, interactive, and real time—are changing consumer behaviour and workplace expectations.” It is becoming increasingly difficult and in some cases, impossible to follow traditional communication structures of non-transparency and hierarchy when people communicate via social media platforms. This is particularly true of business communication. Consumers now have more access to information than they ever had before.

Hoffman (2004) supports the above statement, “the Internet makes available numerous information sources that consumers may draw on as they search for information and construct choices about commercial offerings. These information sources include social media sites, online product reviews (either by peers or experts), and uncensored in-depth product information on a variety of Websites, among many other sources.

Cova & Pace (2006) put forth that “consumers in consumer-generated brand communities want to become influential participants and regard brands as ‘belonging to us’ and not as companies that supposedly own them. They are driven by a similar passion or ethos to form and engage in online brand communities, thereby producing their own cultural meanings around brands.

Social media is a fundamental shift in the way we discover and share information. It provides individuals and particularly retailers with the ability to cultivate and have ongoing conversations and touch points with their customers and potential customers. Every retailer has a unique tribe of customers or a niche group of consumers. Social media helps broaden that group and engage with them like never before.

Jones (2009) summarises it well in stating that "Social media essentially is a category of online media where people are talking, participating, sharing, networking, and bookmarking online." From the above, it is evident that social media sites as a construct have evolved over time to encompass a considerably wider scope of the consumers’ online experience. When consumers make a purchase, they are buying more than just the product; they are buying into the brand. Keller (1993) maintains the above statements by putting forth that brand perceptions are attributes in consumer memory that are linked to the brand name. Solomon et.al (2010) defines *perception* as the process by which stimuli are selected, organised or interpreted. Marketers play a crucial role in shaping and defining brand perceptions in consumers.

Findings from several research studies previously conducted indicate that brand perceptions play a pivotal role in the consumer purchase experience because they are said to influence consideration and evaluation, and therefore ultimately, purchase (Nedungadi 1990; Keller 2003).

Several factors may influence brand perception, the factors include but are not limited to elements such as; price of the product, the way in which the product is packaged, where the product is sold, reviews and feedback by reference groups on the product, and indeed how product information is disseminated or advertised.

This research study will explore the impact of social media sites, namely Facebook and blogs on brand perceptions- including but not exclusively the above-mentioned elements that often shape it.

This review will be focussed on three aspects of the impact of social media on consumer purchasing behaviour as researched in previous studies: 1) The History of Social Media 2) The impact of WOM through social media sites 3) The role of opinion leaders and opinion seekers on social media sites as reference groups 4) Shopping as a social activity on social media sites

### **2.3 HISTORY OF SOCIAL MEDIA**

There are opposing schools of thought as to when social media was born. Some argue that social media did not begin with computers, and that it was born on “line” specifically on the phone. The era of *Phone phreaking* or the *Rogue exploration* of the telephone network of the 1950s was a period when techno-geeks-people who were very clued up on technology- began to investigate ways to allow them to make free or cheap calls. “These early social media explorers built “boxes” which were homemade electronic devices that could generate tones allowing them to make free calls and get access to the experimental back end of the telephone system. Borders (2009)

While on the other hand, others argue that social media came in considerably more recent years. Boyd and Ellison (2007) claim that “the first recognizable social network site launched in 1997. *SixDegree.com* allowed users to create profiles, list their Friends and, beginning in 1998, surf the Friends lists. Each of these features existed in some form before SixDegrees, of course. For instance, profiles existed on most major dating sites and many community sites. *Classmates.com* allowed people to affiliate with their high school or college and surf the

network for others who were also affiliated, but users could not create profiles or list Friends until years later. *SixDegrees.com* was the first to combine these features.”

As defined by Boyd and Ellison (2007), the generally accepted present-day understanding of social media and what it has become would however suggest that these platforms as we interpret them today, concurs with the latter date of origin.

### **2.3.1 ORIGINS OF FACEBOOK**

Facebook was originally born out of the trivial concept of allowing students to judge each other based on their facial appearance. Over a relatively brief period, Mark Zuckerberg-founder of Facebook evolved the platform and introduced innovative ideas into the network, and added some useful features like a comments section, amongst other things. Within a few months most of the schools and universities in the United States and Canada were on board, and a surprisingly large number of people had joined Facebook. In September 2006, the network was opened to any individual who had an email address and was over the age of 13. Subsequently, Facebook rapidly grew into the most popular social networking website.

### **2.3.2 ORIGINS OF BLOGGING**

Miller and Pole (2010) define a blog as a website containing dated entries, or posts, presented in reverse-chronological order. Blog features commonly include archives (previous posts, typically grouped by month and year), a blogroll (a list of recommended blogs), and a reader comment section.

Today, most blogs are interactive, allowing visitors to leave comments and even message each other via widgets on the blogs and it is this interactivity that distinguishes them from other static websites. Brown et.al (2007) acknowledge that word of mouth (WOM) communication is a major part of online consumer interactions, particularly within the environment of online communities. The relative simplicity required to set up and participate in a blog allows for any individual that has a basic understanding of how a computer works to be involved in this online activity.

Many blogs provide commentary or news on a particular subject; others function as more personal online diaries. A typical blog combines text, images, and links to other blogs, Web pages, and other media related to its topic. The ability of readers to leave comments in an

interactive format is an important part of many blogs. Increasingly, blogs are now emerging as a new form of interactive advertising tool on the Internet. Cho and Huh (2008)

The origins of modern blogging are often a point of great contention.

There is a school of thought that believes that the '*Mosaic's what's new*' page in 1993 was the first weblog. The '*Mosaic's what's new*' in 1993 a list of links some people passed onto others. However, it wasn't until December 1997 that Jorn Barger coined the term "weblog" in his Robot Wisdom Weblog.

In 1998, only a handful of blogs existed, and many of the bloggers knew each other and linked to each other's sites. Rebecca Blood, author of *The Weblog Handbook*, notes that one preeminent site listed only 23 blogs in existence at the beginning of 1999. The media started noticing blogs later in 1999 and drew attention to the phenomenon. But it was the proliferation of free weblog-creation programs in 1999 that made blogging into a hugely popular pastime. Before this software was widely available, most weblogs were hand-coded by web developers and others who taught themselves HTML. The new programs made it easy for anyone to create their own weblog.

Blogger was released in August 1999 and was an immediate hit. This simple weblog application allows users to create any kind of weblog they desire. By October 2000, Blogger users were creating 300 new blogs a day, and the Blogger directory had over 5,500 blogs listed. In November of the same year, the 10,000th Blogger weblog was created. As of 2002, Blogger claimed over 750,000 users.

The rise of tools like Blogger also changed the content of weblogs. While they had begun as link-driven sites offering alternative viewpoints on news and other subjects, weblogs began to collide with online journals. Blogger-style tools allowed links and commentary to quickly grow into longer essays and diaries on the Web. Online journals had existed before this, but weblog applications made journals easier to manage for those who didn't know HTML.

## 2.4 THE IMPACT OF WOM THROUGH SOCIAL MEDIA SITES

Both scholars and practitioners of marketing are particularly interested in WOM communication behavior in the context of online communities because of the extraordinary popularity, growth, and influence of such communities.

Arndt et.al (1967) defines WOM as a consumer-dominated channel of marketing communication where the sender is independent of the market. It is therefore perceived to be more reliable, credible, and trustworthy by consumers compared to firm-initiated communications.

Some literature reviews of studies in the field of social media sites reveal that the rapid spread of WOM on such sites concerning products and brands is one of their most distinguishing benefits. “A key finding from research indicates that 10% of new consumer packaged goods (CPG) account for 85% of viral buzz, but this does not necessarily indicate a direct link with sales generation.” Niederhoffer. (2007) Furthermore, the once accepted belief that word of mouth influence comes only from the elite, highly connected few has been challenged.

Consumption-related online communities essentially represent WOM networks, where individuals with an interest in a product category interact for information such as purchase advice, to affiliate with other like-minded individuals, or to participate in complaint or compliment interactions (Cothrel, 2000; Kozinets, 1999; Hoffman and Novak, 1996). While it can be argued that the WOM communication going on within these online communities has limited social presence in the traditional sense, these communities provide information and social support in both specialized and broadly based relationships, and are becoming an important supplement to social and consumption behavior. Wellman et.al. (1996)

A study conducted by Cyber Atlas (2001), for example, cited 84% of Internet users having contacted at least one online community. The popularity of these emerging consumption-focused online communities, and the WOM communication going on within them, highlights a need for increasing scholarly attention to be paid to online WOM communication.

Smith et.al (2007) state that “Research suggests that most people are moderately connected and are as willing as the highly connected to share marketing messages.” Increased accessibility to the Internet and thus, social media sites has exacerbated the connectivity of people through an increased number of touch points such as mobile phones. Whereas

previously people who did not own or have access to personal computers or home Internet connectivity, were not able to access social media sites, now through their cell phones they are active participants on such sites. This research proposes that people have an innate desire to share messages with one another-including marketing communications.

Social media sites have a unique distinguishing factor that traditional marketing methods lack and that is an ability to stimulate and enable two way dialogue between companies and their consumers and vice versa. An added advantage of this two-way dialogue is that it is possible for it to take place in real time and instantaneously.

Consumers on these platforms are able to engage with companies that were traditionally out of reach to them on matters concerning their brands or products. Likewise, companies (brands) are able to gain insights into their customers and customers' perspective, as well as directly address any issues or concerns at hand. In some cases, consumers engage with one another without the brand intervening at all; sharing opinions and experiences.

