ST.MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

COLLEGE OF BUISNESS AND ECONOMIC DEPARTEMENT

OF MARKETING MANAGEMENT

THE EFFECT OF FACEBOOK ON CUSTOMER BRAND PREFERENCE: THE CASE OF COMMERCIAL BANK OF ETHIOPIA

BY
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JUNE, 2020

ADDIS ABABA, ETHIOPIA

Saint Mary's University

School of Graduate Studies Marketing Management

MA Program

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THESIS SUBMITTED TO SCHOOL OF GRADUATES STUDIES OF ST.MARY'S UNIVERSITY IN PARTIAL FULFILMENTS OF THE REQUIREMENTS FOR THE DEGREE OF MASTERS OF ART IN MARKETING MANAGEMENT

JUNE, 2020

ADDIS ABABA, ETHIOPIA

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DECLARATION

I, Alemseged Mengistu, hereby declare that this thesis titled, 'The Effect of Facebook Advertising on consumer Brand preference: the case of commercial bank of Ethiopia is my original work. Any other research or academic sources used here in this study have been duly acknowledged. Moreover, this study has not been submitted for the award of any Degree or Diploma Program in this or any other institution. The work is original in nature and is suitable for submission for the award of Master's Degree in Marketing Management.

Declared by;

Alemseged Mengistu_____   _____

                    Signature   Date

ENDORSEMENT

This is to certify that Alemseged Mengistu carried out his thesis on 'The Effect of Facebook Advertising on consumer Brand preference: the case of commercial bank of Ethiopia'. And submitted in partial fulfilment of the requirements for the award of Degree of Masters of Art in Marketing Management at St. Mary's University with my Approval as University Advisor.

Signature: _____   Date: _____

GashawTibeb (phd): Advisor

Acknowledgments

I would like to thank everyone who helped me throughout the study. I thank God for giving me the courage to undertake this study against all the difficult times. I would like to thank my family for their unconditional love and all rounded support they have given me through the years. I also like to thank my Advisor, Dr. Gashaw Tibeb for the patience he has showed and support he has given me through the process of doing this thesis.

Table of Content

List of Table

List of figures

Abstract

Consumers are turning away from the traditional mediums of advertising, such as TV and print, and they are consistently demanding more control over what they consume on media (Vollmer &Precourt, 2008).Facebook can be used for market segmentation; it is suitable for promotion, brand building and to get feedbacks, So that Business companies can use social media for building a relationship, for market research, selling activities, promotion activities etc. The objective of this study is to describe the effect of Facebook advertising on customers brand preference in the case of Commercial Bank of Ethiopia. The study investigated the relationship between the dependent variable customers brand preference and the independent variables of Facebook Advertisement. The study used primary data which is collected online from the Facebook page members of Commercial Bank of Ethiopia. A close ended structured survey questionnaire was used to collect data and total sample size of 399 was selected using a random sampling technique. The research is quantitative and use Descriptive research design. The data were analyzed using descriptive statistics (frequency, percentage, mean) and inferential statistics like correlation and simple linear regressions. The finding revealed that there are positive and significant relationships between Facebook advertising and brand preference of CBE. The study recommends that the bank should use facebook advertising because its message is very effective and its cost efficient unlike other kind of advertising ways. The researcher recommends the bank should develop more of a two way communication in its facebook page with customers.

Chapter one

1. Introduction

1.1 Background of the study

Technological developments which have been increasingly advanced make advertisings get a rapid growth as well. Internet is identified as a very popular ads device with a broad extent over geographical, spatial, and time zones. An ad should bring into line with the scope, frequencies, and impacts. One of these ways is online marketing by social media "Facebook", which has various advantages. Many entrepreneurs use it for ads. Retail and e-Commerce of Southeast Asia Facebook launched a research that more than 61% of facebook users in Indonesia connected with Page feature considered as marketplace for facebook users to have online shopping (Berlianto, 2016). On Facebook, firms may manage their own advertising strategies in accordance to their planned budget allocation.

In today's 21th century, technologies are becoming a much bigger importance. In people's everyday life lots of things are controlled with the help of technologies (Alalwan, Rana, Algharabat and Tarhini, 2016). Information and data transfer is processed faster and smartphones, laptops or tablets replace telephones, computers or books (Zhu and Chen, 2015). According to this development social media became a big importance in the last 10 years. Platforms like LinkedIn, Twitter, Instagram and Facebook are taking an essential part of our lives and they are adopted by the majority of the society (Alalwan et. al., 2016). Furthermore people have never been using social media that much than today. The overall mindset towards social media is mostly positive and people are enjoying it. Social media users are sharing their thoughts, spreading facts, liking posts and create their own virtual user account (Gensler, Völckner, Liu-Thompkins and Wirtz, 2013).

The paradigm shift in the media of communication and advertising landscape is remarkably a landmark and this has been made possible by the evolution of online advertising through the internet technology and innovation. On its website, Hot Wire in 1994 sold the first Banner which led to the evolution of online advertising of its goods and services ; Tehreem and Rizwan, 2016; Deshwal, 2016). Online advertising is the promotion of a company's goods and services by projecting ad messages through other organizations" websites on the internet (Singh, 2016). It's

an effective and efficient opportunity to conveniently target ad messages on the current and potential consumers of a company's products. It allows companies to reach their diverse audience with targeted ad messages with great accuracy and on time (H and K, 2013). Online advertising offer the consumer as well as the advertiser a medley of benefits (Zourikalatehsamad, Payambarpour, Alwashali and Abdolkarimi, 2015).

Social media has changed the way organizations do business online over the past few years, and, as a consequence, social media marketing has created its own niche in the business world. Organizations are hiring community managers and social media analysts, and they are forming their own departments, separate from those of the traditional marketing and advertising sectors. As more and more users connect to the social network, it stands to reason that social media is becoming the increasingly accepted mode of communication for the Internet audience. The most visited online social network is Facebook, founded in 2004 and with over 600 million users andpresence in over 70 countries (Carlson, 2011; Techtree News Staff, 2008).

Facebook is the biggest platform among all social media. For marketers, it seems to be a great opportunity to promote their business and market products on Facebook. Therefore, the reasons for using Facebook marketing are worth analyzing. The questions that need to be considered are the following: whether it is an effective way for marketing, whether it is worthwhile to have a Facebook page for companies, and how to build a winning corporate presence on Facebook.(DI, YANG 2014).

Brand preference is close to reality in terms of reflecting consumer evaluation of brands. Purchasing decisions are the behavioral outcome that precedes differentiation between several alternative is the purchasing decision; a subsequent outcome of consumer preferences (Di, Yanga, 1999).

Kotler and Keller (2012) state that Modern marketing calls for more than developing a good product, pricing it attractively, and making it accessible. Companies must also communicate with their present and potential stakeholders and the general public. For most marketers, therefore, the question is not whether to communicate but rather what to say, how and when to say it, to whom, and how often. Consumers can turn to hundreds of cable and satellite TV channels, thousands of magazines and newspapers, and millions of Internet pages. They are taking a more active role in

deciding what communications they want to receive as well as how they want to communicate to others about the products and services they use.

It is expected the number of social media users will be increased dramatically in Ethiopia, because of the following reasons: First, the government has started a $1.6 billion project to expand 4g network across the capital city and 3g network all over the country (EthioTelecom, 2013); second, the population of Ethiopia is estimated around 115 million this year and most of them are young; finally, the number of Facebook users is estimated above 6 million (Africa internate usage and population 2020).

As most studies seem to agree that marketers think advertising significantly affect brand preference. They believe that different advertising media tools have their own role and the content of advertising message and source of advertising will have impact on consumers purchase decision. Although there are many researchers conducted on the influence of advertising there are no enough researches done specifically onfacebook advertising on customer brand preference. It is on this premises that the study intends to explain the impact of facebook advertising on customer brand preference in the case of Ethiopian commercial banks.

1.2. Background of the organization

After the Ethiopian victory over Fascist Italy, the new government established the State Bank of Ethiopia with a proclamation issued in August 1942. State Bank of Ethiopia commenced full operations on 15 April 1943 with two branches and 43 staff. It served both as Ethiopia's central bank, with the power to issue banknotes and coins as the agent of the Ministry of Finance, and as the principal commercial bank in the country. In 1945 the Ethiopian government granted the bank the sole right of issuing currency. The first governor of the bank was an American, George Blowers. He inaugurated the new national currency, which owed its successful introduction to the United States. The United States provided the silver for 50 cent coins, whose intrinsic value ensured popular acceptance of the new paper money to a population used to the circulation of the silver Maria Theresa thaler.

In 1958, the State Bank of Ethiopia established a branch in Khartoum, Sudan, that the Sudanese government nationalized in 1970, which over time grew to number 21 branches.

In the 1950s, CBE established a branch in Djibouti. In 1920, the Bank of Abyssinia had opened a transit office in Djibouti. At some point after its creation, the State Bank of Ethiopia reopened the transit office, which in time became a branch.

In 1963, the Ethiopian government split the State Bank of Ethiopia into two banks, the National Bank of Ethiopia (the central bank), and the Commercial Bank of Ethiopia (CBE). Seven years later, the Sudanese government nationalized the Commercial Bank of Ethiopia's branch in Khartoum.

The Ethiopian government merged Addis Bank into the Commercial Bank of Ethiopia in 1980 to make CBE the sole commercial bank in the country. The government had created Addis Bank from the merger of the newly nationalized Addis Ababa Bank, and the Ethiopian operations of the Banco di Roma and Banco di Napoli. Addis Ababa Bank was an affiliate that National and Grindlays Bank had established in 1963 and of which it owned 40%. At the time of nationalization, Addis Ababa Bank had 26 branches. The merger of Addis Ababa Bank with CBE made CBE the sole commercial bank in Ethiopia, with 128 branches and 3,633 employees.

In 1991, when Eritrea achieved its independence, the Eritrean government nationalized the branches there. In 1994 these branches formed the basis for what became the Commercial Bank of Eritrea. Also in 1994, the Ethiopian government reorganized and reestablished CBE.

In 2004, CBE closed its branch in Djibouti due to problems with loan losses.

In January 2009, CBE received regulatory approval to open a branch in Juba, Southern Sudan.CBE expanded its presence in South Sudan to five branches in Juba and Malakal, but ongoing conflict in the country has forced CBE to close all but two branches in Juba.

The Commercial Bank of Ethiopia (CBE) is the largest commercial bank in Ethiopia As of June 2015, it had about 303.6 billion Birr in assets and held approximately 67% of deposits and about 53% of all bank loans in the country. The bank has around 22,908 employees, who staff its headquarters and its over 1000+ branches positioned in the main cities and regional towns.The latter include 120 branches in the national capital Addis Ababa. With the opening of a branch in the Gechi in the Illubabor Zone of the Oromia Region, CBE's banking network has reached online 783 branches. The bank has reached 1284 branches as of August 10, 2018.The bank also

operates two branches in South Sudan, and is contemplating opening re-opening a branch in Djibouti, andopening branches in Dubai and Washington, DC, all to serve the Ethiopian diaspora.

The bank is pioneer to introduce modern banking to Ethiopia and credited for playing a catalytic role in the economic progress and development of the country. It is also the first bank in Ethiopia to introduce ATM service for local users.

1.3. Statement of the problem

Consumers are turning away from the traditional mediums of advertising, such as TV and print, and they are consistently demanding more control over what they consume on media (Vollmer &Precourt, 2008). Since the onset of the second millennium, there has been a shift from traditional media to social media channels such as Twitter, Facebook, YouTube, etc which gives customers to take a more active role as market players. Majority of modern consumers prefer to obtain information from non-traditional sources of information. Research on this topic of non-traditional media is however limited, and it's difficult to tell how social media as part of marketing strategy relates to increased sales, strengthening the brand, finding new customers and retaining old customers (Carlson, 2010). A prior research shows that of an estimated 3.5 billion word of mouth conversations that take place around the world each day, 2.3 billion of them which translates to roughly two out of three makes a reference to a brand, product or service. Word of mouth manifests itself through social media where it spreads faster and farther. The use of social media marketing is increasingly important to marketers (Evans, 2008).

