The Impact of Facebook Advertising and eWOM on Brand Awareness and Purchase Intention: Reference to the Fashion Retail Industry in Sri Lanka

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Abstract

Social media has become a famous tool for integrating and interacting with a wide array of people and businesses in the virtual world. Due to the direct communication that social media marketing has made possible between businesses and their clients, it has given traditional marketing a fresh viewpoint. Compared with the traditional modes of communication, social media itself has been able to attract massive customer and business attraction due to its superiority. In light of such positive ground for social media, this study aims to examine the impact of Facebook advertising on brand awareness and purchase intention. In the Sri Lankan context, fashion retail companies extensively utilize social media platforms for marketing purposes, while customers actively use these platforms to gather information about products they intend to buy. However, only a limited number of researchers have kept an interest in the field in the Sri Lankan context. A form of explanatory research method was applied. The sample is 150 Facebook users selected among Sri Lankan state universities using the convenience sampling technique. The results highlighted that Facebook advertising, and electronic word of mouth (eWOM) have a significant positive relationship with brand awareness and there is a significant positive relationship between brand awareness and purchase intention. Finally, this study showed that Facebook advertising and eWOM had an indirect but significant, positive relationship with purchase intention. The practical value of this research is illustrated by the fact that managers may use the findings to enhance their social media marketing initiatives, particularly those using Facebook fan pages, to increase their brand awareness. Additionally, research suggests that the cyber world plays a significant marketing role in contemporary marketing.

Keywords: Brand awareness, Electronic word of mouth (eWOM), Facebook advertising, Purchase intention
1. Introduction

1.1 Background of the Study

Companies throughout the world constantly seek new ways to reach their customers. In the past few decades, television and print advertising were the foremost tactics used as marketing strategies. As we move to the 21st era, information technology has created a new platform—social media. Social Media can be defined as “a new form of media that contains online sources that were generated, explored, utilized, and spread by online users with intent to educate others about products, brands, services, events, and other topics of interest” (Michaela & Orna, 2015). In today’s business world, the role of social media channels and networks overall has been the center of attention. The circuit of the study can be classified into subcategories as; Facebook advertising, electronic word of mouth (eWOM), brand awareness, and purchase intention.

In 2004, a social media named “Facebook” was created by Mark Zuckerberg, and a whole new marketing platform was created for the marketers. In the Sri Lankan context, the most popular social media platforms like Facebook, Instagram, YouTube, Pinterest, and TikTok are emerging trends in social media forums. In the Sri Lankan context, there are 8.4 million social media users in 2022 which accounts as 38.1% of the total population. Sri Lanka has around 7.69 million Facebook users, with male users account for around 61.64% and female users account for 38.36% (social media in Sri Lanka - 2023 stats & platform trends, 2023). According to the same study, there are around 1.51 million Instagram users in Sri Lanka with male users account for around 63.69% and female users of 36.31%.

In the internet-mediated world, consumers started to be exposed to an excessive number of advertisements with the emergence of mass media. This was a great opportunity to acquire information about products and services of companies. However, conversely, as a result of this increasing amount of information, making a buying decision is becoming more and more complicated. This led consumers to exchange their opinions and experiences between each other which is called word of mouth (WOM). In fact, as cited by Erkan, (2016), recent studies have found that social media has increased the number of online reviews written by consumers. An average of 35% of a person’s friends on popular social networking sites are able to follow or read their updates and postings (Barreda et al., 2015).

Facebook activities are created based on Facebook fan pages. Most of the trending retail fashion companies update their fan pages with the latest fashion trends twice or thrice a month, which will appear in followers or customers news feed. Those advertisements will then create quick awareness among customers as soon as they see the advertisements. Then customers will intend to purchase the product either by physically visiting the shop or through online platforms. This particular activity is one platform under the social media known as Facebook advertising. These two mechanisms including, eWOM and Facebook advertising simultaneously create brand awareness of a particular fashion product and ultimately end up with an intention to purchase.

The study focuses on the fashion retail industry in Sri Lanka to find out the relationship between eWOM and Facebook advertising on brand awareness and purchase intention. Fashion is defined as “a form of collective behavior, or a wave of social conformity (Solo-mon, 2004). In the context of fashion, apparels are the most usable products that have both economic and social values in contemporary societies (O’Cass, 2004). The fashion retail industry is a novel and emerging sector in Sri Lanka. It is estimated that local retailers are earning over 10 million US dollars annually (Dias, Sunday Times, 2011). This industry gives customers touch points to come and see the items in the physical realm too; the concept has been changed to a
“physical” store, which is a marketing term that describes blending digital experiences with physical ones.

1.2 Problem Statement

A vast number of fashion retailing companies engage with social media as a major marketing tool. However, it is difficult to anticipate all information conveyed through social media platforms are being influential to the customers. Owing to the vast amount of information that consumers are exposed to, they need to evaluate and screen the information before using it. The determinant of this mechanism between information on social media and purchase intention has not yet been explained.