In the same breath however, John Marshall Roberts, communications strategist and Chief Executive Officer (CEO) of Worldview Learning, training and Research Company for change makers, highlighted the importance of the need for transparency and honesty, he warns that "half-truths and 'green washing' are quickly exposed on today's social media networks."

It is imperative that companies with a presence on social media sites maintain an uttermost level of integrity in their communication with consumers, as the truth can almost always be uncovered. In such cases, a positive reputation that a brand may have built over many years can be destroyed in a matter of days and indeed in an instant.

Katz and Lazarsfeld (1955) in one of the earliest research studies on WOM concluded that WOM two times more effective than radio advertisements, four times more than personal selling, seven times more than print advertisements. This research, was investigating traditional WOM in the absence of social media and indeed the Internet. Such WOM was bound by geographical location, as people were limited to the people that they were physically able to interact with. The Internet and indeed, the exponential growth of social media sites, have eradicated this constraint. Trusov et.al. (2009) find that WOM referrals have a strong impact on new customer acquisition. In their research, they conclude that the effectiveness of WOM referrals on social media sites have resulted in a direct positive effect on sales of products. The creation of social media has meant that WOM can be directly tracked in relation to its

impact of consumer behaviour with regards to individuals' decision-making process.

There are several motivations that lead consumers' WOM referral behaviour. These two motivating factors have found to be the primary drivers such as extreme satisfaction or dissatisfaction (Dichter 1966; Richins 1983; Yale 1987), commitment to the firm (Dick and Basu 1994) and novelty of the product (Bone 1992).

When a consumer has had an exceptionally pleasing experience with a brand, or on the other hand, a particularly unpleasant one they are more likely to share this with as many of their peers as possible. Depending on the experience, this could lead to extreme benefit on the part of the company behind the brand or it could be detrimental to its image.

Equally significant is the level of loyalty that a consumer may have to a brand or company. Once a consumer has reached a stage of extreme brand loyalty, they develop a deep connection with the brand as they would with a person.

There have been various schools of thought on the motivating influences on spread of WOM. One of these was that consumers who communicate marketing messages to other consumers were previously assumed to engage in this behavior as a result of altruism or reciprocity or to attain higher status (Dichter 1966; Engel, Kegerreis, and Blackwell 1969; Gatignon and Robertson 1986).

However, according to findings conducted by Kozinets et.al. (2010), the motivators are more multifaceted including the individual's personality, specifically at whether they are opinion leaders or opinion seeker; this topic will be discussed in greater detail further on in the next section of the literature review chapter. Additionally, their research study suggests that the sharing of WOM marketing messages is "personal in a communally appropriate manner." Therefore, advocating that WOM is heavily influenced by personal characteristics of an individual in a communal setting.

Wiedmann et.al. (2007) address the question of why certain personal sources of information have more influence than others to identify general market-place influencers and use them for more effective product and message diffusion. They support that factors such as *source expertise* (Bansal and Voyer 2000; Gilly et al. 1998), *tie strength* (Brown and Reingen 1987; Frenzen and Nakamoto 1993), *demographic similarity* (Brown and Reingen 1987), *reference group influence* (Bearden and Etzel 1982) and *perceptual affinity* (Gilly et al. 1998) have been identified as important antecedents of WOM influence.

## 2.5 THE ROLE OF OPINION LEADERS AND OPINION SEEKERS ON SOCIAL MEDIA SITES AS REFERENCE GROUPS

Bearden et.al. (1989) state that the pervasive use of spokespeople in product and service endorsements reflects the widely held belief that individuals who are admired or who belong to a group to which other individuals aspire can exercise an influence on information processing, attitude formation, and purchase behaviour.

Consumers influence other consumers in numerous ways. They act as models that inspire imitation among those who observe their purchase and consumer behaviour, either directly or indirectly. Flynn et.al (2001) propose that consumers spread information through word of mouth, as consumption is a major topic of social communication. They further influence one another by directly giving out advice and verbal direction for search purchase and use.

Research reveals that the time spent online and the benefits pertaining to product information and brand awareness for consumers are impacted on by individual personality traits. Personality traits in this context are discussed as they pertain to “opinion leaders” and “opinion seekers”.

Solomon et.al (2010) clarify the term *opinion leaders* by defining them as “people who are knowledgeable about products and whose advice is taken seriously by others.” These people tend to be respected in their knowledge of specific products and hold great social power, as people tend to go to them for recommendations and advice. *Opinion seekers* on the other hand “are more likely to talk about products with others and to solicit others’ opinions as well.” Solomon et.al (2010)

Research conducted by Acar and Polonsky (2007) reveal that “gender and extroversion predict online social network size and time spent online; that opinion seekers spend more time online and have larger networks relative to opinion leaders; and that opinion leaders are more likely to communicate their brand use online” This research further found the “mediating role of opinion leadership and opinion seeking in explaining the impact of general personality traits online brand communication and social networking.”

From this definition it is established that although people may seek information from various sources, there are certain individuals whose advice carries more weight than others. Opinion leaders also tend to be socially active and highly interconnected in their community.

Opinion seekers on the other hand, are often seen to be followers of opinion leaders. They are constantly in search of information from others. This could explain the reason that they would be most active online as revealed in research discussed above by Acar and Polonsky (2007).

Research conducted by Aaker (1991) and Keller (1993) concurs that the set of associations consumers have about a brand is an important component of brand equity.

According to the findings from this research, consumers gain a certain level of psychological benefit from using or associating with certain brands. Consequently, the way in which the *opinion leader* is perceived will have a bearing on the brand perception to those that interact with him. Escalas and Bettman (2003) found that “students are more are more likely to develop a self-brand connection when there is a strong usage association between a reference group and the brand and there is a strong connection between the reference groups and the consumer’s self-concept.” Therefore, in this research, if a student has aspiration or actual associations with a certain reference group, whichever brand(s) that are popular within that group or have a high usage rate within that group will in turn have a level of appeal to that student.

It stands to reason then, that with the copious amounts of time spent online by consumers, and the loads of information imparted particularly by *opinion seekers*, that social media sites would now form a pivotal role of this brand reference and purchase decision making construct. Social media sites have in themselves evolved dramatically over recent years, occupying a more extensive space in today’s society. The advancement of social media has allowed it to reach a point where it could be considered to play a pivotal role in consumer interaction with reference groups. Childers and Rao (1992) put forth that the reference- group construct has supplanted the notion of group membership as one that explains group influence on individual behaviour. An important point to note is that the relationship between an individual and a reference group should be motivationally and psychologically significant for the influence to be considerable.

Lessig and Park (1978) identified and examined three motivational reference group functions (RGFs) that lend themselves easily to the proposition of social media sites as reference groups. The functions are: *informational*, *utilitarian*, and *value-expressive*.

These two researchers defined the terms in the following way. “An *informational reference*

*group* imposes no norms on the individual. Instead, an influence is internalized if it is perceived as enhancing the individual's knowledge about his environment and/or his ability to cope with some aspect of it. Thus, the likelihood that an individual will accept information from this reference group as evidence of reality increases if he feels uncertainty associated with the purchase and/or lacks relevant purchase related experience.”

In line with this thinking, consumers in the process of purchasing products may visit Facebook or a blogging site in order to get product information, often from people with whom they have a personal relationship or connection.

The influence of a *utilitarian reference group* on the other hand as outlined by the research conducted by Lessig and Park (1978) refers to “influence on individuals from a different approach from the informational reference group, these groups are seen to motivate an individual to realize a reward or to avoid a punishment mediated by some other individual or group or is expected to conform to the other's influence.” The success of this phenomenon is achieved only if the individual feels that his actions are visible or will be known. Individual profiles are visible to everyone that participates on Facebook as well as blogs other than those with a private setting. Individuals subscribing to this form of reference group would tend to want as many people as possible to see their profile and thus display their group associations.

The third motivational reference group function explored by Lessig and Park (1978) is the *value-expressive reference group*. “An individual utilizes a value-expressive reference group for the purpose of expressing himself and/or bolstering his ego to an outside world. The degree of cohesiveness or norm specificity of the reference group is irrelevant for this function. What is important is the psychological image associated with the group whether the group is real or imaginary. A number of well-known cases exist in which attempts have been made to use the value-expressive reference group function in promotions. Consider the following examples: the "young generation" promoted by Pepsi, the 'seaman image" promoted by Schlitz and the "sophisticated and liberated woman" concept promoted by Virginia Slim cigarettes.” Social media sites have now created a platform whereby people are enabled to create, aspire and join certain group. This information is more readily accessible and visible to the general public, thereby allowing individuals to display their affiliations with much more ease and higher reach. Childers and Rao (1992) further establish that from marketing and consumer-behaviour perspectives, the influence of reference groups on individual behaviour is often manifested in the types of products and brands purchased by individuals.

## 2.6 SHOPPING AS A SOCIAL ACTIVITY ON SOCIAL MEDIA SITES

A third view into social media sites and consumer buying behaviour show that these two concepts are intrinsically connected as shopping or sales in themselves are a social activity based on mutual trust. According to Shih (2009), “relationships can sometimes even trump price as the deciding factor in purchase decisions.”

Product information from a trusted source like friends, family or other people that may form a part of one’s reference group could result in the purchase of a product just from the mere fact that the information is coming from that specific person.

It has been accepted for decades that shopping is more than the mere acquisition of products but rather it is more about the enjoyment, experience and entertainment. Dennis et.al (2009) state that “as well as its functional role it includes the pleasure of browsing, impulse buying, discovering new shops, topic for casual conversation, focal point for planned and unplanned activities with other people. This statement is particularly true among women.