With the popularization of the Internet and rise of social media, people from all over the world are connecting. Even though traditional marketing is still working, it is necessary for companies to broaden their marketing channels in order to quickly reach customers and improve company visibility.

Social media platforms are primarily used to connect people. They are suitable devices for sharing ideas, observations and experiences. It is feasible to comment, share, and review corporate or other individual messages with these media. A corporate message can be reached for millions of customers by these users. In marketing perspective, business companies (brands) can communicate with its customers through social media platforms. Engaging customers,

building brand, promoting product, making a research are feasible by using these media in addition to that it allow firms to engage in timely and direct end-consumer contact at fairly low-cost and higher levels of efficiency than can be achieved with more traditional communication tools, so that understanding the effect of social media on marketing strategy primarily help organization to adjust its marketing according to the needs and wants of its customers. In doing so the organization will be able to maintain its" current customer base by effectively responding to their demand (AshenafiGizat, 2016).

Erickson, D. (2015) indicates that the millennium generation is playing the leading role in social network usage. It is a clear indication that social media can be viewed as an important channel and tool to interact with the target audience and a tool for creating brand awareness too. This is the most effective way to reach Generation Y on the Internet. Facebook, MySpace, Twitter, YouTube, Second Life, Flicker, and DIGG are all excellent examples of social networking sites that the Millennial frequent on the web. Social media can be leveraged in a large number of ways. For example, Dell Computers has customer service reps that monitor Twitter to find and address complaints about their products.

The influence of social media on purchase decisions is growing across all regions, albeit at varying levels. Globally, 46 % of respondents said they used social media outlets to help make purchase decisions, a rise of three percentage points from 2015. North Americans were the least reliant on social media at 21%, but have increased their dependency by seven points. Asia-Pacific respondents were the most active social media users to aid purchase decisions at 63%, an increase from 60% two years ago.

Based on the 2018 national bank of Ethiopia annual report in 2018, the numbers of mobile subscribers increased by 20 percent to 56 million of which 99.6 percent were pre-paid and 0.4 percent post paid subscribers. Similarly, the number of internet subscribers' depicted 44 percent hike reached 13.6 million the country's telecommunication penetration rate (telecom density) increased from 44 in 2016 to 56; mobile density to 49.8; and internet and data density to 14.7. The Internet has become a popular advertising platform because marketers found that the Internet possess greater flexibility and control over the advertising materials.Marketers in Ethiopia are presently confronted with the challenge of developing relevant content and then later finding a medium that will

effectively deliver the message to their target audience. Many companies are spending millions birr on advertising their product on traditional advertising Medias like TV, radio and news papers.

There are many previous studies that discussed the effect of advertising on consumer brand preference in Ethiopia but there are insufficient studies and no significant research for the knowledge of student researchers that informs about the effect of Facebook advertisement on consumer brand preference in Ethiopia. This research study was motivated by this existing knowledge gap and sought to establish the effect of Facebook advertising on consumer brand preference with a focus on CBE Bank.. In fact, this study will help to know the effectiveness of Facebook advertising on consumer brand preference in case of CBE. And will pave a way for other researchers to conduct further survey on this area and serve as a reference material for students and marketing practitioners. Also the result of Facebook advertising effect on CBE brand preference will help the company to develop effective media ads strategies.

1.4. Research questions

➢ What is the effect of Facebook Advertising on consumer brand preference in case of CBE?
➢ What kind of relationship exists between Facebook advertising and consumer bank preference in the case of CBE?
➢ How can marketers use Facebook to communicate with their customers?
➢ What are the advantages of using Facebook advertising to communicate with customers?

1.5. Research objectives

The research has both general objective and specific objectives.

The general objective is to examine the effect of Facebook advertising on consumer brand preference in the case of Commercial bank of Ethiopia.

Specific objectives
➢ To identify the relationship between the Facebook advertising and consumer brand preference in the case of CBE.
➢ To investigate how marketers can use Facebook to communicate with their customers.
➢ To identify the advantages of using Facebook advertising to communicate with customers.

1.6 Scope of the study

The study tries to understand the impact of Facebook advertising on customer brand preference in the case of Commercial bank of Ethiopia.

In order to achieve a more focused study and in light of limited financial resource and time constraint the scope of the study was limited to only one service organization which is Commercial bank of Ethiopia.

The population of the study is customers which are members of the Commercial bank of Ethiopia Facebook page.

1.7 Significance of the study

The outcome of the study will help as an input in general for business companies Ethiopian commercial banks as an input to decide on using social media platforms for building their companies brand, promoting product, getting feedbacks, selling their product and building a preferable brand in the banking industry. It enables business companies as an input to craft their Facebook marketing strategy.

In particular the outcome of the study will help Stakeholders like shareholders, management staffs, employees, customers of all Ethiopian commercial a banks by having the correct information and awareness about the effect of Facebook advertising on consumers' brand preference and the factors that influence consumers to respond to Facebook advertising.

The study will also help other researchers as a literature review for future researches.

1.8 Organization of the Paper

The paper is organized as follows: the first chapter includes; Introduction (background of the study, background of the organization, statement of the problem, research Questions, objectives, significance of the study, scope, limitations of the study). The second chapter is review of literatures extracted from different books, articles and journals. The third chapter is Research methodology, the fourth chapter is Data Discussions and Analyses, and finally chapter five Conclusions and Recommendations.

Chapter two

2. Literature review

2.1 Theoretical literature review

2.1.1 Facebook

Facebook, an American company offering online social networking services. Facebook was founded in 2004 by Mark Zucknberg, Eduardo saverin, Dustin Moskovitz, and Chris Hughes all of whom were students at Harvard university. Facebook become the largest social network in the world, with more than one billion users in 2012 and about half that number was using Facebook every day. The companies headquarter are in Menlo park, California. Access to Facebook is free of charge, and the company earns most of its money from advertising on the website. New users can create profiles upload photos, join pre existing groups and start a new group. The site has many components, including timeline, a space on each users profile page where users can post their content and friends can post messages (Mark Hall, 2015).

Social Networking is continually growing and showing more and more possibilities through the various Facilities it promotes. With an undreamt 500 million members and a more regularly visited website than Google, Facebook guarantees more than friend requests, but also acts as an excellent marketing tool for businesses. Social media is a technology allowing the nation to publish instantly and economically on the internet. It encourages live discussion on a huge range of topics, with not only friends, but businesses and consumers. It allows consumers to advertise their purchases or air their complaints and business owners to receive feedback about their products or services. As of August 2010, Facebook has over 517 million users, primarily made up of internet users from Europe, North America and Asia. Facebook serves 100 billion hits per day, stored 50 billion photos and generated 130TB (Terabytes) of logs every day (Threatt,2009).

Social media has changed the way organizations do business online over the pastfew years, and, as a consequence, social media marketing has created its own niche inthe business world. Organizations are hiring community managers and social media analysts, and they are forming their own departments, separate from those of the traditional marketing and advertising sectors. As more and more users connect to the social network, it stands to reason that social media is

becoming the increasingly accepted mode of communication for the Internet audience.(Threatt,2009).

The most visited online social network is Facebook, founded in 2004 and with over 600 million users and presence in over 70 countries (Carlson, 2011; Techtree News Staff, 2008). The Facebook site allows users to create a profile of them and explore the profiles ofothers, gaining an insight into others' lifestyle and interests (Acar&Polonsky, 2007). In addition Threatt2009) suggested that the site can be referred to as a social media portal, with organizations and businesses creating profiles to disseminate information about products and services, shifting the focus from creating personal relationships to reaching customers.

As a social network site, Facebook has been one of the most important social trends ofthe last decade. Although it started in 2004, Facebook currently has over a billionmonthly active users (Facebook, 2012). The service is available in 70 languages whichmakes Facebook a worldwide social network site. The accuracy and trustworthiness ofthese numbers can be questioned but the growth rate is impressive. It is this growth r atethat has attracted the attention of researchers from many backgrounds.

2.1.2 Advertising

Advertising is synonymous with marketing to many people. However, marketing ismuch more than this and advertising is just an element in the promotional mix.American Marketing Association defines advertising as "any paid form of non-personalpresentation of ideas, goods and services by an identified sponsor". As Kotler andArmstrong (2008) puts it, advertising delivers information (on products, brands and newproduct awareness), reminds (through exposure repetition and non-unique forms) andpersuades (by providing pleasant impressions and generating sales).

Following Peter and Olson (2010), ad is any non-personally paid information on products, brands, companies, or stores. Ads aim to influence consumers' affection and cognition, evaluation, emotion, knowledge, meaning, trust, attitude, and image on products and brand advertised. On the other hand, (Bryman& Bell, 2003)argued that advertising was a kind of paid communication mediated by definite sources and designed to influence readers to do something

right now or in nearlyfuture. Advertising is one of instruments to persuade the consumers and purchases.

Advertising media is defined by the American Marketing Association as "the variousmass media that can be hired to convey advertising messages to prospective audiences ortarget markets for products, services, organizations, or ideas". Traditionally thisrepresents newspapers, magazines, radio, television, outdoor advertising, transitadvertising, and specialty advertising. These are the traditional advertising media.Gurevitch Coleman &Blumber (2009) observed a decrease in the number of peoplefollowing the traditional media. Consumers have begun to use more of the web –basedsocial networks, due to advances on electronic communication devices and the internet.

Approaches to advertising have changed dramatically over the past 50 years, from Newspapers to Mass media via Radio and Cinema, from Television sets to internet and e-mail. Now thenext target is in sight- Social Networking. With advances in technology consumers are now in control of the media message they want to become exposed to. They have the option of watching TV programs without having to view advertisements, they can listen to radio without having to hear the advertisements, they can alter their mail boxes so that SPAM mail goes directly to their junk folder and they can minimize advert pop ups when surfing online. Marketers are being forced to consider another form of marketing that would reach target customers in a new way (Kevin Curran, Sarah Graham, Christopher Temple, 2011).

Advertising is growing and with technology changing there are now more ways than ever to market products and business. However, it is the 'people' who now want control and they have the 'acute editing skills' to listen to be exposed to whatever messages they want. Take for example SKY+ where viewers have the facility to record or pause live TV, allowing them to view the shows at a later time, where they can then fast forward through television adverts, therefore resulting in advertisers missing out on vital opportunities to promote their products. Digital TV providers such as, BT Vision and Tiscali TV include a feature called "catch up TV" and "Anytime TV", where it allows individuals to watch shows back-to-back. These shows contain no advertisements, apart from advertising various programs that are aired on that same channel.

Another example of where marketers fail to benefit from advertising their products is Radio podcasts. Podcasts allow listeners to download radio shows which have been previously aired, only without the adverts. With consumers having the power to eliminate media messages been shown to them, marketers need to discover a way of reaching their customers without themknowing it is a method of advertising (Kevin Curran, Sarah Graham, Christopher Temple, 2011).

2.1.3 Facebook advertising

Facebook is a marketing tool unlike any the world has seen. It is different because as part of its DNA. The act of liking has far-reaching impact and a quantifiable effect of commerce (Carter, 2014). It provides useful features for both consumers and businesses. It has becomean attractive platform for virtually all industries. Businesses learn quickly how to use Facebook Pages, Applications, Ads, and plug-ins, to achieve specific business goals, such as increasing brand awareness, products launching, customer service, selling products, and services (Haydon, Dunay, & Krueger, 2012). Facebook likes: 1) decrease marketing cost; 2) increase sales; 3) give you control of the customer conversation; 4) prove people are paying attention; 5) solidify customer Loyalty; 6) creates evangelistic customers who sell for you and defend you against critics (Carter, 2014).

