



THE ROLE OF FACEBOOK INFLUENCING IN  
BRAND PERCEPTION IN SMALL TO  
MEDIUM SIZE ENTERPRISE

ADERIAN JOIS  
2013304043

BACHELOR OF BUSINESS ADMINISTRATION  
WITH HONOURS (MARKETING)  
FACULTY OF BUSINESS MANAGEMENT  
UNIVERSITI TEKNOLOGI MARA  
KOTA KINABALU

JUNE 2016

# TABLE OF CONTENTS

<b>DECLARATION OF ORIGINAL WORK</b>	<b>II</b>
<b>LETTER OF SUBMISSION</b>	<b>III</b>
<b>ACKNOWLEDGEMENT</b>	<b>IV</b>
<b>TABLE OF CONTENTS</b>	<b>V</b>
<b>ABSTRACT</b>	<b>VIII</b>
<b>CHAPTER 1</b>	
1.0 Introduction	1
1.1 Background of Study	2
1.1.1 Marketing Theory and Social Media	2
1.2 Statement of Problem	3-4
1.3 Research Questions	4
1.4 Research Objectives	5
1.5 Scope of Study	5
1.6 Significance of Study	6-7
1.7 Definition of Terms	7-8
1.8 Assumptions and Limitations	9
<b>CHAPTER 2</b>	
2.0 Literature Review	10
2.1 Integrated Marketing Communication	11-12
2.2 Words-of-Mouth	13-14
2.3 Social Media Communities	15-16
2.4 Brand Perception	17
2.5 Proposed Conceptual Model	18

## **CHAPTER 3**

3.0 Methodology	19
3.1 Source of Data	19
3.1.1 Primary Data	19
3.1.2 Secondary Data	19
3.2 Research Design	20
<b>REFERENCES</b>	
3.3 Research Instrument	20
3.3.1 Interviews	20
3.4 Sampling	21
3.4.1 Population	21
3.4.2 Element	21
3.4.3 Sampling Frame	21
3.4.4 Sample	21
3.5 Sampling Techniques	22
3.6 Instrumentation	22
3.7 Data Collection	22-23
3.8 Data Analysis	23
3.9 Validity and Reliability	23-24

## **CHAPTER 4**

4.0 Results	25
4.1 Connectivity	26-27
4.2 Change of Perception	28-29
4.3 Goodwill	30-31

## ABSTRACT

The purpose of the study is to examining the effect that Facebook has on the user of a small to medium size enterprise (SME). The problem the study is the lack of understanding that social media sites like Facebook have on the perception of the brand by the user. The three factors studied in this research which is integrated marketing communication, words-of-mouth and social media communities are used to explain the brand perception to SME products and its relationship.

By using 4 informants located at Kota Kinabalu Sabah area, random sampling and purposive sampling techniques are used to gather necessary data for this research and analysed using Nvivo. The data collected suggests that the use of Facebook by a SME does help maintain and in some cases increases the perception of the brand in the positive.

The analysis of the data shows this effect on brand perception is based on the drivers of (a) connectivity, (b) change of perception, (c) goodwill. The interviewee indicates the importance of Facebook has a marketing communication tool. This is because of the unique characteristic of Facebook where users can like and commenting, sharing both visual and verbally information. The results from the research suggest that Facebook use by SMEs is an important part of an integrated approach to marketing communications when considering the perception of the brand.

## CHAPTER 1

### INTRODUCTION

The function of marketing has not changed following the new millennium however the tools used to make, communicate, and deliver a message of value have changed. Marketers use social media portals like Facebook as a new communication tool in view of some interest. In particular, small research exists to investigate the impact Facebook has on the perception of the brand in small to medium size enterprises (SMEs). The research problem is the lack of understanding of the effect Facebook use has on the perception of a brand. Based on (Castronovo, 2012), integrated marketing communication technique, such as Facebook, blogging, Twitter, and texting have been double their allocation of resources to network over the last five years businesses.

The use of social media and what influence it has a specifically significant research problem and it might have on the perception of the brand (Sago, 2010). Barely sufficient research exists that investigates the use of Facebook within firms' marketing communication strategies to build and increase brand perception by a different market (Toder-Alon, 2012). At the first place, the function of marketing is to communicate value to the market by engaging it through different touch points. It requiring marketing strategy to appropriately adapt since the number of possible touch points has increase and changed over time. Most businesses have generally used the social media as a new medium in terms of marketing tactic. Even though it's generally use, marketing theory has not yet developed to this new situation with respect to Facebook and brand perception.