Researchers have drawn attention to the importance of social and affiliation motivations for shopping. Shim and Eastlick (1998)

Social networks lend themselves as an ideal platform for the above-mentioned motivations for shopping. These networks have drastically revolutionised society in the way people engage and socialise. “Nearly half (49%) of the thirty million Internet users in the UK have used social networking at least once in the last year and 70% of people and households are Internet users. Dutton et.al. (2009)

Young females are over-represented as users of social network websites. Research carried out by Lenhart and Madden (2007) reported that 70% of females use social network sites and 48% of teens visit social network websites like Facebook daily.

Findings from research conducted by comScore (2010) reveal that social media users spend, on average, one and a half times more time online than the typical web surfer. In fact, heavy Facebook users spent an average of \$67 online during the first quarter of the year—compared with less than \$50 for the general netizen.

Social networks essentially facilitate *social shopping* or *social commerce* as the terms tend to be used interchangeably to take place among users. *Social Shopping* is a method of shopping

where shoppers' friends and family become involved in the shopping experience. *Social shopping* attempts use technology to mimic the social interactions found in physical malls and stores.

## **2.7 COSMETICS AND SOCIAL MEDIA**

Estée Lauder has demonstrated willingness and innovation within the cosmetics category in terms of exploring social media sites to enhance brand perceptions and ultimately increase its sales. In 2009, Estée Lauder launched a business to consumer (B2C) social media marketing campaign for their cosmetics division, with their "Lets Play Makeover" initiative.

As a prestigious and global skin care and Cosmetics Company, Estee Lauder saw an opportunity to tap into the increasing share of older women - mothers in particular - who were using social media. They thus created the Estee Lauder "Let's Play Makeover" Facebook application, which in essence is a virtual makeover tool. Women could upload their photos and use Estee Lauder products to create virtual make-up. This is a significant change to cosmetics marketing because it allows potential consumers to test and trial make-up in the privacy of their own homes before making purchases. This innovative application saves time and also lets them experiment with make-up at their own leisure.

The effectiveness of this application is underscored by how it also integrates the full shopping experience by indicating to users which specific makeup they are using, from the eye-shadow to foundation colour - and seals the deal by allowing them to purchase their chosen products online, thus making the purchase experience more convenient for the consumer. The sharing aspect of social media is also encouraged, as the application lets users share their makeovers and before/after shots with friends.

Social media campaigns should not just be considered as a separate entity. It's effectiveness in B2C marketing especially can be enhanced with other marketing methods. This example in particular shows how to effectively tie in offline promotions with social media marketing. The underlying strategy with Estee Lauder's "Lets Play Makeover" campaign is thus to use social media as the major point of purchase, but at the same time, offer alternatives for users to make purchases, ultimately allowing them to fully engage with their products and services whichever way they prefer.

Proctor & Gamble's *Olay* brand was another successful story in pioneering of cosmetics category of products to explore the use of online interactions through such sites. It rolled out an online interactive diary for the *Olay Regenerist* anti-ageing skincare brand in 2006. The diary provided detailed information on the skin each week for the first eight weeks of product use, taking the consumer through the process, as the effects of the product were not immediately visible. Research conducted post this activity revealed that *Olay* had produced a four to six times higher intent to purchase among the target group, with 78% of the sample saying they had purchased the brand within the last year.

According to a report by Stylophane (2010) "if a user joins the fan page as a result of viewing an advert, this action is logged on the advert itself, which means friends of the user can see this action, prompting them to also become a fan of the brand."

Thus highlighting the effectiveness of the spread of WOM on such sites even in the most passive or subtle situations.

Another successful cosmetics brand that has seen great success through its presence on Facebook is MAC. As at March 2010, MAC had the greatest number of fans (542,613) – more than double that of the second most popular brand, Carol's Daughter. Nichol (2010)

## **2.8 SUMMARY**

This chapter was dedicated to the clarification and expansion of existing theoretical studies on the topic under research. The terms *Social media* and *Brand perception* were defined and clarified in the way in which they are intended for this study. Additionally, further research that offers a robust consolidation of theories to support the research at hand were examined and discussed.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 INTRODUCTION**

The previous chapter comprehensively explored extant literature on the topic under research. Focal points of discussion in the preceding chapter were on conceptual clarification and literature most pertinent to the topic in this study. The core purpose of this chapter is to expound and justify the chosen methodology of collection of primary data for this research. This chapter identifies research aims and objectives in relation to the research methodology employed. Moreover, this chapter discusses the chosen research paradigm or philosophy as well as its motives. Following onto this, the chapter explores the research approach, research strategy options as well as the selected data collection methods. Finally, this chapter deliberates the strengths and weaknesses of the research methodology for this study.

#### **3.2 RESEARCH AIMS AND OBJECTIVES**

It is imperative that the research aims and objectives mentioned at the beginning of the study are reiterated at this stage of the study as they form a crucial basis of the work going forward from this point. The research aims and objectives feed into the research methodology selected for the research. Therefore, at this point, it is prudent to reaffirm that the purpose of this study is to investigate the impact of Social Media sites on brand perceptions, with specific focus on the cosmetics industry using Estée Lauder as a case study.

This research rests on the following aims and objectives; firstly the study set to review extant conceptual models and theoretical frameworks related to social media and brand perceptions. The following objective was to evaluate Facebook and consumer blogs in their role as reference groups on consumers. The final objective is to determine optimal strategies to improve sales and brand reputation of cosmetics through an increased presence on social media platforms; specifically Facebook and blogs.

The above mentioned aims and objectives guide the researcher in the formulation and design of the research methodology. It is paramount that these aims and objectives are assiduously concomitant with the methodology employed in order to ensure the success of this research study.

### 3.3 RESEARCH PHILOSOPHY

Galliers (1991) defines research philosophy as a belief about the way in which data about a phenomenon should be gathered, analysed and used. Epistemology which is, what is known to be true, is contrary to doxology, what is believed to be true encompasses the various philosophies of research approach. Latu (2007) elaborates this rationale in stating that the purpose of science, then, is the process of transforming things believed into things known: “*doxa to episteme*”. As discussed by Hussey and Hussey (1997), there are two key research philosophies that have been identified in science and those are positivist (scientific) and interpretivist (antipositivist).

According to Weber (2004), positivists attempt to build knowledge of a reality that exists beyond the human mind. Their research is based on a belief that human experience of the world reflects an objective, independent reality and that this reality provides the foundation for human knowledge. On the other hand, interpretivists are attuned to the belief that knowledge they build reflects their individual *structure of interpretation* that is based on distinct human experience, background, culture and other such divergent factors that may impact the way in which they interpret results from their studies. Interpretivists in other words, try to make sense of the world, acknowledging that their sense-making activities occur within the framework of their life-worlds and the particular goals they have for their work. Knowledge is built through social construction or interpretation of the world.

This research study is conducted from an interpretivist point of view. The results and findings of this study rely heavily on human interpretation as it relates to human perception which is essentially, the way people psychologically organise the world around them. There is a significant human socialisation interpretation involved in the analysis of the way in which social media sites impact on brand perceptions of individuals. The term *perception* by its very definition is based on an individual’s interpretation of the world around them. It would then stand to reason that an interpretivist research philosophy would be employed in the conducting of this research study. As is stated by Levin (1998), positivists believe that reality is stable and can be observed and described from an objective viewpoint; it would seem a fundamentally flawed approach to take on a positivists view when conducting this research-considering the subjectivity of the topic under research of human perception. This study is

involved with the interpretation of brands exposed on Facebook and blogs by various individuals.

The way in which one individual construes the presence of cosmetics brands on Facebook and blogs will invariably be different from the way another may view it- based on their differing understanding of the world.

The human element which is inextricably associated with the topic under research could be overlooked in the investigation were it to be conducted from a positivist philosophy.

Therefore, in investigating the impact of social media on brand perceptions, the research philosophy germane and most appropriate is interpretivism.

The two principal disadvantages of a positivist application to the study at hand are these; firstly, its quest for rigid laws and perfect standards of scientific methodology and analysis are improbable when dealing with social phenomenon. Positivism standards are meant to be applicable repeatedly overlooking the variations in human behaviour. The second drawback is positivism's inconsideration of the subjective and unique aspects of social phenomenon. Whereas, in dealing with the interpretation of individuals' brand perceptions, the researcher must factor in varying social backgrounds, brand and brand communication preferences, natural scientists working in the controlled conditions of a laboratory and deriving principles mostly from inanimate matter of slighter sophistication than human beings. Thus positivism in the social sciences attains a lower level of prediction and accuracy with respect to the phenomenon it observes, than do the natural sciences. For the above reasons, positivism is not applicable to this study as it disregards the whole human experience.

### **3.4 RESEARCH APPROACH**

In research, two broad methods are often referred to, namely the deductive and inductive approaches. Burney (2008) clarifies the two contradicting concepts by resolving that induction is usually described as moving from the specific to the general, while deduction begins with the general and ends with the specific. Arguments for deductive reasoning are largely based on laws, rules and accepted principles, whereas observations tend to be used for inductive arguments. As a result of the nature of this research study, an inductive research approach has been employed. As stated by Trochim (2006) in his elucidation of inductive reasoning, specific observations and measures begin to detect patterns and regularities, formulate some tentative hypotheses that can be explored, and finally develop general

conclusions or theories. Inductive reasoning, by its very nature, is more open-ended and exploratory, particularly at the beginning.