The power and the popularity of social networks are increasing. Personalizedcommunications with customers are now more possible than ever. Teenagers adopting them first, followed by a growing population of twenty-five (25) to thirty-four (34) year olds and white-collar workers show that social networks are applicable to everyday life (Kim, 2008). This growing trend has vast implications for marketers and advertisers . Advertisers will need to know and find out the effectiveness of different social networks otherwise it will be hard to create valuable interactions with consumers.

Facebook advertising has consequently grown in popularity. Yang et al. (2008) reported that the advent of targeting advertisements, specifically toward demographics (age, sex, education, and so on), and tighter restrictions on advertisements quality has turned Facebook advertising into a viable traffic builder and advertising option for small and large size businesses because of its sheer number of active users as well as the level of each user's activity on this social networking website, Facebook is considered an appealing platform for online marketing

specialists and online advertisers (Francisco, 2006). From an economic point of view, Facebook offers a thorough and competitive tariff system, charging advertisers for a per -click or a per-impression model. Facebook can be an ideal alternative to telemarketing and marketing research because people are tired of telemarketing and marketing research calls made through call centers. Facebook is an excellent direct-response marketing platform, which can provide immediate and direct answers to marketing questions and problems within the least time period.Through the interaction with customers, organizations can gain valuable insights and feedback about existing and potential products and services.

Online advertising is quite different from traditional advertising because of its versatility. Its flexibility and adjustability gives room for late minute changes even when an ad campaign is underway (Anusha, 2016). It allows the user to make as many changes as possible to suit thelatest trends in consumer market. Onlineadvertising has the capacity to reach many targeted customer groups on the internet (Awais, Samin and Bilal, 2012). According to them, effective online advertising intend to persuade, inform, convince, remind and retain customer. A salient advantage of online advertising over the traditional advertising is that while it targets a specificgroup online, the traditional ads are mass marketing oriented (Anusha, 2016). "Advertising on television, radio, newspapers, billboards or direct mail is based on large exposure and a particularly wide audience. Internet advertising, on the other hand, is based on relatively few channels that coalesce to bring forth a maximized target customer" (Tavor, 2011).

Gunelius (2011) classifies marketing as push marketing and pull marketing. In a push marketing the marketers push messages to its customers through television, radio and newspaper. In a pull marketing consumers pull messages from different sources including from friends, companies, conventional media, and other sources. Social media marketing is a type ofpull and pushes marketing in which customers get product messages from company, reviews and comments from customers and allows buyers to give feedbacks. This type of marketing has changed the way marketers do business. On one side, it is a powerful medium which helps companies" to get key consumers, companies" advocators and consumer influencers. It also brings word of mouth marketing in to its top level and interaction with customers simple.

On the other hand, it shifts the power of marketers to customers and it also makes marketers to not completely control their corporate messages. However, currently it is almost impossible to speed up a business without including social media marketing (Fowder, 2013 and Angelova, 2013).

Facebook data can be compared to a crystal ball to understand customers (Casteleyn, Mottart, &Rutten, 2009). User actions on Facebook appear in the news-feed status, and every single friend is able to see them. Notifications can be delivered straight to email addresses (Shannon et al., 2008). However, because users can build their own profile and write anything they want on Facebook, it does not necessarily provide correct, accurate, and real information about users (Doyle, 2007; Palmer & Koenig-Lewis, 2009; Treadaway& Smith, 2010).

Facebook communities where users are members are the most relevant for marketers (Casteleyn, Mottart, &Rutten, 2009). Through these communities, marketers are able to identify consumer tastes and likes, which are essential in helping to create market segmentation and targeting and positioning strategies (Acar&Polonsky, 2007; Treadaway& Smith, 2010). Marketers can gain valuable information on community members' profiles and from the news feed statements that users post on their walls and pages (Casteleyn, Mottart, &Rutten, 2009). This information can then be used for direct marketing purposes.

As social networks services are becoming the main platformfor social activities, more than 20% of online advertisements appear on social network sites. Many businesses are exploiting the new web based tools in order to achieve fast and efficient information on consumers need and preferences. Indeed, there is a wide diffusion of advertising messages mediated by social networks. Thanks to the wide number of users, and above all to the possibility of an easy access to their profile many companies have started to use Facebook in order to develop new efficient marketing strategies, by creating pages or groups devoted to their brand. For effective social networking advertising, there are two main requirements, the first being that links in the social network are relevant to the targeted advertisements. The second requirement is that social information can be easily incorporated with existing targeting methods to predict response rates . By having a connection with Facebook, businesses can access the millions of eyes, wants, needs and wallets logging on to the Social Network on a daily basis (Kevin Curran, Sarah Graham, Christopher Temple, 2011).

Online advertising is quite different from traditional advertising because of its versatility. Its flexibility and adjustability gives room for late minute changes even when an ad campaign is underway (Anusha, 2016). It allows the user to make as many changes as possible to suit the latest trends in consumer market. Online advertising has the capacity to reach many targeted customer groups on the internet (Awais, Samin and Bilal, 2012). According to them, effective online advertising intend to persuade, inform, convince, remind and retain customer. A salient advantage of online advertising over the traditional advertising is that while it targets a specific group online, the traditional ads are mass marketing oriented (Anusha, 2016). "Advertising on television, radio, newspapers, billboards or direct mail is based on large exposure and a particularly wide audience. Internet advertising, on the other hand, is based on relatively few channels that coalesce to bring forth a maximized target customer" (Tavor, 2011).

2.1.4 Advantages of Facebook Advertising

Effectiveness of Facebook as an advertising tool as a social network site, Facebook has been one of the most important social trends of the last decade. Although it started in 2004, Facebook currently has over a billion monthly active users (Facebook, 2012). The service is available in 70 languages which makes Facebook a worldwide social network site. The accuracy and trustworthiness of these numbers can be questioned but the growth rate is impressive. It is this growth rate that has attracted the attention of researchers from many backgrounds.

Its message is very effective and its cost very efficient unlike the traditional TV and radio ads. Tavor (2011) opined that the cost is beginning to rise although. Its effectiveness makes it to transfix the audience in such a way that it guards him into placing order for the product advertised (Awan, Ismail, Majeed and Ghazal, 2016). The internet has become a source that is recognized to expand increasingly. Its growth particularly attracts the attention of advertisers as well advertising agencies as a more productive means of reaching out to customers.

Facebook data can be compared to a crystal ball to understand customers (Casteleyn, Mottart, &Rutten, 2009). User actions on Facebook appear in the news-feed status, and every single friend is able to see them. Notifications can be delivered straight to email addresses (Shannon et al., 2009).

However, because users can build their own profile and write anything they want on Facebook, it does not necessarily provide correct, accurate, and real information about users (Doyle, 2007; Palmer & Koenig -Lewis, 2009; Treadaway& Smith, 2010). Facebook communities where users are members are the most relevant for advertisers (Casteleyn, Mottart, &Rutten, 2009). Through these communities, advertisers are able to identify consumer tastes and likes, which are essential in helping to create market segmentation and targeting and positioning strategies (Acar&Polonsky, 2007; Treadaway& Smith, 2010). Marketers can gain valuable information on community members' profiles and from the news feed statements that users post on their walls and pages (Casteleyn, Mottart, &Rutten, 2009).

According to Edelman (2007), customers are currently switching to the usage of social networks and are spending much more time with online advertising than with any other marketing channel. Facebook allows companies to connect with many more people and much more often than the companies would be able to manage through phone calls, emails, or meetings (Luke, 2009). One of the main benefits of social networking for organizations is, therefore, lower marketing costs in terms of human and other costs. With the economic downturn, many companies are trying to find ways to cut spending, and social networking sites are the way for them to market their businesses and reduce their costs. Costs of communication have fallen down drastically with Facebook, creating opportunities for organizations to communicate directly, quickly andconsistently with millions of individual customers (Mize, 2009; Palmer & Koenig Lewis, 2009). Moreover, the emergence of Facebook as an advertising platform has ushered a new era of personalized and directed advertising.

A few years ago, when social media networking was not available, customers had restricted access to brand information through traditional media. In those times, companies were able to position the brand in the mind of the consumer through their marketing strategies (Schultz, 2010). However, these days, thanks to Facebook, it is the customer who positions the brand and not the company. (Levebvre Bernhardt etal., 2009) agreed and added that customers previously referred to as "the audience" are now actively participating in the creation of information as they are offering their opinions based on personal experiences.

This can turn out to benefit a company if positive comments are made about the brand, though it can also turn against the brand'sreputation if users post negative remarks. At the same time, useful information is being circulated to other users through blogs, and consumer education is thus occurring simultaneously. Trusov, Bucklin, and Pauwels (2009) found that word - of-mouth referrals by family, friends, and other online participants also have had a strong impact on new customer acquisitions. Furthermore, they also proved that word -of-mouth is a critical factor for companies to enlarge their customer base and that word -of-mouth has longer-lasting effects as compared with traditional marketing tools.

Studies have investigated the link between the interaction component of advertising using social networks and the subsequent purchase of products and services. Shankar and Malthouse (2007) found that some relationships reported that advertising firms are increasingly looking to the conversations occurring online to customize their interactions with the customer. Sivadas, Grewal, and Killaris (1998), for example, identified a link between online music newsgroup readership and the consumption of music-related products and services such as concerts and recorded music. Organizations can benefit from advertising in Facebook space. Facebook offers advertisers opportunities such as;

- **Customer Relationship Management**: Facebook channels assist by making strong bonds between the customer and the company much easier and thereby increasing the stability of the company (Marland, 2008). Facebook advertising provides a whole new dimension to advertising as its offers interactivity to the users thereby enhancing the relationship between customers and the companies (Logan, K., Bright, L.F and Gangadharbatla, H. 2012).

- **Engaging Consumers**: Consumers create user generated content from social mediasuch as Facebook and these have turned out to be among the highlights of online interaction transmissions (Lenhart et al.,2010). Lipsman (2011) considered the factthat Facebook could probably be accounted for 1 minute in every 6 minutes of onlineinteraction. For this reason Facebook has been on the priority list of advertisers forbuilding enduring relationships with their customers.Calder et al. (2009) supports theidea that social media advertising contributes to the various user participation

onlinethrough their evidence that customers who access various social media exhibitedinteractive attitudes which therefore enable their engaging in communication withother users. Inspired by the power of Facebook to engage users in virtualrelationships, companies and services began seeking ways to immerse into people'sinternet and learn to leverage the likes, shares and comments for profit making(Andriole, 2010; Culnan et al., 2010).

- **Enhancing Brand Reputation:** Brand image according to Keller (1993) refers to agroup of brand associations which the customers picture in their minds as theidentity of a brand. Companies can use Facebook as a way of increasing their good will and trustworthiness, which may ultimately result in better branding (Robin Neifield, 2010).Companies are enabled to make conversation with its customers,which results in a great amount of credibility among its customers. In the year 2009,about 215 out of the total number of 500 fastest growing private organizations in theUnited States listed Facebook as being very important to the sales and marketing oftheir products and services while about 340 of these organizations concurred withthe idea that they monitor the activities on Facebook relating to their brands productand services (Barnes and Mattson, 2009). There is another method to advertiseonline that Rowley (2001) recommended that companies would be better to createrecommendation mechanism, in this condition customers can connect with eachother and thus creates a successful brand image.

