Chapter 33
The Impacts of Facebook Ads on Brand Image, Brand Awareness, and Brand Equity

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ABSTRACT

The advent of Facebook brought a new aspect for advertising since it allows ads to reach more targeted users on the internet. However, although the ads on Facebook have been found influential on consumers' purchase intentions, the possible impacts on brands have been relatively neglected. The purpose of this research is therefore to investigate the impacts of Facebook ads on brand image, brand awareness, and brand equity. With this purpose, a conceptual model was developed based on the advertising value model (AVM). The research model was tested by means of structural equation modelling (SEM) with the help of surveys applied for 194 university students. The results support the proposed model and confirm that Facebook ads play an important role on brand image, brand awareness, and brand equity. Theoretical and practical implications are discussed.

INTRODUCTION

With the increasing utilization of the Internet, social media has become an inevitable part of people's lives. The advent of social media has generated a different kind of communication approaches consisting of two ways or multiple ways of communication skills (Daugherty& Hoffman, 2014). Social media

has distinct platforms such as Facebook, YouTube, Twitter etc. In such platforms, as social media has altered the way people communicate in everyday life, social media has provided modern marketing approach rapidly (Dehghani &Tumer, 2015). In other words, social media has acted as a bridge between society and marketplace with developed world of chances and difficulties for entire perspectives of any business, which affects all departments in a company (Aral et al., 2014). Similarly, according to Com-Score Media (2009), to improve consumer brand awareness, social media has composed an association between marketers and consumers by achieving undiscovered chances. Therefore, brands devote a significant portion of their budgets to social media platforms such as Facebook, Twitter, and Instagram to reach both existing and new customers (Kumar et al., 2013). In particular, advertising on Facebook has become a new profession, so brands hire advertising specialists for social networking sites like Facebook (Dehghani & Tumer, 2015).

Facebook lets people easily communicate with each other and have a conversation with others who have similar interests (Rohani & Hock, 2010). Moreover, such people have potential to influence each other's brand perceptions as well as their purchasing intentions (Zhao & Shanyang, 2008). Therefore, marketers identify possible influencers and let them advertise their products and services (Falls, 2009). Online marketers also use Facebook ads in order to increase customers' awareness, and to understand customer expectations (Tran, 2017). According to statistical figures, Facebook is the most suitable and ideal social platform for advertisements since online advertisement on Facebook is much cheaper than the other platforms (Tran, 2017). For this reason, with the help of Facebook, many companies can monitor their brands so that they can make a decision about their profitability and efficiency. While doing so, researchers or companies can also take advantage of the attitude towards web advertising, which is seen as an essential component in understanding the effectiveness of advertising (Lutz et al., 1983). Advertising on Facebook has therefore been considered important, and the influence of Facebook ads on consumers has been studied by previous researchers (Dehghani & Tumer, 2015; Duffett, 2015). However, although there is a significant amount of research regarding the influence of Facebook ads on consumers, the number of studies which focuses on brands is very limited. The possible impacts of Facebook ads on brands have been relatively neglected. For this reason, it is understood that further study is required in this field.

The objective of this study is therefore to investigate the impacts of Facebook ads on brand image, brand identity, and brand equity. With this goal, a conceptual model was improved being founded on the Advertising Value Model (AVM) (Ducoffe, 1996). The research model was then tested by means of structural equation modelling (SEM) with the help of surveys applied for 194 university students. The results advocate the proposed model and approve that Facebook plays an important role on brand image, brand awareness, and brand equity. Findings come up with theoretical insights regarding ads on social media; and contribute to the existing literature by means of the proposed research model. From the practical perspective, comprehension the factors of ads on social media which impacts on brand image, brand identity, and brand equity could assist managers to organize their activities based on digital marketing.

ADVERTISEMENTS ON THE INTERNET

The internet, as an initial new medium marketing concept, provides both ample opportunities and some difficulties for marketers (Berthon et al., 1996; Ducoffe, 1996; Schlosser et al.,1999). To utilize of the internet in an effective way, most marketers attempt to understand how people using the internet recognize

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