With the above discussion in mind, it is therefore prudent that an inductive research approach is espoused for the purposes of this study. The research method necessitates that a sample employees from Estee Lauder be interviewed as well as individuals that are active on social media sites and who regularly purchase and use cosmetics products. The purpose of collecting this data naturally shapes an understanding of the brand perceptions arising from cosmetics brands that are exposed on both Facebook and blogs. The nature of this data collection is exploratory and the intention is to probe into the perceptions that these people have on social media sites and what is currently been done which can possibly be changed or enhanced to boost brand perceptions.

Johnson-Laird (1999) advocates that by definition, deduction yields valid conclusions, which must be true given that their premises are true. Given this delineation of deductive reasoning, it would then stand to reason that for the purposes of this study, this approach would be unsuitable. The research philosophy is heavily reliant on observation and human interpretation, which makes it obstinate to attempt to draw conclusions that may be considered true and valid. The findings of this research are largely based on the way in which the individuals involved in the research form brand perceptions built and drawn from their unique structures of interpretations and life experiences. Needless to say, such views vary from one person to the next.

The validity of this research is dependent on the ability to factor in and consider the human element that forms the fundamental basis of this study. Based on the observations made and the data collected in this research, theory and conclusions will be drawn; these will be largely based on human interpretation.

### **3.5 RESEARCH STRATEGY: CASE STUDY**

Essentially, research strategy can be defined a plan of action that gives direction to the study conducted efforts, enabling research to be conducted systematically rather than haphazardly. The chosen data collection method considered most suitable for this type of research study is a case study. The exploratory nature of this study deems the employment of a case study

research strategy most suitable; this enables a more focused investigation in context. Thistlethwaite (2003) encapsulates the essence of a case study, maintaining that by definition; a case study focuses on an individual situation or company. In other words, case studies allow for an issue to be deeply probed and reconnoitered within a specific context, providing relevant understanding of the matter under investigation.

Soy (1997) states that researchers have used the case study research method for many years across a variety of disciplines. Social scientists, in particular, have made wide use of this qualitative research method to examine contemporary real-life situations and provide the basis for the application of ideas and extension of methods. Yin (1984) defines the case study research method as an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used. By investigating the way in which brand perceptions are affected and shaped by social media sites through the use of a case study, this will provide the study with a clearer understanding of this phenomenon.

Researchers from many disciplines use the case study method to build upon theory, to produce new theory, to dispute or challenge theory, to explain a situation, to provide a basis to apply solutions to situations, to explore, or to describe an object or phenomenon. The advantages of the case study method are its applicability to real-life, contemporary, human situations and its public accessibility through written reports. Case study results relate directly to the common readers everyday experience and facilitate an understanding of complex real-life situations. One of the greatest advantages germane to this research study is that case studies can be exploratory and thereby create new knowledge.

Tellis (1997) notes that the case study methodology has been subjected to scrutiny and criticism at various times since the 1930's. Be that as it may however, case studies are acknowledged as a reliable methodology when executed with due care and precaution.

Yin (1993) has identified some specific types of case studies: *Exploratory*, *Explanatory*, and *Descriptive*. Stake (1995) included three others: *Intrinsic* - when the researcher has an interest in the case; *Instrumental* - when the case is used to understand more than what is obvious to the observer; *Collective* - when a group of cases is studied. Exploratory cases are sometimes considered as a prelude to social research. Explanatory case studies may be used for doing causal investigations. Descriptive cases require a descriptive theory to be developed before starting the project. For the purposes of the subject under research of the impact of social

media sites on brand perceptions, an exploratory case study is considered to be most appropriate and suitable.

There are several documented quintessential drawbacks of using case studies in research that are noteworthy. Certain schools of thought contend that as case studies are such a narrow field that their results cannot be extrapolated to fit an entire question and that they show only one narrow example. On the other hand, it is argued that a case study provides more realistic responses than a purely statistical survey. Case studies have been criticised by some as lack of scientific rigour and reliability and that they do not address the issues of generalizability.

### **3.5.1 ALTERNATIVE RESEARCH STRATEGIES**

There are several alternative research strategies that the researcher may have employed in conducting this study, however they were deemed inappropriate for the subject matter. Two such alternative strategies are *experimental research* and *ethnographic research* which are now discussed in more detail.

Experimental research is defined as a collection of research designs that use manipulation and controlled testing to understand causal processes. Generally, one or more variables are manipulated to determine their effect on a dependent variable. One advantage is the researcher can determine the cause and effect of a study. An example could be whether or not nicotine affects one's driving ability (which it does). Experimental research is unsuitable for investigating the impact of social media sites on brand perceptions as the participants in this research must be observed and examined in their natural environment, displaying regular behaviour.

Although it is commonly accepted that ethnography is one of the most in-depth research methods, it was found to be unsuitable for the research at hand for the reasons briefly discussed below. Essentially, ethnographic research is concerned with the subject of consumer behaviour- subjects are studied in the ordinary context of daily life. An ethnographer is effectively required to spend a significant period of time living with the subjects of the study in order to observe and get first-hand experience observing their lives. Due to time constraints, ethnographic research cannot be suitably conducted for the study at hand. Furthermore, ethnographic research has been deemed inappropriate for this study, as it has limited breadth. The purpose of this study relies on information from a wide scope of respondents. Ethnographers

usually study only one specific culture or group of people.

### **3.6 DATA COLLECTION METHODS**

This research study took on a two-phase approach. The first phase of the primary data collection for this research study was completed through the use of questionnaires. Collis and Hussey (1997) define a questionnaire as a method for collecting primary data in which a sample of respondents are asked a list of carefully structured questions chosen after considerable testing, with a view to elicit reliable responses. Questionnaires are restricted to two basic types, namely- open ended questionnaires and close ended questionnaires. Richardson (2002) elucidates open-ended questionnaires, questions that will solicit additional information from the inquirer. They are broad and require more than one to two word responses. They are also termed infinite response or unsaturated type questions.

For the purposes of this study, respondents were invited to complete an online questionnaire on a program called *surveymonkey.com*. The criteria used to source respondents were such that only people who would be able to provide useful insight for the topic under research participated. Furthermore, this criterion fits the typical Estee Lauder target consumer. Fifty respondents completed the questionnaires set out on *surveymonkey.com*. The respondents fell within the age group of eighteen and forty year old consumers. Additionally, the respondents are active on either facebook or blogs or both platforms. They also had to be purchase cosmetics regularly, being once a month or more.

Ten industry professionals within the field of cosmetics and beauty were also invited to complete questionnaires on *surveymonkey.com*. The questions were specifically designed for people within the marketing or brand divisions of the business.

The second phase of the primary data collection for this research study was completed through one on one in-depth interview. In depth one-on-one interviews were conducted with respondents as a follow up on the first phase of primary data collection (questionnaires).

McNamara, 1999 states that “interviews are particularly useful for getting the story behind a participant’s experiences. The interviewer can pursue in-depth information around the topic. Interviews may be useful as follow-up to certain respondents to questionnaires.”

Interviews are particularly useful in gaining greater insight into the respondents’ motivations and attitudes towards their responses to questions in phase one and specifically towards cosmetics brand exposure on facebook and blogs.

Although in-depth interviews are not efficient for reaching a large number of people or fulfilling for numeric information or summary statistics, they are ideal for garnering honest opinions and individual perspectives.

For the purposes of this research, seven respondents from the consumer group that were part of phase one of this data collection were interviewed. The interviews were conducted telephonically and questions were made to be made flexible so as to be tailored for each person being interviewed. As many of the respondents are hard to reach due to geographic constraints, it was deemed most suitable that phone interviews be conducted in order to engage with the respondents in a fast and efficient manner. The interview was standardised and the questions were open-ended.

The reason for the number of interviewed respondents being limited is due to the fact that in-depth interviews are time consuming and resource intensive.

### **3.7 ETHICAL CONSIDERATIONS**

There are several reasons why it is important to adhere to ethical norms in research. According to Resnik (2010) ethical standards promote the aims of research such as knowledge, truth, and avoidance of error. Those include prohibitions against fabricating; falsifying, or misrepresenting research data promote the truth and avoid error. Furthermore, values such confidentiality, mutual trust and accountability of the part of the researcher are crucial to the success of research of this nature. In order to conduct research for this study, namely questionnaires and one on one interview with respondents, an essential element was to ensure that respondents were fully informed of the nature of the research. Additionally, participants in this study were required to give consent to take part in the study as well as being informed of their right to withdraw from the study at any point without consequence.

### **3.8 PILOT TEST**

The purpose of conducting pre-testing in this study was primarily to ensure that the questions in the questionnaire were fully understood by the respondents and there are no problems with the wording and comprehension. Teijlingen and Hundley (2001) confirm and support this practise by stating that “Pilot studies are a crucial element of a good study design. Conducting a pilot study does not guarantee success in the main study, but it does increase the likelihood.” The pilot test was sent to five respondents, to test the suitability of the questions and that they are unambiguous. The questionnaire is a crucial raw data collection tool in this re-

search study and therefore the pilot test played a pivotal role in ensuring that as much information as possible could be gathered through the questionnaires. Making an error with five subjects can avert the disaster of administering an invalid questionnaire to the full sample size of fifty respondents. Feedback from the pilot test was incorporated into the finalisation of the questionnaire prior to full administration

### **3.9 ALTERNATIVE DATA COLLECTION METHODS**

There are a number of alternative data collection methods at the researcher's disposal that were deemed to be unsuitable for this research study. One such method is the use of *Focus Groups*.

Kitzinger (1995) defines focus groups as “a form of group interview that capitalizes on communication between research participants in order to generate data.”

In other words, focus groups are small group discussions around a set of questions guided by a moderator. Focus groups are most suitable for situations whereby the researcher wants to have a group discussion exploring a specific topic to gain deeper understanding in a cost efficient manner.