- **Building Brand Attributes**: Brand attributes could be associated with features ofspecialty, strength and likeness and these interpret what the brand stands for to theconsumer, in relation to the goods and services it provides, therefore highlighting theadvantages of using that brand of product (Keller, 2008). Subsequently, Meenaghan(1995) noted that brand attributes could be viewed as a product or serviceintelligence that enables consumers to categorize a particular brand. Similarly, in another related study Bhat and Reddy (1998), found out that brand attitude is used asan alert for information, alternatively brand attributes could have real and virtualassociations in the client's mind (Blackwell, Miniard, and Engel, 2005). Probably abrand may not possess the attraction, expertise and trust required to make it sell butthe customers will buy based on the associated image given to this brand through

theFacebook and the number of users who liked the product page on it. According toZhou & Belk (2004) this shows that the customers could probably be seeking tobelong to a particular group to enhance their self-image or for a higher feeling of self-esteem. Aaker(1996) continued, stating that astrong and reputable brandattitude enables customers to build up affirmative attributes and feelings about thebrand, which brings about the enhancement of the brand image to increase its valueas perceived by the customers.

- Announcing New Products or Services: there is no other better and cheaper mediathan Facebook to inform your customers about the arrival or release of new productsand services (Sarah E Needleman, 2011). Facebook creates a platform that allowsfor easier spread of new product and service arrivals to a targeted audience. Thereasons for organizations turning towards Facebook advertising are dependent onvarious factors, such as the company profile, the products, and customers (Bernoff,2008). Extension of word of mouth on social media provides remarkable power ofinformation for new products where each one of prospective buyers can impact thediscussions with another in cyberspace (Nail & Jim, 2005).

2.1.5 What is Brand?

The definition of brand in various marketing literature is given from different perspective. Therefore it is difficult to find a concise definition. The word Brand is derived from the old Norse word brand, which means "To burn" as brands were and still are a means by which owners of livestock mark their animal to identify them (Keller 2004).

According to American marketing association (AMA) a brand is a name, term, sign, symbol, or design or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of competition. According to Choudhury (2001) a brand is essentially the sum total of the particular satisfaction that it delivers to the customer who buys that specific brand, the sum total being its name, ingredients, price, packaging, distribution, reputation and ultimately to its performance.

2.1.6 Brand preference

The term "Brand Preference" means the preference of the consumer for one brand of a product in relation to various other brands of the same product available in the market. The choice of the consumers is revealed by brand preference. Brand preference is the extent that respondents preferred and intended to stay with their service provider (Holbrook, 2001).

In marketing literature, the word preference means the desirability or choice of an alternative. Preferences are above all behavioral tendencies (Zajonc and Markus, 1982). Brand preference is defined variously as the consumer's predispositions toward a brand that varies depending on the salient beliefs that are activated at a given time; the consumer biasness toward a certain brand; the extent to which a consumer favors one brand over another. For this study a working definition for brand preference is offered: "the biased behavioral tendencies reflecting the consumer's predisposition toward a brand" (Ebrahim, 2011).

There has been a long standing interest from marketers to understand how consumers form their preferences toward a specific brand. Brand preference is closely related to brand choice that can facilitate consumer decision making and activate brand purchase. Knowing the pattern of consumer preferences across the population is a critical input for designing and developing innovative marketing strategies. It also uncovers the heterogeneity of consumer choices leading to efficient market segmentation strategies. However, forecasting consumer's preferences between brands is not an easy task. Most of the early models focused on brand attributes in preference construction (e.g. Fishbein, 1965). Thus the evolving marketing strategies focus on analyzing and communicating information about product attributes. (Ebrahim, 2011).

2.1.7 How Facebook can be used to increase consumer brand preference

According to Jaana (2012), companies should develop marketing strategies that will enable customers engage with their brand online. Drury (2008), states that marketing in social media is not just about telling and giving a message, it is more about receiving and exchanging perceptions and ideas. Companies that use brand communication are able to affect brand equity positively as long as the message creates a satisfactory customer reaction to the product in question compared to a similar non branded product (Yoo, Donthu, & Lee, 2000).Moreover, communication stimuli cause a positive effect in the consumer as a recipient; therefore, the

perception of communication positively affects customers awareness of brands (Bruhn, Schoenmueller, &Schäfer*et al*, 2012).

There are many ways to increase the effectiveness of Facebook advertising:

Two way communication

Consumers interact on real time basis with the seller and also with each other to ask questions, tell and exchange their opinions. This two way communication is an important driver of brand engagement and thereafter on trust (Hollebeek, 2011). According to Reichheld and Schefter, (2000); Braum, (2000), companies should look for ways to build customers trust this is because through trust a company will be able to develop and maintain loyal customers, and reduce risks and uncertainty that customers might have.

Drury (2008) argued that social media enables people to engage and share and with others the content and therefore make it more democratic than ever. This has been employed by many firms to facilitate a participative culture (Rosso*et al.,* 2008). Participation is measurable viathe rate of engagement, frequency of visits, and length of connection to a social media platform (Koh& Kim, 2004). Compared to traditional media, social media enables dialogue conversations with an audience (Mayfield, 2008).

Lorenzo-Romero and Constantinides (2011), in their study on consumer adoption of social networking sites implications for theory and practice it was concluded that for a company to attract customers to participate in social media the company has to develop user friendly websites that will create a positive attitude towards their customers hence reducing perceived risk and building trust. A study done by Okinda, (2014), on influence of social media based factors on Kenya commercial bank (KCB) group limited's strategic direct marketing among social media users in Nairobi regular updates is seen as an important factor that influence customers to use social media sites. It was recommended that banks should create chat rooms that customers can use to communicate with their friends and that company.

Application of Web 2.0 enhance capacity and speed of the dialog thus making conversation a key feature of social media. Sites like Facebook offer many communication gears for conversations between users, and feedback rate can be used to measure this character (Liu, 2003).

By offering Web links to other people and sites, social media allows users to teleport in cyberspace, and offers connectedness to its users (Mayfield,2008). Perceived connectedness is positively attributed to the closeness and identification with others (Lee, Draper, & Lee, 2001). High connectedness creates closeness and identity with other social groups whereas people low connectedness often results in psychologically distant (Ha & James, 1998). The fact that social media often result in new connections between more individuals makes it very unique (Boyd & Ellison, 2007).

Reward

Kimani (2012), in his article on when social media does the marketing he stated that offering customer free offers/ discounts is an attractive feature to potential and existing online visitors. The giving of freebies was observed to attract visitors to social sites especially those of commercial firms. A study done by Okinda (2014), on influence of social media based factors on Kenya commercial bank (KCB) group limited's strategic direct marketing among social media users in Nairobi it was revealed that use of freebies/discount was that most important factor that influences customers to use social media, regular updates was also seen as an important factor that influence consumers to use social media. Deighton (2000), states that the use of information technology has enabled companies to market their products available to customers and increase in use of loyalty. Companies use online reward programs such as rewards card, point's card, advantage card, or club card to attract and retain customers. In addition, use of online reward programs by companies encourages loyal buying behavior hence increase in profit (Singh & Khan, 2012). Reward programs also encourage repeat purchase and increase in customer retention rates (Lewis, 2004).

Clark (2010), companies use online reward programs to retain their best customers. Customers are given redeemable points that they can convert into free services or exchange of other products and services. In addition, loyalty programs are not only used by companies to increase customer loyalty but companies are also able to gather information about their customers shopping habits and preferences hence being able to customize products to meet customers' needs. Mangold and Foulds (2009); Leggat (2010) research done by E-Marketer has revealed that consumers go to social media sites to keep up with a brand's products and promotional campaigns. For example, Pepsi and Coca-Cola both use online customer loyalty programs to

attract customers by offering special promotions, free Mp3 downloads, and CDS Rust, Moorman and Bhalla*et al* (2010), states that offering reward programs is another tested way that helps in boosting customer loyalty. This involves defining the content, offers and rewards that the company will give. Companies should use what they have learned about their customers, what the customers' values as well as how they can encourage positive behavior while addressing common questions or concerns. It's important to create and maintain a consistence rewards program. The reward program should be perceived as fair trade by customers to create loyalty.

Trust

Reichheld and Schefter (2000), states use of online marketing prevents customers from touching, feeling, smelling the products or seeing salesperson's eyes when they purchase the product. Customers only relay on images and product description on the website. Gommans(2001), brand trust and loyalty are important because they can help overcome concerns customers might have. A loyal relationship between banks and their customers is often characterized by trust, commitment and satisfaction and can be influenced both online and offline. Loyalty entails behavioral, cognitive and affective aspects and is sometimes characterized by attitude (Vogt, 2011).

Foux (2006), further argue that consumers perceive social media as a more trustworthy source of information compared to using more traditional marketing elements. Regarding information, Mangold and Faulds (2009), also mention that it is important for a company to provide exclusivity and make their customers feel special. By offering new and exclusive information, special deals and the possibility to subscribe to weekly e-newsletters, the feeling of exclusivity can be given to a subset of customers (Mangold&Faulds, 2009). In their research, Baird and Parasnis (2011), based on their research on from social media to social customer relationship management", strategy & Leadership they found that before consumers use social media to interact with brands, they need to feel that they trust the company and that they are communicating honestly. Transparency is consequently of high importance and a company that is not being transparent risk being perceived as manipulative and insincere.

Woessner (2011), timing is an important factor in building trust and long term relationships through social media sites. Firms need to reply to posts, messages, and or comments within 24 hours. One study shows that 25% of consumers on twitter expect a response from business owners online, but in reality only 9% receive a response. On Facebook, 35 percent of consumers expect a response after liking a business but in reality 58% never hear a response from the company. Timely responsiveness proves to our customer that you care about what they say. Companies should make between five to ten comments each week to any updates posted by the followers. This helps companies to increase their products and brand awareness more so in the smaller market or community and to enhance their expertise among their competitors in the industry, expand their influence and to expand their relationships with current customers (Woessner, 2011).

Building trust and long term relationship. Marketing approach has changed and it is no longer about persuading customers to buy products by bombarding target customers with numerous advertisements (Rust, Moorman &Bhalla*et al,* 2010). Marketing in modern day is about building relationships and trust through effective two way communication. To ensure this happens companies should talk about products and services that are of interest to customers and create products and services that help solve customers' problems. Posting engaging content on social media is a good way to stay connected to the audience. One way to boost customer loyalty is by asking customers for feedback about products, services and customer support. This can be done by directly asking customers as well as eliciting feedback indirectly. For example a company can pot that "We believe our products are the best. Don't you?" or retweet if you agree that our products are awesome". Some customers will retweet but other who might have had a negative encounter may post their experiences too, which is also great because companies can learn more about what they need to change to grow their businesses and also let the customers know that they have a voice about the business (Reach Local, 2016).

2.2 Empirical Literature review

Online advertising influences consumer purchase decision (Aqsa and Kartini, 2015). Research on online advertisement has centered on different aspects of the term. Many scholars have investigated different aspects of online advertising. For instance, Sanje and Senol (2012) studied the importance of online behavioral advertising for online retailers while Harker (2008) studied regulating online advertising: the benefit of qualitative insights and found that whilst controlling advertising on traditional media is moving towards best practice, the dynamic context of the internet provides new challenges for all stakeholders in terms of consumer protection.

Facebook users have a power to alter the attitude of a customer towards a company by spreading bad or good messages; Companies can benefit from social media users in selecting potential target markets, because most Ethiopians display their profile in their Facebook account; Companies can also benefit in promoting products, building brand, building a strong relationship with customer and getting feedbacks from social media users; social media have an impact on marketing mix and target market but its impact is less on place and price decisions (Ashenafi Gizat,2016).

