



ABSTRACT

ALMONTE, P.J.T., Purchase behavior toward products and services advertised in Facebook .Master in Business Administration, De La Salle University-Dasmariñas, Cavite, September 2013. Adviser: Dr. Epifania D. Anfone

This research was conducted to determine the factors that affect purchase behavior towards products and services advertised in Facebook and address the issues regarding the most appropriate ad-content that must be utilized when using Facebook platform for advertisement. In this study, the profiles of the respondents were described, the appropriateness, reliability and validity of each measurement indicators as well as the factors that determine purchase behavior toward items and services advertised in Facebook were determined. Moreover, the effects of normative beliefs to subjective norm, the effect of user's beliefs to attitude toward buying items advertised in Facebook, and the effect of self-efficacy on individual's purchase behavior were sought

Given the structural component and directional orientations of the variables, Structural Equation Modeling via Partial least squares modeling (PLS-PM) was employed in the data analysis using SmartPLS 2.0 (beta) in which both the measurement and structural model were analyzed. While SPSS was utilized in the preparation of data and descriptive analysis such as frequency distribution, arithmetic sum and percentages to profile the respondent's demographics and measure the accumulated amount of purchased items.

From the data that were sent and collected online via complete enumeration that was facilitated by an online survey service provider, SurveyMonkey.com and the field survey, result showed that out of the total 370 survey requests and questionnaire sent, there were 107 qualified responses suited for data analysis. The respondents who



answered the survey were mostly females comprising 64.5 percent while male respondents accounted to 35.5 percent. For the total accumulated amount of items purchased by respondents categorized according to items and/or services-the highest total amount (Php 303,385) fall within the laptop, cellphone and accessories category wherein 21 percent of the respondents has bought into that category. In terms of usage frequency, most of the respondents used Facebook from one to 18 hours per week.

During the first stage of the measurement evaluation; indicator reliability, convergent and discriminant validity showed satisfactory results that signified appropriateness of the measurement indicators for structural analysis. Consequently, the structural model evaluation result showed that beliefs towards advertisement in Facebook as being informative and one that provide entertainment, attitude toward purchasing items advertised in Facebook, normative structure and subjective norm showed positive influence towards purchase behavior. On the basis of individual path significance and effect; attitude has a higher a significant influence on purchase behavior and this is being enhanced by the belief in the Facebook advertisement as being informative and provide entertainment. Thus, a positive belief in Facebook Ad as being informative and entertaining will lead to positive attitude toward purchasing items and/or services advertised in Facebook. Furthermore, evaluation of paths and linkage between normative structures, subjective norms, self-efficacy, and perceived behavioral control showed that although respondents felt that they have the capability to do what they wanted to do, engaging in purchase activity with respect to buying things advertised in Facebook are still affected by other factors such as the influence of important referents and their motivation to respond to what their influencers would think.



For firms to maximize the capability of Facebook advertisement in promoting products or services and influencing people to purchase, it is recommended to focus on engagement ads that could drive more traffic by employing creative Ads based on information and entertainment content as well as social context with features aimed to compel “positive comments, stories and opinions”, “Liked”, “Fans” about the products or services. In terms of offering informative and entertainment content likewise affecting attitude, one of the recommended ways is to utilize the application of contests, sweepstakes and coupons, trivia, and quizzes. Other recommendations include improving the destination page or website, developing interactive free applications (Apps) and utilizing the page post in the form of sponsored stories most especially when the type of Ad employed is a premium type of advertisement since it could appear in the news feed and in the regular hand side of the users’ homepage.