For the purposes of this research, focus groups have been found to be unsuitable for several reasons. It is important that the opinion of each individual taking part in the research be heard and understood, focus groups sometimes allow ‘groupthink’ to occur where one opinion is followed through and agreed on by all- even those who may have differing opinions just because everyone else is concurring. Moreover, the efficacy of focus groups depend on the participation of participants- it would be challenging to be able to gather the required people to a location at a time due to resource limitations.

### **3.10 STRENGTHS OF THE METHODOLOGY**

Examining human related phenomena is a subject matter largely dependent on interpretation influenced by varying structures of individuals. It therefore stands to reason that in investigating the impact of social media on brand perceptions, a qualitative approach would be aptly suitable. A key advantage of this methodology is the fact that subtleties and intricacies about the research subjects and topic are discovered that are often missed by more quantitative or positivistic enquiries. As established by Anderson (2010), “the data based on human experience that is obtained is powerful and sometimes more compelling than quantitative data.”

This methodology is focused on gaining real and rich data drawn from reality as what people perceive it to be. Fundamental to this the topic of the impact of social media on brand perceptions, this methodology allows the researcher to gain insight and understanding into people's interpretations. The researcher had the advantage of first-hand insight into the cosmetics industry having had relevant marketing experience working in a relevant organisation. This allowed access to staff from the industry for data collection purposes.

### **3.11 LIMITATIONS OF THE METHODOLOGY**

Notwithstanding the above discussed benefits of the methodology, several drawbacks do exist. Reliability and validity of the methodology are often questioned as the individual skill of the researcher plays such a pivotal role in the analysis of data. Mathie and Carnozzi (2005) further point out that "data is collected from a few cases or individuals, which means that findings cannot be generalized to the larger population." Due to the considerable subjectivity of this methodology as well as the fact that it tends to be more challenging to demonstrate rigour in the research, subsequently poses difficulty to demonstrate the importance and validity. A further limitation was the fact that the study was conducted by a novice researcher, who had previously not conducted research of this magnitude.

### **3.12 SUMMARY**

The focus of this chapter is the research methodology employed in this research study. It evaluates the process followed in the collection of data in relation to addressing the research aims and objectives with justifications and rationale for each. Additionally, the research philosophy, approach, strategy, data collection method, the ethical considerations as well as the strengths and limitations of the methodology were each deliberated. Chapter four discusses the analysis and findings of the study.

## **CHAPTER FOUR**

### **ANALYSIS AND FINDINGS**

#### **4.1 INTRODUCTION**

The preceding chapters have respectively focused on presenting the research overview of inquiry as well as the conceptual clarification through reviews of extant related literatures and the research methodology adopted for the research under study. The succeeding chapter therefore seeks to analyse the enormous data collected with the principal view of presenting the findings that emerged from the analysis of the data collected. Prior to the data analysis the chapter covered the data analytical method employed in the analysis, explaining in details the why of its selection amidst other various data analytical methods applied in qualitative research methodology. Finally, in consonance with the dictates of the organizational structure of research, the chapter also deemed it imperative to re-present the means through which the researcher collected his data and the data collection method employed for each particular sample used.

#### **4.2 DATA ANALYSIS METHOD: THEMATIC ANALYSIS**

The chosen method of analysing data for this research study is *Thematic Analysis*. The *Thematic Analysis* framework as discussed by Aronson (1994) focuses on identifiable themes and patterns of living and behaviour. The essence of *thematic analysis* is dependent on the grouping of similar themes and codes gathered from the data collected. Suitably, Boyatzis (1998) defines *thematic analysis* as a “process for encoding qualitative information. This may be a list of themes; a complex model with themes, indicators, and qualifications that are causally related; or something in between these two forms.” Essentially, the above mentioned themes may be primarily generated inductively from the raw data or generated deductively from theory and prior research. For the purposes of this study, themes were generated inductively based on the raw data collected from directed responses in the questionnaires and interviews conducted.

##### **4.2.2 STRENGTHS OF THEMATIC ANALYSIS**

There are several benefits associated with thematic analysis. This method of analysis is one of the easiest and most accessible to researcher with limited knowledge of qualitative research. Particularly pertinent to this research study, thematic analysis highlights unanticipated insights from the data and allows for social as well as psychological interpretations of data.

The importance of this for this research study lies primarily in the fact that personal understanding and perceptions of people, taking into consideration varying social backgrounds. Consequently, these are elements that form the basis of forming perceptions. Thematic analysis lends itself as an ideal method of analysis in examining the impact of social media on brand perceptions.

#### **4.2.2 LIMITATIONS OF THEMATIC ANALYSIS**

As highlighted by Braun and Clarke (2006) there are drawbacks associated with thematic analysis. One such disadvantage with thematic analysis is that it can be overwhelming for the researcher to filter through the plethora of raw data and create themes on which elaborate on. Other disadvantages appear when thematic analysis is considered in relation to some of the other qualitative analytic methods. For instance, unlike narrative or other biographical approaches, you are unable to ascertain a sense of continuity and contradiction through any one individual account, and these contradictions and consistencies across individual accounts may be revealing.

#### **4.3 INAPPROPRIATE ALTERNATIVE METHODS OF ANALYSIS**

Thematic analysis was found to be the most suitable method of analysing the data for this study; this was decided after careful consideration of several other qualitative data analysis tools available to the researcher. Thematic analysis addresses the concerns of this study with the most appropriate approach as opposed to discourse analysis or grounded theory for instance. As discussed by previous researchers (Brown and Yule, 1983; Candlin, 1997), discourse analysis is primarily concerned with the analysis of language in use and as opposed to taking into consideration structures of interpretations as in the case of thematic analysis. As reiterated by Alba-Juez (2009) discourse analysis which is often also sometimes referred to as conversational analysis by some researchers is largely intuitive and reflective and also involves the way in which people speak to others. Emphasis of discourse analysis is placed on speech performance as a reflection of a specific state of mind, whereas this research study requires other external social factors to be considered in analysing the data.

Likewise, grounded theory was found to be unsuitable for this research study. The essence of grounded theory as discussed by Glaser and Strauss (1967) consists of a set of steps whose careful execution is thought to "guarantee" a good theory as the outcome. According to Strauss (1967) the quality of a theory can be evaluated by the process by which a theory is

constructed. As this is not the aim of this research study, grounded theory is rendered extraneous as an analysis tool in this context.

Essentially, the above analysis tools are unsuitable for this research study as they explained. Thematic analysis is indeed the most suitable technique for the purpose of addressing the topic under study of the impact of social media on brand perceptions.

#### **4.4 CATEGORISING THE THEMES**

In order to make sense of the data gathered through questionnaires and in-depth interviews, the systematic method of thematic analysis was employed. The sheer volume of data collected during the research process made for a challenging collation of results. In line with the philosophy of thematic analysis, the social context and varied backgrounds of the respondents were considered throughout the process of examining through the results. Boyatzis (1998) expands this point, when filtering through the data, it was imperative to be sensitive to the difference in people, events and situations in the analysis of data.

In investigating the impact of social media sites on brand perceptions, unsurprisingly, the greatest challenge lay in creating themes of instances of behaviour that can be described as alike in some or other way. The difference found in people from the responses and the contexts which make those differences are profoundly important.

In analysing the results from the survey, a number of recurrent themes were apparent in the findings. These themes have been represented in tabular format below.

Tables 1

Major themes	Perceived Benefits	Keywords
Virtual Socialising	Users most commonly use Facebook as a reference to regularly connect with friends, family, acquaintances and brands.	Checking status updates Browsing others' pictures Browsing fan pages Updating own status updates Uploading pictures
Information and Entertainment Seeking	Blogs have come out as serving a more informational purpose. They are generally viewed as an easy and reliable source of updates on topical news.	Fashion and beauty blogs Entertainment blogs Entrepreneurial blogs
Product Advice Reliability	Product advice is considered credible when it originates from sources where personal relationships exist.	Trustworthy Ideal discussion platform Ideas sharing
Word of Mouth (WOM)	With no existing boundaries within the realm of virtual communication through social media sites, the spread of word of mouth is rapid and uncontrollable.	Buzzword Product Awareness Product Excitement

The above mentioned major themes mainly came through from the data collected from the surveys. Moving on further onto the interviews, the researcher probed further into participants' responses. This in-depth investigation revealed further permeated themes, which although related to the aforementioned themes- necessitated separate categorisation. Table 2 is a representation of these permeating themes.

Tables 2

Permeated themes	Description	Key issues
Intrusion of privacy	As the social media space is seen as a platform of interpersonal interaction, the plethora of brand communication present on these platforms is seen as 'stalker behaviour'.	Bombardment of profile page Feeling personal information is insecure
Product Sampling	Propensity of making cosmetic product purchases significantly increases once consumers have sampled the product.	Preliminary skin tests Fear of allergies Skin type incompatibility
Traditional communication channels	The main points of reference when seeking information for cosmetics are store assistants and magazines. When used in isolation, social media sites are perceived as being the cheaper marketing tool.	Instant two-way dialogue Skin assessments Product trial

The responses gathered from both phases of the research provided considerable insight into the relationship between brand perceptions and social media sites, with specific reference to Facebook and blogs. Consideration of individual differences of social context between the participants proved to be challenging. The sheer volume of responses and non-disclosure of personal details of respondents inhibited the researcher from discerning such differences in examining the responses. Due to sensitivity of distribution of personal information, the researcher allowed respondents the option of not disclosing details beyond those required to fulfil the necessary criteria for the research. However the knowledge that such subtle differences exist between respondents must be considered in making conclusions on the findings. To this end, it should be noted that the subjectivity of the researcher may have

influenced the interpretation of the results and in so doing, may open the conclusion to scrutiny and critique.