Online advertising provides current and topical information and even news about a company's product(s) through colorful and interactive catalogue. Yes, of course, online advertising is borderless and bequeaths the consumers with the power and rationality to make national, regional and international purchases as they can access unlimited information about many companies" offerings on their web sites at will and at all times (Tavor, 2011).

Organizations are interested in exchanging and spreading information, trading products or services, staying close to current and potential customers, acquiring a betterunderstanding of their customers and other benefits generated by Facebook. The increase of communication flow of information among customers together with the increased availability of assorted communication channels is creating a new level of complexity in the design and implementation of new marketing strategies. Facebook does not replace the traditional marketing tools but can be used as a complement to existing traditional promotional tools (Rooma, Roshnee, Ramsaran,2013).

Research conducted by Tehreem and Rizwan (2016) on "Effects of Online Advertisement on Consumer Buying Behavior of University Students of Pakistan," it was revealed that consumer buying behavior is significantly influenced by online advertising. Using questionnaire instrument to generate data from 300 consumers, data was analyzed SPSS using multiple regression.

In another related study on "The Impact of Advertisement and Consumer Perception on Consumer Buying Behaviour" conducted by Malik, Ghafoor, Iqbal, Unzila and Ayesha (2014) it was revealed that advertising and consumer perception have a positive and significant relationship with consumer purchase decision. Questionnaire was used to collect data from the respondents and a sample of 150 respondents was obtained. Data analysis was done using correlation and ANOVA using SPSS software.

2.3 Research Hypothesis

H1: Facebook advertising influences has effect on customer's bank choice in Ethiopia.

H2: Facebook advertising can be used to pull other bank customers to prefer our bank service.

H3: There is positive and significant relationship between Facebook advertising and brand preference.

2.4 Conceptual framework

There are two variables in this research study, which are dependent variable and independent variables. For dependent variables, it is customer brand preference of bank service in Ethiopia. For independent variables, it is Facebook advertisements.

Chapter Three
3. Methodology

This chapter discusses the processes and techniques used in carrying out the study. It also gives a description of the respondents including information on the study population, the number of respondents and how they were selected. It also provides an outline of research design and the instruments for data collection. The methods adopted in the administration of the research instrument, data collection procedure, data analysis and measures used to ensure validity of the instrument used.

3.1 Research Approach

approach in the research were quantitative accordingly data is collected using a structured questionnaire using the process by which the sample is constrained to include elements from each of the segments is called random sampling which is a type of probability sampling were used where each and every item in the population has an equal chance of inclusion in the sample and each one of the possible samples has the same probability of being selected (Kothari, C.R. 2004).

3.2 Research Design

According to Babie (2009) there are three possible types of research designs: exploratory, descriptive and explanatory. The first one is used to in order to clarify some concepts, find explanations, assess phenomenon or seek for new insights. The second type of research, descriptive, seeks to describe people, events or situations. The last type, exploratory research, provides the cause and effect relationship between variables.

If the research is concerned with finding out who, what, where, when, or how much and those studies which are concerned with describing the characteristics of a particular individual, or of a group ,then the study is descriptive Most of the social research comes under this category. The major purpose of descriptive research is description of the state of affairs as it exists at present (Kothari, 2004).

The research design for this study is descriptive in nature and across-sectional studies are carried out once and represent a snapshot of one point in time The reason for selecting descriptive research design is to describe the effect of Facebookadvertising on consumers' brand preference.

In quantitative introductions, researchers sometimes advance a theory to test, and they will incorporate substantial reviews of the literature to identify research questions that need to be answered. In quantitative research, some historical precedent exists for viewing a theory as a scientific prediction or explanation. In this definition, a theory is an interrelated set of constructs (or variables) formed into propositions, or hypotheses, that specify the relationship among variables (typically in terms of magnitude or direction). The idea of a theoretical rational, which they define as "specifying how and why the variables and relational statements are interrelated" (Creswell, 2013).

Therefore, the researcher preferred the quantitative research strategy because the study needs to address the factors that influence especially the effect of Facebook ads on consumers brand preference. This could be based on theories and reviews of literatures that could identify the research problems and could able to give solutions.

The main goal of this research is to find out the effect of Facebook advertising on customers brand preference. So the descriptive design will be used to examine this relationship.

3.3 Questionnaire Design and Development

This study is used structured questionnaires with closed questions and all of the data that were gathered with quantitative methods. This study focused on 399 respondents with a limited timeline for data gathering and analysis therefore closed ended questions is needed. The questionnaires for the current research study are attached in Appendix 1. The questionnaires were divided into three parts.

The first part consists of demographic questions contains personal characteristics of respondents including: gender, age, educational level, and current working status of the respondents that allow participants' answers to be grouped so that patterns are revealed and can be studied.

The second part consists mainly questions which are about the general information on facebook usage.

The third part consists mainly target questions which are structured (that presents the participants with a fixed set of choices; often called closed questions) contains lists of questions, which requires rating from 1 to 5 (1= strongly agree, 2= agree, 3= neutral, 4= disagree, 5= strongly disagree) on the questionnaire's answers. The flow of the questionnaire moves from topic to topic that involves questions that are directed towards Facebook advertisement's influence on consumers brand preference. The first four questions target on customer perception on advertisement. Secondly, six questions were target on CBE's Facebook advertising and the last five questions were target on consumers brand preference.

3.4 Sampling methodology

3.4.1 Target population

People, products, firms, markets that is of interest to the research are called population. To be precise, a population must be defined in terms of elements, units and time (Dillon, 1993).

The target population in this study is the members of CBE's Facebook page. The Facebook page has 153,020 members until the end of April 2020.

The reason was that the researcher believed that the members of this Facebook page have been exposed to the Facebook advertising of CBE.

3.4.2 Sample design and sampling procedure

A simple random sampling technique was used to undertake the study and to complete the structured questionnaire on voluntary basis. It is typically not practical to include every member of the population of interest in a research study. Time, money, and resources are three limiting factors that make this unlikely. Therefore, most researchers are forced to study a representative subset, a sample of the population of interest (Marczyk, DeMatteo, and Festinger, 2005).

The researcher needed 399 samples from the sample size of 153020 which is the number of CBE's facebook page members.

3.4.3 Sample size

A sample makes it possible for the researcher to make generalizations about the population. A sample refers to a subset of a population, but the subset is only useful when it accurately presents the larger population (Cox, 2008). The sample size in a research is the number of observations or replicates to include in a statistical sample. The sample size is important in achieving the objective of making an inference about a population from a given sample.

According to Fisher (2007) the sample size depends on the size of margin of error of the population. Therefore I assume the margin of error 0.05 which is tolerable error of the population of 153,020. By using Taro Yamane formula:

$$N= (N) / (1 + N * (e^2))$$

N= number of target population (153020)

e= tolerable error (0.05 or 5%) which is 95% confidence level

n= number of sample size

$$n= 153020/ (1+153020*(0.05^2))$$

n=398.957

So the sample size of the study is 399.

3.5 source of data and collection technique

The study was based on primary sources of data which was gathered through structured questionnaire. The study used primary data which has been collected online from the members of CBE's facebook page. Questionnaires were used as a data collection method. The questionnaires were distributed through a facebook application called "survey app" and the application only

gives back only the data excluding the name of the respondent and the other privilege of this application is one respondent can only fill a questionnaire once which helps to protect data collection from redundancy.

3.6 Data analysis technique

All data that were gathered were analyzed through quantitative research approaches. The aggregated data analysis was required to communicate in words or to find issues under research. The data collected using structured survey/quantitative approach Was edited, coded, cleaned and entered into the computer. In order to test the hypothesis, Structural Equational Modeling (SEM), a multivariate examination method Was performed , correlation analysis, regression analysis, reliability analysis, Was done using the Software package for social science (SPSS version 23).

Supplementary descriptive Statistics were used to analyze the data that were collected from sample respondents mean, percentages and frequency tables, was also used to analyze the demographic data of the respondents.

3.7. Measures of Reliability, Validity and Normality

3.7.1 Reliability of the Measurement Scale

The most common measure of the reliability of a measurement scale is Cronbach's alpha which is often considered as the lower bound estimate of reliability (Raykov, 1997). Most researchers consider a Cronbach's alpha value of more than 0.7 and above as an indicator of high internal consistency of the measurement scales (Hair et al., 1998). Other researchers consider a Cronbach's alpha of 0.8 and higher as a signal for internal consistency and urge a low alpha score warns the existence of a measurement item which is unreliable (Ho, 2006).

Reliability is concerned with the consistency of measures, thus, the level of an instrument's reliability is dependent on its ability to produce the same score when used repeatedly(Bryman& Bell, 2003).This research used Cronbach's alpha to test the reliability of the questionnaire on a small sample of respondents. Table 4.3.1 below shows the reliability of the constructs tested using Cronbach's alpha.

Table 3.7.1 Reliability statistics

Questionnaire part	Cronbachs's Alpha	Cronbach's alpha on standardized items	Number of items
Advertising	0.978	0.979	4
Facebook advertising	0.986	0.986	6
Brand preference	0.983	0.984	5

Source: spss data out put

The Cronbach's alpha value for all the constructs shows higher internal consistency since their value is closer to 1.0.

3.7.2 Validity

According to Kothari (2004) Content validity is the extent to which a measuring instrument provides adequate coverage of the topic under study. If the instrument contains a representative sample of the universe, the content validity is good. It can also be determined by using a panel of persons who shall judge how well the measuring instrument meets the standards, but there is no numerical way to express it. Based on this definition the content validity was verified by the advisor of this research, looked into the appropriateness of the questions and the scales of measurement prior to final administration, in order to make sure that the questionnaire is in alignment with the research objective.

3.7.3. Normality

The normality of the population distribution is the basis for making statistical inferences about the sample drawn from the population (Kothari, 2004). Most studies, which involve statistical procedure, work under the assumption that observations have normal distribution. Any violation of the normality rule may lead to overestimation or underestimation of the inference statistic. In order to examine normality one has to measure each variable's skewness, which looks at lack of symmetry of distribution, and kurtosis, which looks at whether data collected, are peak or flat with relation to normal distribution (Marczyk*et al.,* 2005).

PauravShukla (2009) stated that skewness and kurtosis test, and the low difference between mean and median is the basic way to check the normality of the data. Accordingly positive skewness values suggest clustering of data on the low value (left hand side of the bell curve) and negative skewness values suggest that clustering of data points on the high values (right hand side of the bell curve). Positive kurtosis values suggest that the data points gathered in center with long thin tails. Kurtosis values below zero suggest the distribution of data point is relatively flat.

Table 4.3.3 below describes the level of skewness and kurtosis for the three constructs. The general rule of thumb for test off normality varies depending on the nature of the research. But the simpler guideline is that if the skewness is between plus or minus one (< +/-1.0), the variable is at least approximately normal (Leech et al., 2005). As indicated in the table below, the skewness for this study is well within the range of +/-1. Therefore the data for this study is normally distributed.

Table 3.7.2 Normality measurement table

Variables	Skewness	Kurtosis
Advertising	-0.172	-0.166
Facebook Advertising	0.149	0.998
Brand preference	-0.295	-0.367

Chapter four
4. Data Analysis and Presentation

In this chapter, the collected data from the members of CBE's Facebook page are summarized and analyzed in order to realize the ultimate objective of the study. The purpose of this study is to investigate the effect of Facebook advertising on consumer brand preference in the case of Commercial Bank of Ethiopia (CBE). A total of 399 sets of questionnaires were distributed to the potential respondents online on Facebook and a total of 315 questionnaires were collected. Out of this, 84sets of the questionnaires were considered unusable because over 25 percent of the questions in part three of the questionnaires were not answered (Sekaran, 2003). It was assumed that the respondents were either unwilling to cooperate or not serious with the survey. Therefore, only 315 usable sets of collected questionnaires were used for the data analysis. Thereby, the response rate was 79% percent.

To observe what demographic trend the sample population has, the questionnaire begins with demographic characteristics of respondents. Accordingly, the following variables about the respondents were summarized and described in table 4.1.

4.1 Demographic profile of respondents

In the following table 4.1 the respondents' demographic profile is presented with their respective frequency of occurrence and percentage.

Table 4.1 Demographic Profile

Measure	Category	Frequency	Percentage %
Gender	Male	195	61.9
	Female	120	38.1
	Total	315	100
Age	18-30	168	53.3
	31-40	88	27.9
	41-50	42	13.4
	Above 50	17	5.4
	Total	315	100
Education	Primary	18	5.8
	Secondary	38	12
	Diploma	51	16.2
	Degree	180	57.2
	Above degree	28	8.8
	Total	315	100
Occupation	Business person	82	26
	Employee	141	44.8
	Student	77	24.4
	Other	15	4.8
	Total	315	100

Source: Own survey

4.2 General information on facebook advertising

Table 4.2 General information on facebook advertising

	Category	Frequency	Percentage
How many facebook friends do you have?	1-50	0	0
	51-200	15	4.7
	200-500	90	28.6
	Above 500	210	66.7
	Total	315	100
How do you know the CBE's Facebook page?	Facebook advertising	105	33.3
	Friends invitation	90	28.6
	Facebook research	60	19.1
	Google search engine	38	12
	Other	22	7
	Total	315	100
What's the reason for you to follow the CBE's page on Facebook?	New product information	90	28.8
	Latest news	74	23.5
	Special offers	38	12.1
	Vacancy announcement	46	14.5
	Service support	37	11.6
	Interesting or entertaining content	23	7.3
	Other	7	2.2
	Total	315	100

Source: Own survey

Gender

Based on the survey, out of the 315 valid respondents, there were 195(61.9%) male and the remaining 120(38.1%) were female. This imply that the number of male respondents were greater than the female counter parts.

Age

When it comes to age distribution of respondents of the total, the majority 168(53.3%) of respondents lies in the age range of 18-30 years and the age group 31-40 of respondents followed the previous group with a percent share of 88(27.9%). The age group 41-50 contributed 42(13.4%). The study indicates that majority of CBE's Facebook page members in the study were in the age range from 18-30 years old, which accounts 53.3% that means young adult consumers were major users than other age groups did.

Education

From the 315respondent, the majority 180(57.2%) of the respondents have degree. Followed by 51(16.2%) have diploma. 12(38%) of the respondents have accomplished secondary school, And 18(5.8%) of the respondent have accomplished primary school, and 28(8.8%) of the respondents had above Degree. As shown in the table majority of respondents had degree. And all of the respondents were able to read and write.

Occupation

Out of the 315 respondents, 141(44.8%) of them were employees, 77(24.4%) of them were student and 82(26%) of the respondent were business persons. So this study implies that most of the CBE's Facebook page members are employees.

Number of Facebook friends

Table 4.2 Shows that the majority of CBE's facebook page members 210 (66.7%) have more than 500 friends, 90 (28.6%) members have 201-500 friends and 15 (4.7%) members have 50-200 members and no members from the sample have less than 50 members.
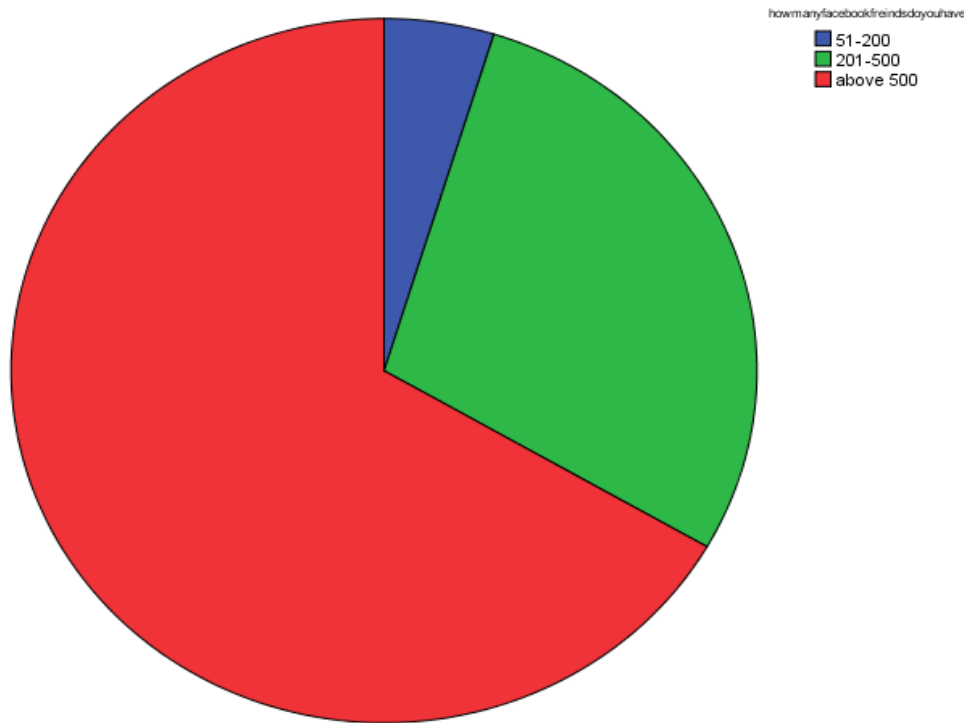
Source: Spss data output

Figure 1. Number of Facebook freinds

How members get into the CBE's Facebook page

The majority 105 (33.3%) members of CBE's Facebook page know about the page from Facebook advertising, 90 (28.6%) become members of the Facebook page because of a friends invitation, 60 (19.1%) members know about the CBE's Facebook page from Facebook search, 38 (12%) become members of the Facebook page using a goggle search engine, the rest 22 (7%) become members because of others.
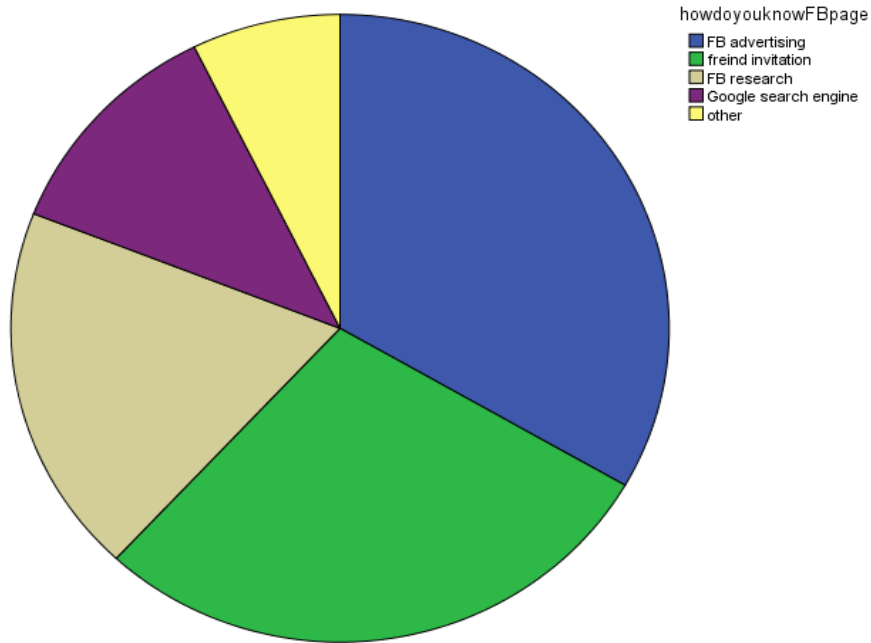
Source: spss data output

Figure 2 **how members get into CBE's facebook page**

Reason to follow CBE's Facebook page

The majority 90 (28.8%) of CBE's Facebook page members used the Facebook page for getting New product information, 74 (23.5%) members for getting latest news of the bank, 46 (14.5%) members for getting vacancy announcement, 38 (12.1%) for getting special offers,37 (11.6%) for getting service support from the bank, 23 (7.3%) used the page because of its Interesting or entertaining content of the page and the rest 7 (2.2%) members used for other reasons.
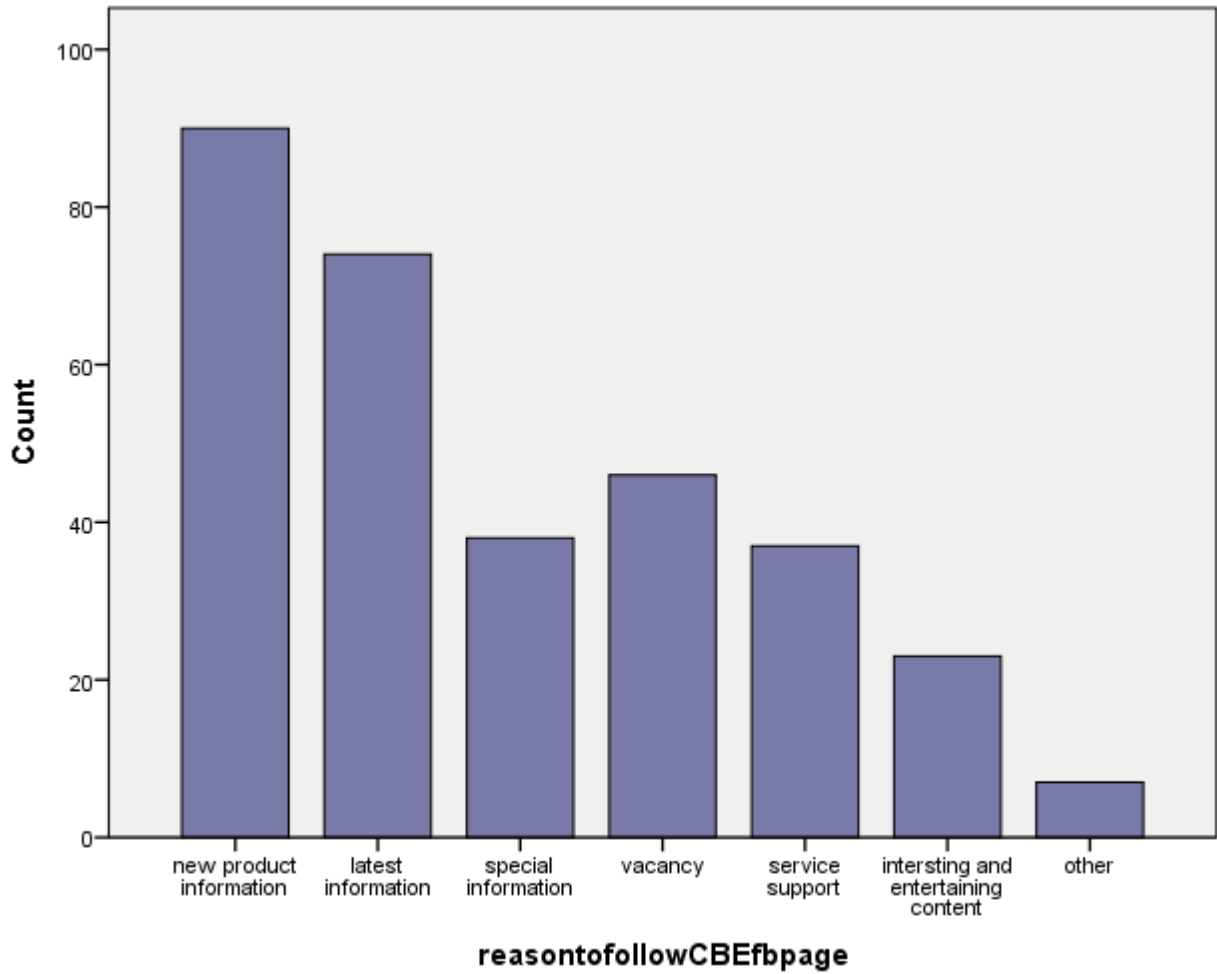
Source: spss data out put

Figure 3: Reasons to follow CBE's Facebook page

4.3 Descriptive analysis

First general overview of advertising is analysed. In order to see how many consumers are influenced by facebook advertising compared to other traditional advertising types. Mean is used to analyse it. The mean indicates to what extent the sample group averagely agrees or disagrees with the different statements. Mean value shows the average of all customers' responses on each dimension, the higher the mean the more the respondents agree with the statement while the lower the mean the more the respondents disagree with the statement.