The in-depth interviews on the other hand, allowed for finer interpretation of responses. In this phase of the data collection, the researcher had the ability to judge answers given by those being interviewed on a more specific and detailed level. Even telephonically, influences such as tone of voice and general attitude of the participants could be factored in when responses were made. The telephonic interviews also gave the researcher the opportunity to evaluate the individual responses based on the respondents' biographic details. Seven respondents were reached for telephonic interviews. One employed by Estée Lauder and the other two by competing cosmetics giant, Coty and L'Oreal respectively, while the remaining four respondents were regular consumers. The information gathered from these particular interviews provided the researcher with valuable insight into the top line social media activities of both companies and the prevailing attitudes towards this platform for marketing communications within the industry.

### ***Virtual Socialising and WOM***

When interviewing the cosmetics company employees, it is noteworthy to mention the enthusiasm and passion for the use of social media sites that came through in their responses. The key prevailing benefit of communicating cosmetics brands to this group of respondents is the ease of access to a significant portion of their target audience efficiently. The additional benefit

A thirty two year old South African based employee of Estée Lauder had the following to say in support of the above:

*Social media sites, particularly Facebook are very useful, as you can create brand loyalty and have regular communication with your target audience. There is no better way of staying in touch with consumers that have bought or are buying your products.*

*It creates a buzz and spreads the word about a product. Consumers will read or get excited about a product and then promote it on their own social media sites. So for instance, they like a product and use it for a make-up application and post it on you tube. In addition, you get real consumer feedback on your product, both positive and negative and that is very useful for a marketer.*

This respondent felt that the strategic driver of marketing on social media sites, specifically Facebook lay in the power of word of mouth communication. From this respondent's comments, one can draw the assumption that this tool is still viewed by some within the industry as a yet another tool to 'push' message onto the consumer. The aspect of social media as a two-way dialogue platform appears to come secondary from this respondent.

A thirty-five year old female make-up artist who is not loyal to any one particular cosmetics brand echoed the sentiments of the previous respondent but did not entirely concur:

*Social Media is the best invention for any and all brands. It is a cost efficient and effective method of reaching target consumers. Nevertheless, if a well-known cosmetics brand relies solely on Facebook and Blogs to communicate their marketing messages, it may start to cheapen its image. I perceive such brands as very low budget or not interested in making a concerted effort in keeping in touch with consumers or impressing them. It has a much more profound impact when brands combine the use of glossy magazines and television.*

To this respondent, it is apparent that social media sites are seen as a supporting marketing tool as opposed to it being the principal and sole method of consumer communication. It is however important to note that the traditional methods of communication of cosmetics brands mentioned by this respondent, namely 'glossy magazines and television', are the most commonly employed tools in this industry currently. It is noteworthy to consider that the above stated sentiments may be heavily influenced by what the respondent is accustomed to and therefore expects.

The sanctity of virtual socialising in the social media space is a major theme that filtered through all the non-industry professionals' interviews, either explicitly or with more subtle undertones. The interviewed consumers although appreciative of the presence of brand communication on social media sites, did convey that this may be intrusive.

A twenty year old university student reinforced the above by stating:

*If it's not a name that I recognise, I am suspicious of them thinking that there is a trick to buy.*

Along the same line of thinking, a twenty-seven year old advertising account executive went on further to say:

*I don't pay any attention to them, but thinking about it I feel that on the one hand they are vultures, and on the other hand I guess companies need to put themselves as much as possible out there. But still, I feel less inclined to them if they are on Facebook.*

### ***Information and Entertainment Seeking***

The opinions expressed by these respondents indicate that a portion of individuals view Facebook as a space where they have 'private' or personal interactions with their family and friends and that the presence of brands can be viewed as an intrusion.

A twenty-five year old graduate student from London went as far as to say:

*Seeing brands being advertised on Facebook is like seeing the salesman at the door of my home while I'm talking to my family. However, I don't mind fan pages so much because one has to join them so it's not like an imposition as I would've decided to be part of it.*

On the other hand, when asked about the blogosphere as a marketing tool, the general consensus of the respondents was considerably contradictory what had been stated concerning Facebook. It is apparent that blogs are seen as an information sharing platform as opposed to pure forms of entertainment or social interaction. A considerable number of respondents deemed consumer generated beauty and cosmetics blogs to be a far more credible source of product information. It was generally felt that blogs acted as a product review platform as opposed to it being a marketing tool intended to purely drive sales.

### ***Product Advice Reliability***

The supposition of the majority of respondents was that blogs are written by 'ordinary' consumers who had sampled the cosmetics product themselves and either liked it or disliked it. In any case, blogs were perceived to be a more reliable source of information regarding cosmetics products.

One of the interviewed respondents, a thirty-two year old avid *MAC* cosmetics brand loyalist (*MAC* forms a part of the Estée Lauder brand stable) states:

*Before even going into store to seek product information, I always check the beauty blogs that I follow to hear what people who have actually used the product say. I know they are not getting paid to say what they say about these products so why would they lie?*

A comment made by a thirty-eight year old housewife corresponded with the above views, she maintains:

*Cosmetics spokespeople are not authentic, I do like them though because they look beautiful and against my common sense and sound judgement, I imagine that using whatever they use will make me look like them but real consumers found on blogs are honest.*

The perceptions of the above two respondents support the firm confidence that consumers have in information gained from blogs as opposed to Facebook or traditional marketing channels such as television. At this point in time, it is important to note that those who respondents who follow beauty blogs, tend to subscribe to blogs written by friends, family or some or other form of direct or indirect acquaintance. This factor may be a significant influencer in the perception of credibility amongst this group. A recurrent theme from the findings is that of product advice reliability and the general consensus is that information is more credible when it originates from a known source. With this in mind, it would then make sense that blogs come out as the preferred mode of receiving information regarding cosmetics product versus Facebook.

To summarise, Facebook and blogs have been categorised and perceived distinctively different in terms of their impact on cosmetics brands. The commonality found in the results between Facebook and blogs with regards to marketing communication of cosmetics brand lies in the effectiveness of both platforms to expedite the spread of word of mouth. This view resonates with both respondents from within the cosmetics industry as well as ordinary consumers that purchase cosmetics products regularly. However, the roles of Facebook and blogs in the marketing communication of cosmetics brands are viewed independently. Where Facebook is seen as more of a ‘virtual social playground’ where users come together with others to socialise, blogs on the other hand are perceived as serving an informational role where they are seen as almost a reference group in many instances influencing the purchasing decision making process.

Finer analysis of data gathered from both the questionnaires and interviews revealed permeating themes, which although not as prominent as the above discussed major themes, are still noteworthy and relevant.

### ***Intrusion of privacy***

Beyond the perception of brand presence on Facebook as being an intrusion on ‘private virtual social space’, is the fear of intrusion of privacy. A resonating consensus from respondents is the feeling that brands are starting to encroach on their privacy by gaining unwanted access to their personal information through social media sites, specifically Facebook.

A nineteen year old student from Edinburgh reinforces the above report:

*Sometimes it feels like brands are stalking me on Facebook. I especially feel this way if it's not a brand name that I recognise, I am suspicious of them and start thinking that there is a trick to get me to buy by stealing my personal information. It makes me very uncomfortable and in my view, totally cheapens the brand.*

According to the views expressed by this respondent, not only is there suspicion of intrusion of privacy but also that the brand value is denigrated by its presence on Facebook. This would particularly be relevant in the case of smaller or rather less known brands, as the giant cosmetics houses such as Estée Lauder have solidly established brand names which cannot be eradicated merely by the presence on Facebook. That being said however, the sentiment of brands solely employing Facebook and blogs as a means to communicate with their consumers was expressed recurrently.

### ***Product Sampling***

Product sampling was seen to be an effective supporting means of encouraging product trial and driving up sales of cosmetics products. Cosmetics are considered to be personal products that carry a fair amount of risk in purchasing as they tend to be expensive and have the capability to enhance or diminish one's physical appearance.

A forty year old teacher from Oxford had fortified this claim by asserting:

*I'm generally quite reluctant to spend money on buying new cosmetics products. I have sensitive skin and I don't like to mess with it. I reckon cosmetics companies should give out some samples of the cosmetics to consumers who visit the beauty section in store. Sampling is essential. Most of the times I've tried some sample and it worked well, I've ended up buying the product. In most cases, I go on further to tell my friends and colleagues about it too!*

This respondent echoes the sentiments of the majority of the participants of this study. Sampling is considered a critical influencing factor in driving sales. What was evident from the

responses was that even after receiving recommendations from friends and acquaintances, consumers still felt the need to first try out the product at no expense before purchasing it. This is particularly true of lesser known cosmetics brands but is still a concern for new product launched by even the popular cosmetics giants. These annotations correspond with the justification given behind the unwavering confidence that individuals have in reviews given in blogs. As mentioned earlier in the paper, the generally held belief is that people who write blogs do so from honest personal experiences with the products that they write about. The only reward for these bloggers doing so, being the opportunity to be heard as opposed to being paid by the companies or brands which they speak of-thus increasing their level of credibility.

### ***Traditional communication channels***

Consistently, consumers have generally agreed that great benefit still exists in traditional marketing communications channels such as television and the archetypal glossy magazines that epitomise cosmetics advertisements as they are known to be. The commonly held belief is that brand presence of cosmetics products in these channels above all else, creates classy and sophistication. Equally pivotal, is the role of cosmetics consultants that are in-store behind the cosmetics counters. Results from the research data indicate that cosmetics consultants are seen as an essential element in creating a personalised experience for each consumer. The fundamental value of the cosmetics consultants is seen to lie particularly in the ability to provide consumers with skin assessments and bespoke product advice and recommendations. Moreover, consumers have the opportunity to sample the various cosmetics products with professional guidance.