Then the second part deals with CBE's consumers' results of Facebook advertising dimensions. The third part is Brand preference. This two are compared to describe the Facebook advertising effect on brand preference descriptive statistics, mean and standard deviation is used. The mean indicates to what extent the sample group averagely agrees or disagrees with the different statements. Mean value shows the average of all customers' responses on each dimension, the higher the mean the more the respondents agree with the statement while the lower the mean the more the respondents disagree with the statement. While standard deviation shows how diverse the responses of customers are for a given construct (SPSS, version 21). For instance, high standard deviation shows that the data is wide spread meaning customers gave variety of opinion and low standard deviation means customers have close opinion.

Table 4.2.1 Descriptive analysis of Advertising

Items of advertising	Mean	Std deviation
I trust Word-of-mouth information mostly to choose a bank	3.6	1.3
I trust television information mostly to choose a bank	3.5	1.72
I trust printed media such as newspapers and magazines mostly to choose a bank	2.52	1.22
I trust Facebook advertisement mostly to choose a bank	3.23	1.35

Source: Own survey result, 2020

Word of mouth scored the highest with mean value of 3.6 meaning customers of CBE are highly influenced by Word of mouth. Second Television advertisement has a mean of 3.5. Third Facebook advertising has a mean of 3.23. Printed media has a mean of 2.52. The three items Word of mouth, television advertisement and Facebook advertising scored above the cut of point

3.00 this implies consumers are highly influenced by the three media used for advertisement. This implies that Facebook advertising is also have high influence on brand preference on CBE's consumers.

Table 4.2.2 Descriptive analysis of Facebook advertising

Facebook advertisng	Mean	Std deviation
Facebook advertisement has an influence on my bank choice	3.35	1.17
I get useful information about the bank on the CBE's Facebook page	3.43	1.31
I share information's I get from the banks Facebook page with my Facebook friends	3.28	1.32
I communicate with the bank using the banks Facebook page	2.24	1.23
The facebook advertising of CBE are realistic and interesting	2.76	1.38
The advertising of CBE through facebook is effective	2.89	1.28

"I get useful information about the bank on CBE's Facebook page" scored the highest mean with 3.43."Facebook advertisement influence on bank choice" scored 3.35, "I share information's I get from the banks Facebook page with my Facebook friends" scored 3.28, "The advertising of CBE through facebook is effective" scored 2.89, "The facebook advertising of CBE are realistic and interesting" scored 2.76 and "I communicate with the bank using the banks Facebook page" scored the least mean 2.24. As indicated in table 4.3.2 the first three have a mean score of more than 3 which implies that most of CBE's customers agree with the first three hypostases.

Table 4.2.3 Descriptive analysis of Brand preference

Brand preference	Mean	Std deviation
I always prefer CBE for any banking service	3.37	1.17
In general I like the Facebook advertising campaign of the bank	3.42	1.29
I think CBE is intensively advertised on Facebook compared to other banks in Ethiopia	2.91	1.31
The Facebook advertising made by CBE are convincing and initiate me to prefer CBE over any other banks in.	2.96	1.19
Facebook advertisings made by other banks in the banking industry takes me away from using CBE and push me to try that other bank	2.92	1.21

"In general I like the Facebook advertising campaign of the bank" scored 3.42 which is the highest. "I always prefer CBE for any banking service" scored 3.37, "The Facebook advertising made by CBE are convincing and initiate me to prefer CBE over any other banks in" scored 2.96. "Facebook advertisings made by other banks in the banking industry takes me away from using CBE and push me to try that other bank" scored 2.92. "I think CBE is intensively advertised on facebook compared to other banks in Ethiopia" scored the least mean which is 2.91. Table 4.3.3 indicates that the first two hypothesis's have a mean of more than 3 which implies that most of CBE's customers agree with the first 2 hypothesis's.

4.4 Relationship between advertisement and brand preference

4.4.1Correlation analysis

The Pearson correlation coefficient(r) is used to test if a linear relationship exists between two variables. The correlation coefficient is a statistical measure of the association between two numerical variables (Zikmund, 2003). The value of "r" ranges from +1.0 to -1.0, where a positive "r" value indicates a direct relationship and a negative 'r' value represents an inverse relationship between two variables. When "r=0" it implies that there is no relationship between the two variables. When "r=+1" it implies that there is a perfect direct relationship between the variables. When "r=-1" it implies that there is a perfect negative/inverse relationship between the

variables. When "r" is in between 0.10-0.29, it implies that variables have weak relationships and when "r" value is in between 0.3-0.49, it implies that the variables have moderate relationship. When "r" value becomes greater or equals to 0.5 it indicates the relationship is strong. The relationship between advertisement and brand preference were tested by using a correlation analysis.

Table4.4 Correlation Matrix

	Brand prefernce	Facebook Advertising
Brand preference Pearson correlation	1	.965
Sig. (2-tailed)		.000
Facebook Advertising Pearson correlation	.965	1
Sig. (2-tailed)	.000	

The study revealed that there was positive and very strong relationship between brand preference and Facebook advertising, with value of "r"=0.965 which is closer to 1 and "p" =0.000 which means the correlation was significant at 0.05 significant level (2-tailed).

So it can be concluded that the independent variable Facebook advertising was positively and strongly correlated with brand preference (dependent variable).

4.4.2. Regression Analysis
4.4.2.1 Simple linear regression

Simple linear regression is a linear regression model with a single explanatory variable. It concerns two dimensional sample points with one independent variable and one dependent variable (conventionally the x and y coordinates in a Cartesian coordinates system) and finds a linear function (anon vertical straight line) that, as accurately as possible predicts the dependent variable values as a function of the independent variables. The adjective simple refers to the fact that the outcome variable is related to a single predictor. (seltman, Howard J 2008-09)

In this study Facebook advertising is the independent variable and Brand preference is the dependent variable.

Table 4.4.1 Square analysis

Model	R	R square	Adjusted R square	Std Error of the estimate
1	.965[a]	.932	.932	.30509

Predictors (constant), Facebook advertising

The R2 value tells us how much of the variation in the dependent variable (brand preference) is explained by the model (the dimensions of Facebook advertising). In the above table, the model summary shows that the R2 value is 0.932 which means that 93.2% of CBE's brand preference is explained by the variation of Facebook advertising variable.

Table 4.4.2 ANOVA

Model	Sum of squares	DF	Mean square	F	Sig
Regression	400.149	1	400.149	4298.98	0.00[b]
1 Residual	29.134	313	0.93		
Total	429.28	314			

    a. Dependent variable: Brand preference

    b. Predictor (constant): Facebook advertising

ANOVA tells us whether the model, overall, is acceptable from a statistical perspective i.e. whether the independent variables are in a significantly good degree of prediction of the outcome variable (SPSS, version 20). As can be seen from the above table, Advertising (independent variable)significantly predict the dependent variable (Brand preference) with F=4298.98 and sig=0.000. F-test is used to find out overall probability of the relationship between the dependent variable and all the independent variables occurring by chance (SPSS, version 20). The F-test result of the study is 4298.98 with a significance of 0.000 meaning that the probability of these results occurring by chance is less than 0.05 i.e. the variation that is explained by the model is not simply by chance.

While the ANOVA table is a useful test of the model's ability to explain any variation in the dependent variable, it does not directly address the strength of that relationship (SPSS, version 21). Table 4.5.4 shows the coefficients of the regression line. The sign of the coefficient indicates whether the predicted response increases or decreases when the predictor increases, all other predictors being constant (SPSS, version 20).

Table 4.4.3 Multiple Regression of advertising on brand preference

Model	Unstandardized coefficient		Standardized coefficient	T	Sig
	B	Std error	Beta		
Constant	0.158	0.52		3.048	0.02
Facebook advertising	0.958	0.15	0.965	65.569	0.00

Table 4.4.3.3 reveals the result of simple linear regression analysis between dependent variable (brand preference) and independent variable (Facebook advertising). As shown in the table, the study revealed that the independent variable has a significant level below 0.05 ($p<0.05$). Also beta values which mean individual independent variable influence on dependent variable. The result indicated that Facebook advertising has a strong influence on brand preference with beta value 0.965. It explains that 96.5% variation in Consumer brand preference cause due to Facebook advertising, which is significant at 0.000. Therefore, the study concluded that Facebook advertising positively and significantly affected consumers' preference of CBE's Facebook page members.

From the above regression, an increase in Facebook advertising dimension by one unit would result in an increase in brand preference by 0.958 unit of value.

4.5 Hypothesis testing

The above table displays the result of the hypothesis test based on the standardized coefficient (beta value) and P-value to see whether the hypothesis is accepted or rejected.

H1: Facebook advertising influences has effect on customer's bank choice in Ethiopia. From the data anlysed on the question which asks 'Facebook advertisement has an influence on my bank choice'. Majority of the respondents supports this hypothesis with a mean of 3.35.

H2: Facebook advertising can be used to pull other bank customers to prefer our bank service.. From the data analysed on the question which asks 'Facebook advertisings made by other banks in the banking industry takes me away from using CBE and push me to try that other bank'. Majority of the respondents agree with this hypothesis with a mean of 2.92.

H3: There is positive and significant relationship between Facebook advertising and brand preference. Facebook advertising has a positive and significant effect on CBE's bank preference with beta value 0.965, and p-value 0.000 which is greater than 0.05. Therefore, the study supports the hypothesis.

CHAPTER FIVE

5. DISCUSSION, CONCLUSION AND RECOMMENDATIONS

This chapter presents the discussion, conclusion and recommendation derived from the data analysis carried out in the previous section.

5.1 Discussion

The purpose of this study was to examine the effect of Facebook advertising on consumer brand preference in the case of CBE. This study was guided by the following objectives; To investigate the extent to which Facebook advertising influences consumer brand preference of CBE, To identify the relationship between the Facebook advertising and consumer brand preference in the case of CBE, To investigate how marketers can use Facebook to communicate with their customers, To identify the advantages of using Facebook advertising to communicate with customers.

5.1.1 Extent to which Facebook Advertising influences consumer brand preference CBE

On analysis of the first objective it was established that an increase in Facebook advertising dimension by one unit would result in an increase in brand preference by 0.958 unit of value.From this analysis we can see the extent to which Facebook Advertising influences consumer brand preference of CBE.

5.1.2 Relationship between the Facebook advertising and consumer brand preference in the case of CBE

On analysis of the second objective it was established that there was positive and very strong relationship between brand preference and Facebook advertising, with value of "r"=0.965. We can see that this two have a positive relationship.

5.1.3 How marketers can use Facebook to communicate with their customers

Based on literature reviewed the study have pointed out how marketers should use facebook to communicate with their customers. Lorenzo-Romero and Constantinides (2011), in their study on consumer adoption of social networking sites implications for theory and practice it was concluded that for a company to attract customers to participate in social media the company has

to develop user friendly websites that will create a positive attitude towards their customers hence reducing perceived risk and building trust. A study done by Okinda, (2014), on influence of social media based factors on Kenya commercial bank (KCB) group limited's strategic direct marketing among social media users in Nairobi regular updates is seen as an important factorthat influence customers to use social media sites. It was recommended that banks should create chat rooms that customers can use to communicate with their friends and that company.

5.1.4 Advantages of using Facebook advertising to communicate with customers.

Based on literature reviewed the study has pointed out the advantages of facebook advertising. Its message is very effective and its cost very efficient unlike the traditional TV and radio ads. Tavor (2011) opined that the cost is beginning to rise although. Its effectiveness makes it to transfix the audience in such a way that it guards him into placing order for the product advertised (Awan, Ismail, Majeed and Ghazal, 2016). The internet has become a source that is recognized to expand increasingly. Its growth particularly attracts the attention of advertisers as well advertising agencies as a more productive means of reaching out to customers.

Almost 1 in every 13 person in the world is an active Facebook user which points to the potential of finding a ready market for any product or service. With social ads on Facebook together with social context and the ability for users to share information so easily among each other, shows that creating powerful social media campaigns are possible with Facebook's Ad platform. With the majority of the 500+ million Facebook users ranging in the ages of 18 – 34, this benefits businesses more as young adults are usually more relaxed about spending online and generally have more of a disposable income to spare. The targeting options on the Facebook Ad platform allow businesses and advertisers to be very specific on who they want seeing their ads, especially when they are promoting their own Facebook Page or Application, as they are presented with even more targeting abilities to assist in building their brand further without wasting money showing ads to current users of the application or fans of the page.

5.2 Conclusion

The study concluded that majority 61.9% of the respondents were male. The majority of the respondents were in the young age group, 53.3% were in the age group of 18-30, Further more most of the respondents have a degree 57.2% and most of the respondents from CBE's facebook page are employees with 44.8%.

The majority of CBE's facebook page members 210 (66.7%) have more than 500 friends which shows us even though CBE's facebook page has only 153020 members, CBE's advertising can reach more than 500 people through every member because now a days people share and tag posts which they like in social media to their friends.

The majority 105 (33.3%) members of CBE's Facebook page know about the page from Facebook advertising, 90 (28.6%) become members of the Facebook page because of a friends invitation, 60 (19.1%) members know abou the CBE's Facebook page from Facebook search , 38 (12%) become members of the Facebook page using a Google search engine, the rest 22 (7%) become members because of others. It can be concluded that only 33.3% of the members know about the CBE's page through facebook advertising the rest get the page using their own research and search engines.

The majority 90 (28.8%) of CBE's Facebook page members used the Facebook page for getting New product information, 74 (23.5%) members for getting latest news of the bank, 46 (14.5%) members for getting vacancy announcement, 38 (12.1%) for getting special offers,37 (11.6%) for getting service support from the bank, 23 (7.3%) used the page because of its Interesting or entertaining content of the page and the rest 7 (2.2%) members used for other reasons. It can be concluded more than 90% of the members use the page to get some kind of information like new product, news, vacancy and special offer from the page.

When we compare Facebook advertising to other kinds of advertisement ways; Word of mouth scored the highest with mean value of 3.6 meaning customers of CBE are highly influenced by Word of mouth. Second Television advertisement has a mean of 3.5. Third Facebook advertising has a mean of 3.23. Printed media has a mean of 2.52. The three items Word of mouth, television advertisement and Facebook advertising scored above the cut of point 3.00 this implies

consumers are highly influenced by the three media used for advertisement. It can be concluded that Facebook advertising is also have high influence on brand preference on CBE's consumers.

When we see relationship between Facebook advertising and Brand preference, the study has concluded that there is positive and very strong relationship between brand preference and Facebook advertising, with value of "r"=0.965. The study concluded that Facebook advertising positively effects Brand preference in CBE customers.

The study shows that Facebook advertising has a strong influence on brand preference with beta value 0.965. It explains that 96.5% variation in Consumer brand preference cause due to Facebook advertisng, which is significant at 0.000. Therefore, the study concluded that Facebook advertising positively and significantly affected consumers' preference of CBE's Facebook page members. From the above regression, it can be concluded an increase in Facebook advertising dimension by one unit would result in an increase in brand preference by 0.958 unit of value. The study concluded that an increase in facebook advertising will increase consumers brand preference in the case of CBE.

This research study has concluded that Facebook advertisement significantly and positively affected customer's brand preference in the case of CBE.

5.3 Recommendation

The main purpose and priority of this study is to support Commercial Bank of Ethiopia to more effectively reach its customers in Ethiopia. Social media marketing is not an easy task. The corporate message, that a company would like to distribute, should be designed carefully. Moreover, companies should consider the cultural background of the country. In the privatization and globalization era, it is challenge for every marketer from fast moving consumer goods to durable goods and service provided. This research finding will help the CBE to identify its right market segment and positioning its service and brand. This study supports the CBE to create appropriate marketing communication and advertisements through Facebook.

The bank need to continuously utilize social media sites due to their timeliness, transparency and ease of access. The firm also needs to utilize social media site to post effective information.

The bank should use facebook advertising because its message is very effective and its cost efficient unlike other kind of advertising ways.

The study recommends that marketing in social media is not just about telling and giving a message, it is more about receiving and exchanging perceptions and ideas. The findings show that the members of CBE facebook page has a low two way communication. The researcher recommends the bank should develop more of a two way communication in facebook customers.

5.4 Recommendations for Future Research

This study has yielded significant results and produced substantial contributions to the existing body of knowledge; however, there are also significant limitations which require further research to be conducted. In this study, the researcher was forced to build up on the theoretical literature reviews from different sources and on previous works in other countries. The respondents' unwillingness to fill the questionnaires because of lack of understanding about the usefulness of the study and due to covid 19 disease there was inconvenience for setting interview for gathering additional information from CBE's marketing managers were the main limitation of the study. The results, therefore, are to be treated cautiously and future research should be conducted with the general population and add insights of marketers on the topic.

5.5 Limitation of the study

The limitation of this study includes: first, the study is only limited to one service giving organization second, the collected data may not be sufficient to conclude for all Facebook users third, most of Facebook users in Ethiopia lives in urbanized cities. Finally due to covid19 epidemic it is inconvenient for setting interview with the marketing management team of the organization for gathering additional information.

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APPENDIX- RESEARCH QUESTIONNIARES

St mary's university

School of Graduate studies

Marketing Management program

Questionnaire

Dear respondents,

My name is AlemsegedMengistu, a post graduate student at Student at St mary's university

School of graduate studies. I am carrying out research for my masters degree with a title of "The impact of Facebook advertising on customer brand preference: The case of commercial bank of Ethiopia(CBE)". Therefore I kindly request you to participate in filling out this questionnaire.

Please note that your response is confidential your name or address will not be shared.

Part 1: Demographic information

In answering this part of the questionnaire, please use tick mark in the boxes provided.

1. Gender

   ☐   Male

   ☐   Female

2. Ages:

   ☐   18- 30

   ☐   31 - 40

   ☐   41 – 50

   ☐   Over 50

3. Education qualification

       ☐ Primary

       ☐ Secondary

       ☐ Diploma

       ☐ Degree

       ☐ Master Degree and above

4. Occupation:

     ☐ Businessperson

     ☐ Student

     ☐ Employee

Part 2: General information on facebook advertising

This part of the questionnaire tries to collect information about the general Facebook advertising. Choose your answer by circling the letter from the given options.

1. How many facebook friends do you have?

    a. 1-50

    b. 51-200

    c. 200-500

    d. Greater than 500

2. How do you know the CBE's Facebook page?

a) Facebook research

b) Google or other research engines

c) Friends invitation

d) Facebook advertising

e) Others_____

3. What's the reason for you to follow the CBE's page on Facebook? (you can choose multiple options)

a) Latest news about the brand

b) Special offers/deals

c) New product information

d) Service support

e) Interesting or entertaining content

f) Vacancy announcements

g) Others_____

Part 3- Advertising

 Please rate these questions based on your opinion

1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly Agree

Which media advertising is highly influencing your bank choice?	1	2	3	4	5
1. I trust Word-of-mouth information mostly to choose a bank					
2. I trust television information mostly to choose a bank					
3. I trust printed media such as newspapers and magazines mostly to choose a bank					
4. I trust internet social networks or online advertisement mostly to choose a bank					

Part 4- Facebook advertising

Question	1	2	3	4	5
1. Facebook advertisement has an influence on my bank choice					
2. I get useful information about the bank on the CBE's Facebook page					
3. I share information's I get from the banks Facebook page with my Facebook friends					
4. I communicate with the bank using the banks Facebook page					
5. The facebook advertising of CBE are realistic and interesting					
6. The advertising of CBE through facebook is effective					

Part 5- Brand preference

Question	1	2	3	4	5
1. I always prefer CBE for any banking service					
2. In general I like the Facebook advertising campaign of the bank					
3. I think CBE is intensively advertised on facebookcomapared to other banks in Ethiopia					
4. The Facebook advertising made by CBE are convincing and initiate me to prefer CBE over any other banks in.					
5. Facebook advertisings made by other banks in the banking industry takes me away from using CBE and push me to try that other bank.					

Appendix

Descriptive statistics

Descriptive Statistics

	N	Mean	Std. Deviation
FBadvertismenthasinfluenceon bankchoice	315	3.3492	1.17780
Valid N (listwise)	315		

Descriptive Statistics

	N	Mean	Std. Deviation
igetusefulinformationabouttheb ank	315	3.4317	1.31295
Valid N (listwise)	315		

Descriptive Statistics

	N	Mean	Std. Deviation
ishareinformationigetabouttheb ank	315	3.2889	1.32193
Valid N (listwise)	315		

Descriptive Statistics

	N	Mean	Std. Deviation
icommunicatewiththebank	315	2.2381	1.23271
Valid N (listwise)	315		

Descriptive Statistics

	N	Mean	Std. Deviation
FBavertisingofCBEarerealistic	315	2.7619	1.37903
Valid N (listwise)	315		

Descriptive Statistics

	N	Mean	Std. Deviation
ipreferCBEforbankingservice	315	3.3683	1.16925
Valid N (listwise)	315		

Descriptive Statistics

	N	Mean	Std. Deviation
ilikeFBadvertisingofCBE	315	3.4222	1.29532
Valid N (listwise)	315		

Descriptive Statistics

	N	Mean	Std. Deviation
FBadvertisingbyCBEareconvincing	315	2.9587	1.19775
Valid N (listwise)	315		

Descriptive Statistics

	N	Mean	Std. Deviation
FBadvertisingmadebyotherbanktakesmeawayfromusingCBE	315	2.9238	1.21583
Valid N (listwise)	315		

Reliability test

Reliability Statistics of Advertising

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.978	.979	4

Reliability Statistics of Facebook advertising

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.986	.986	6

Reliability Statistics Brand preference

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.983	.984	5

Normality test

Variables	Skewness	Kurtosis
Advertising	-0.172	-0.166
Facebook Advertising	0.149	0.998
Brand preference	-0.295	-0.367

Correlation analysis

Correlations

		Face book advertising	Brand preference
Face book advertising	Pearson Correlation	1	.965**
	Sig. (2-tailed)		.000
	N	315	315
Brand preference	Pearson Correlation	.965**	1
	Sig. (2-tailed)	.000	
	N	315	315

**. Correlation is significant at the 0.01 level (2-tailed).

Regression analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.965a	.932	.932	.30509

a. Predictors: (Constant), Face book advertising

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	400.149	1	400.149	4298.980	.000b
	Residual	29.134	313	.093		
	Total	429.283	314			

a. Dependent Variable: brand preference

b. Predictors: (Constant), Face book advertising

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.158	.052		3.048	.002
	Face book advertising	.958	.015	.965	65.567	.000

a. Dependent Variable: Brand preference