A thirty-three year old mature student had the following to say:

*Trial of the product never fails for cosmetic so whatever online approach is taken, it must be accompanied by a trial voucher or booking for a pamper session for trial.*

*With constant change in technology and ideologies we need such approaches towards brand awareness; we need information at our finger tips. Great value still does exist in traditional communication channels though and such tools need not be discarded.*

According to the opinions expressed by this respondent, even with the rapid advancement of technology, it would seem that traditional channels are still of much value in the minds of a majority consumers. At this juncture, it is noteworthy to point out that the sentiments ex-

pressed regarding the preference of traditional marketing channels over or in addition to social media sites is skewed towards participants over the age of thirty. This view may be influenced by the lower levels of activity on such sites by consumers with older age groups, whereas amongst respondents below the age of thirty this sentiment did not have the equal resonance. This could be attributed to the higher quantities of time spent by this group of respondents of Facebook and blogs.

#### **4.5 SUMMARY**

This essence of this chapter was to provide a detailed account of recurrent themes amongst respondents regarding their opinions of impact of Facebook and blogs on cosmetics brands. Equally importantly within this chapter is the introduction and explanation of the data analysis method of *thematic analysis*. Additionally, not only did this chapter introduce and explain *thematic analysis*, it went on further to provide justification for the chosen analytical method. The final chapter seeks to provide the conclusions drawn from the findings of the study and will close by proposing several recommendations that Estée Lauder may implement based on the results of this study. Moreover, the chapter will finally propose suggestions for further research in this field.

## **CHAPTER FIVE**

### **CONCLUSION AND RECOMMENDATIONS**

#### **5.1 INTRODUCTION**

The previous chapter was primarily focussed on the analysis of data collected from participants in the study. These results were prudently analysed and reviewed within the thematic analysis framework and organised into both major and permeating themes. This chapter is concerned with formulating viable and practical recommendations for Estée Lauder to implement towards determining optimal strategies to improve sales and brand reputation of cosmetics through an increased presence on social media platforms; specifically Facebook and blogs as defined in the objectives of this research study.

#### **5.2 EVALUATION OF FINDINGS**

Social media sites have taken the world by storm over recent years. Social media sites have seen an unprecedented rise in number of users. The popularity of these sites in society has prompted corporate organisations to involve themselves in them. Cosmetics companies in particular have been slow on the uptake in this regard. This research study was specifically concerned with the impact of Facebook and Blogs on brand perceptions, examining the cosmetics industry and using Estée Lauder as a case study. Information extracted from surveys and interviews conducted with both employees of companies within the cosmetics industry as well provided insight into the understanding of the impact of social media sites on brand perceptions, particularly within the cosmetics industry.

The responses provided by employees within the industry indicate that the benefits of employing social media sites as a marketing communications tool are generally well understood by the relevant decision makers within the organisation. Despite this, it would seem that existing social media activities are not fully cognisant of the commonly held consternations that consumers have. Consequently, in implementing certain activities such opportunities and in some cases risks involved in some. As was described by one employee from Estée Lauder, Facebook is seen as an opportune platform to reach micro-targeted consumer. While this is true, it is equally essential that in the implementation of such activities, consumers are not made to feel as though the brand is ‘following’ them into their personal space. Conversely, a significant number of consumer participants in the survey perceived Facebook as a social space where they interact with friends and family as opposed

to companies or brands. In principal however, both business and consumer understand that this space presents a host of opportunities with regards to marketing communication if exercised within certain consumer guided parameters. As is reiterated by Madge et.al. (2005), this sentiment is not only true of the marketing of products but also other aspects of communication that are not considered 'social'.

One should not discard the potential of social media sites in the communication of marketing communication as the essence lies in the way it is implemented. Notwithstanding the potential risks involved in improper implementation of communication activities, consumers appreciate its usefulness in enabling efficient brand two-way communication. As cosmetics are considered to be fairly personal products, consumers tend to seek endorsement from their personal connections or individuals who are not seen to be paid by the company to promote the product, thus naturally easily enabled by these public platforms.

Interestingly, the general consensus among consumers when discussing the impact of social media sites on brand perception is that both Facebook and blogs are ideal channels of connecting with consumers when there is a tangible reward involved. Samples and general free product give-aways are considered to significantly enhance brand image of cosmetics products when distributed on Facebook and through blogs as part of a social media strategy. It should be noted however that this preference is prevalent amongst the younger respondents' interviews as opposed to those over thirty-five years of age. It is therefore important to note that such a conclusion cannot be credibly applied to all consumers across the board.

It should be noted that while these findings were insightful and informative, some large players within the cosmetics industry did form part of the participants in the study. This was largely due to a lack of access to individuals within certain industries. Moreover, due to time constraints, the researcher was not able to conduct a higher number of interviews with strategic individuals within the marketing divisions of such companies. Nonetheless these limitations however, the results from the study have provided invaluable insight into the impact of social media sites on brand perceptions.

### **5.3 APPLICABILITY OF RESEARCH DATA TO THE AIMS AND OBJECTIVES OF THE STUDY**

A crucial element of ensuring that the empirical data collected from the research is utilised effectively is to link the aims and objectives laid out at the beginning of the study with the results. Four key objectives were set, the achievement of which would determine the success of the research study. To this end, by way of reviewing the objectives are recorded below.

1. To review extant conceptual models and theoretical frameworks related to social media and brand perceptions
2. To evaluate Facebook and consumer blogs in their role as reference groups on consumers
3. To determine optimal strategies to improve sales and brand reputation of cosmetics through an increased presence on social media platforms; specifically Facebook and blogs.

The above objectives will now be examined in more detail individually and evaluated to determine whether or not they were achieved through this research study as intended.

#### ***Objective One:***

*To review extant conceptual models and theoretical frameworks related to social media and brand perceptions*

Early writers on the subject of what we now understand to be social media date back to the nineties. These scholars such as Meyrowitz (1992) as well Garton and Wellman (1993) amongst others, focused their research efforts on what was considered ‘electronic media’ which is really email. Consequently, due to the relative newness of social media sites in the way it is understood to be today, and particularly of such platforms being utilised as brand communication vehicles, academic research available on the subject is sparse. That being said however, there is a wealth of information drawn from case studies particularly within corporate organisations where social media sites have been examined within real life situations. Such data has been particularly useful in reviewing extant conceptual models and theoretical frameworks for this study.

### ***Objective Two:***

*To evaluate Facebook and consumer blogs in their role as reference groups on consumers*

Findings from this research study went a long way in revealing the way in which Facebook and blogs influence consumers' perceptions. Interestingly, Facebook and blogs are perceived to perform distinctively different roles with regards to their roles as reference groups. Whereas Facebook has been described to be more of a social space, blogs have been seen to serve more of an informational purpose. In the same breath however, both platforms are seen to influence consumers in some way or another in determining their brand choice and brand perception. Essentially, cosmetics brand presence on Facebook is seen to devalue the brand image. Participants in this study claimed that this makes the brand seem as if they are not making a concerted effort towards impressing and connecting with their consumers. At the same time, participants have admitted to being influenced to purchase certain cosmetics products based on what their friends have said about them (products) in status updates. On the other hand, results from this study reveal that consumers expect to receive credible product advice from blogs and are heavily influenced to purchase cosmetics products that are reviewed on consumer blogs. The key theme that resonated herein is that the person reviewing the product should not be seen to have been paid by the company as this erodes the credibility.

## **5.4 IMPLICATIONS TO MANAGEMENT**

The essence of this section delves into the underlying consequences of the above findings of the study. It is crucial that when research is conducted, the direct and indirect consequences be evaluated in relation to the business and its strategic objectives. It is particularly important that management strives to understand the motivating factors behind these research results as there within lies an understanding of the consumer. There are certain direct impacts of these results of on management of Estée Lauder that will be explained in greater detail.

### **5.4.1 DEVALUATION OF COSMETICS BRANDS THROUGH PRESENCE ON FACEBOOK**

Respondents from this study repeatedly reiterate the value placed on Facebook as a space where personal interactions between known contacts take place. Research findings of the relationship between privacy concerns and online behaviour have interestingly shown that users will express very strong concerns about privacy of their personal information, but be less than cautious about safeguarding it (Awad and Krishnan, 2006). Parallel thinking is exposed among the younger respondents, below age thirty in this study, where a somewhat fickle ex-

ception is made with regards to cosmetics brand exposition on Facebook. These respondents claim that Facebook is an ideal platform for cosmetics brands to reach their consumers if free samples are distributed as well. It would seem that cosmetics brand communication is only permissible if it is accompanied by the tangible reward of free samples. With this in mind, it would appear that there are ways to circumvent the potential risk of brand devaluation on Facebook.

#### **5.4.2 RISKS ASSOCIATED WITH ISOLATED SOCIAL MEDIA MARKETING PROGRAMS**

As evidenced in this research study, a significant number of regular cosmetics consumers still have a disproportionately heavy reliance on traditional marketing channels for their product advice. Results from this study have indicated that consumers have a strong preference for face to face interactions with matters concerning their cosmetics products. In- store sales staff and glossy magazines came out as the most preferred marketing communications channels. Facebook and blogs were seen to provide the preliminary brand or new product awareness as well as first-hand reviews from those who had tried it, however, this still needed to be followed up with a consultation in-store or a print advertisement in a high quality glossy magazine for positive reinforcement.

Failure to provide these supporting communications channels pose a real threat to the translation of marketing communications into sales as consumers will seek the reassurance through the traditional channels.

#### **5.4.3 THREAT OF NEGATIVE ONLINE WORD OF MOUTH**

Although consumers have various apprehensions with the presence of brands on social media sites, an even greater threat lies in the lack of setting a solid social media strategy for the cosmetics brand. Results from this study reveal that there is significant potential that lies in a well-considered social media strategy. In the same breath however, the brand image could seriously be tainted if ill-considered activities are implemented on such public platforms. Online word of mouth has been the best and the worst phenomena for brands. On the one hand, an impressive Facebook campaign can significantly boost sales, however there are no geographical boundaries that can constrain the damage that can be done by one that has not been thoroughly researched and carried out. Online word of mouth is as unbridled as a wild fire and there is risk in not managing information that is exposed on social media sites concerning the brand, be it company or consumer generated information.

## **5.5 RECOMMENDATIONS**

In this section, the third objective is essentially addressed, which was to determine optimal strategies to improve sales and brand reputation of cosmetics through an increased presence on social media platforms; specifically Facebook and blogs. With due cognisance of the above discussion, there are practical solutions that Estée Lauder can implement in order to fully leverage both existing and potential benefits of social media sites.

### **5.5.1 SOCIAL MEDIA SITES AS A SAMPLE DISTRIBUTION VEHICLE**

Due to the personal nature of cosmetics products, consumers have expressed that the purchase of new or unknown product lines even within a known brand stable is quite a daunting experience. Within Facebook and blogs lies the potential for Estée Lauder to reach potential new consumers and strengthen relationships with existing. One can infer from the findings of this research therefore that Facebook, albeit a private virtual social interaction space, can still serve an ideal platform to offer consumers samples as a way of reducing such anxieties. As it was found through this study, Facebook and blogs tend to play the role of first point of contact in terms of new cosmetic brand discoveries as well product reviews. Estée Lauder has an opportunity to ‘reward’ consumers by offering free samples through Facebook brand fan pages as well as cosmetics specific blogs where their products have been reviewed. Potentially, Estée Lauder could implement campaigns where consumers could sample new products that they see on Facebook by developing a tool that allows them to ‘apply’ the products on their Facebook pictures and if they like the results, a sample could be sent to them. Thus alleviating the pressures associated with new purchases.

### **5.5.2 INTERGRATED SOCIAL MEDIA AND TRADITIONAL MARKETING STRATEGIES**

Traditional and social media engagement activities can lend themselves to one another when integrated. In implementing traditional marketing communications, plans should be put in place to determine the way in which these could be used to drive consumers to the Facebook brand page as well as blogs and vice versa. Effort should be made never to allow either activation to operate in isolation but as part of a greater amalgamated plan. Consumers evidently rarely only refer to one source in making their purchase decisions. This therefore makes it prudent for Estée Lauder to cover all touch points appropriately as seen to follow a purchasing decision making process.

### **5.5.3 MANAGEMENT OF CONSUMER COMMENTS IN VIRTUAL SPACES**

Findings from this study have revealed that often times when consumers complain on Facebook and blogs, they are in fact looking for an outlet to voice their dissatisfaction with the brand or company and are somehow hoping the message will reach those to which the complaints are directed. This is true even in the case of complaints on personal Facebook updates. It has been said that even with a dissatisfied consumer is the potential for a conversion to loyalist. That being said, it is of course greatly challenging for even a cosmetics giant such as Estée Lauder to be able to detect all negative comment on social media sites. However, this is a very manageable feat on brand fan pages. Once a brand fan page has been created and consumers join it, it is extremely risky to leave the comments left on that page unattended. In as far as possible, the brand must address the issues raised on the public platform as it is highly likely that the same concerns resonate with other consumers reading it. A timely, personal and efficient response from the brand reassures not only one consumer but the masses that visit the page and read the comment and those that hear about it. In so doing, online word of mouth can somewhat be managed.

### **5.6 CONCLUSION**

Social media has for recent years been constantly been debated by various businesses as to whether or not it is a worthwhile vehicle to invest significant resource in or not. While some feel that traditional marketing communication channels are adequate means of reaching and communicating with consumers of cosmetics products, the growth of social media networks cannot be ignored by any business that intends on remaining in business. According to findings from this study, equally detrimental is the notion social media in isolation at this point can serve to positively impact on brand perceptions of consumers. As has been evidenced through this research study, consumers expect to find information in some form or another in the realm of social media concerning their cosmetics brands.

Interestingly, the empirical findings from the study indicate that there seems to be a slight discord between consumer expectations and marketing initiatives on Facebook and blogs. In essence, there is consensus from both parties of the potential possessed on Facebook and blogs in terms of communication of cosmetics products; the challenge unmistakably lies in the execution techniques. It appears then, that in order for brand perceptions to be positively impacted by Facebook and blogs, the activities carried out in these spaces need to be cognisant of the needs attitudes and sentiments that consumers hold regarding these spaces. It

is pivotal that when these strategies and activations are developed, a holistic approach is taken with consideration of the consumer's viewpoint particularly as it follows their purchase decision making process.

## **5.7 DIRECTIONS FOR FURTHER RESEARCH**

This research was strictly concerned with social media sites as they pertain to Facebook and Blogs only. The myriad of social media tools available were not encompassed in the scope of this study but were repeatedly referred to by respondents in the findings, in particular Twitter and viral marketing videos on YouTube were recurrent in responses from both the survey and in-depth interviews. However, due to time and resource constraints these could not be further explored within this study. Moreover it would seem that different social media platforms impact the brand image of various product categories in several distinctively different ways. Research into these could reveal varying results from this particular research study.

## **5.8 SUMMARY**

Chapter five draws from the entire study, to conclude the research into the impact of social media on brand perceptions. The core objective of this chapter is to summarise the findings of the research and translate them into relevant information which can be of value to Estée Lauder. The research aims and objectives were reviewed to ensure that they were addressed and that the research questions have been answered. Finally, the chapter proposes some suggestions to the management and the benefits of each as well as giving direction for further research on the topic understudy.

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## APPENDIX 1

### *Consent form to participate in the research study:*

I understand that I am being asked to participate in a survey/questionnaire activity that forms part of Palesa Mahloele's required coursework toward an MSc Marketing degree.

It is my understanding that this survey/questionnaire has been designed to gather information about social media and cosmetics brand marketing. I have been given some general information about this project and the types of questions I can expect to answer. I understand that the questionnaire will be conducted on the internet and that it will take approximately 20 minutes of my time to complete.

I understand that my participation in this project is completely voluntary and that I am free to decline to participate, without consequence, at any time prior to or at any point during the activity. I understand that any information I provide will be kept confidential, used only for the purposes of completing this assignment, and will not be used in any way that can identify me. All survey/questionnaire responses, notes, and records will be kept in a secured environment.

Yes, I consent to

participate in this  
survey/questionnaire  
project

No, I do not consent

## APPENDIX 2

### *Consumer online survey via surveymonkey.com:*

1. Please complete the following:

City/ Town/Country:

Age:

Occupation:

2. Are you on Facebook?

Yes

No

3. How often do you on Facebook?

Multiple times a day

Once a day

Several times a week

Once a week

Rarely

4. What do you spend most of your time doing on Facebook?

Open-ended answer

5. Have you ever blogged?

Yes

No

6. How often have you blogged in the past three months?

Daily

Weekly

Monthly

7. What are some examples of topics you've blogged about recently?

Open-ended answer

8. Do you follow any blogs?

Yes

No

9. What types of blogs do you follow? Why?

Open-ended answer

10. Do you ever take product information advice from fan pages on Facebook?

Yes

No

11. Have you ever bought a product that you were told/ heard about on Facebook?  
Yes  
No
12. Who (where) do you get information about cosmetics products?  
Open-ended answer
13. Do you ever seek cosmetics products information from others online?  
Yes  
No
14. Do you ever take product information advice from your friends on Facebook?  
Yes  
No
15. What sort of product information do you tend to ask for?  
Open-ended answer
16. What do you think about sharing product information about cosmetics with others online?  
Open-ended answer
17. What do you think of companies (brands) that communicate on Facebook?  
Open-ended answer
18. What do you think of companies (brands) that have fan pages on Facebook?  
Open-ended answer
19. Where do you purchase your cosmetics?  
In-store  
Online  
Home sales consultant  
Other- please specify
20. What kind of cosmetics products do you use?  
Make-up  
Skincare products  
Other- please specify
21. What are your favourite cosmetics brands? Why?  
Open-ended answer
22. Do you have any further comments on the marketing of cosmetics products on Facebook and blogs?  
Open-ended answer

### APPENDIX 3

#### *Cosmetics Industry Professionals online survey via surveymonkey.com:*

1. Please enter your details below:

Company

City/Town/Country

Position

2. Do you use social media sites as a marketing tool?

Yes

No

3. Do you use Facebook as a marketing tool?

Yes- How?

Open-ended answer

No

4. Does your business have a company blog directed at its target audience?

Yes

No

5. What are some examples of blog topics or recent subjects?

Open-ended answer

6. How do you feel social media initiatives have benefited your business?

Open-ended answer

7. What are your thoughts on marketing cosmetics through fan pages on Facebook?

Open-ended answer

8. In what ways do you think company generated Facebook fan pages and blogs could be effectively leveraged in the cosmetics industry?

Open-ended answer

9. Do you have any suggestions or comments on the subject of the impact of social media on your brand?

Open-ended answer