Considering the Sri Lankan context, almost all the fashion retailing companies are engaging with social media platforms in order to promote their marketing offerings. At the same time, customers are also engaging with social media platforms to search information relating to the products that they are willing to purchase. However, only a limited number of researchers have kept an interest in the field of social media to conduct their research in Sri Lankan context. But in the global context, many researchers have kept their keen eye on social media and purchase intention (Duffett, 2015a; Michaela & Orna, 2015; Kudeshia & Kumar, 2017). Therefore, this study empirically tests and compares the influence of Facebook between familiar people on social media in the context of purchase intention in Sri Lanka.

In the fashion retailing industry, organizations can use visually enriched content (Facebook advertising) as well as reviews made by customers (eWOM) to create brand awareness. A combination of these two mechanisms (Facebook advertising and eWOM) can critically be used as a major marketing tool rather than considering two mechanisms separately. Most of the researchers have kept their separate focus on those two factors (Erkan, 2016; Ananda et al., 2019; Kudeshia & Kumar, 2017; Raji et al., 2019; Mukherjee & Banerjee, 2019). But this empirical research kept a simultaneous focus on both factors to identify the impact of Facebook advertising and eWOM on brand awareness and purchase intention.

Facebook is an incredibly valuable asset to the fashion industry because of the fast speed at which the content travels on Facebook. New styles can be shared with millions of people in a matter of seconds. The most successful fashion brands on Facebook are the once that have mastered the task of creating visually stimulating images that produce an emotional response in the mindsets of their customers. As per the available literature, there is only a lower number of research can be found in the fashion industry, even though it is largely affected by Facebook. Therefore, this research study will be crucial to fill the gap in the existing literature.

By analyzing the available literature, there are fluctuations in the findings of the studies done by the researchers. Some studies found that consumer's attitudes towards social media advertising were largely negative or indifferent. And also found that social media advertisements were predominantly uninformative, irrelevant, and uninteresting, and would not generally click on them (Bannister et al., 2013; Barreto, 2013). On the other hand, some researchers found that consumers have a positive attitude towards social media advertisements whereas a majority had no opinion regarding social media advertising. The majority believed that advertising was important to market a company on Facebook (Hansson et al., 2013). eWOM also shows fluctuating results. The majority of studies found that there is a positive effect between eWOM engagement on consumer attitudes and their decision-making process (Jansen et al., 2009; See-To & Ho, 2014).
The present study thus extends the literature available in the field of Facebook advertising and eWOM by examining how those two variables influence brand awareness and purchase intention in the Fashion retail industry.

1.3 Research Objectives
The main objective of the study is to identify the impact of Facebook advertising on brand awareness and purchase intention in the fashion retail industry in Sri Lanka. The following secondary objectives were established in order to accomplish the main objective of the study.

- To identify the impact of Facebook advertising on brand awareness.
- To identify the impact of electronic word of mouth (eWOM) on brand awareness.
- To identify the impact of brand awareness on purchase intention.
- To identify the indirect impact of Facebook advertising on purchase intention.
- To identify the indirect impact of eWOM on purchase intention.

2. Literature Review

2.1 Purchase Intention
Facebook is fundamentally changing the way organizations market their products. Purchase intention was defined by A. J. Kim & Ko, (2010) as the consumer’s tendency to make a purchase of the product in the decision-making process and develop a willingness toward the product or brand. According to Balakrishnan et al., (2014), purchase intention is consumer’s willingness to buy and repurchase, or the degree of perceptual conviction of a customer to purchase a particular product or service. Recent literature clarifies the term “purchase intention” as the mental stage in the decision-making process where the consumer has developed an actual willingness to act toward an object or brand (Wells et al., 2011).

2.2 Brand Awareness
Brand awareness is the consumer’s ability to recognize and recall the brand in different situations (Tariq et al., 2017). Simply it means that, the strength of a brand’s presence in consumers’ minds. Brand awareness is at the lowest end of brand knowledge that parameter starts from simple brand recognition to the cognitive thinking-based approach which is based on detailed information about the brand (Mandler, 1980). According to Tariq et al. (2017), it is the ability of brand to attain a pre-planned recognition level is actually brand awareness; consumers can get the brand name before purchasing behavior. Brand awareness is not only about customers being able to recognize or recall a brand; it is also the ability to connect the brand to a specific product class (Aaker, 1991).

2.3 Facebook Advertising
Facebook advertising particularly, is considered as Facebook news feed advertisements that appear in the main content on a user’s home page (Morris et al., 2016). As cited by Xue, (2019), news feed advertising is a combination of paid advertising content with posts from user’s Facebook friends, it allows users to like and comment on their favorite brand pages and posts. Such “Likes” and comments will then be repacked into sponsored ads that appear on their friends’ news feeds. This is called “Social Information”, which let Facebook users see whether any of their friends has engaged with the advertised business (Xue, 2019).

Findings suggested that traditional media advertising was more informative and had a strong influence on brand awareness, while social media advertising was more entertaining and more effective in building brand image (Goodrich & de Mooij, 2014). In search of research on Facebook advertising, much attention has been kept on audience motivations and message
strategy. Few studies indicated a somewhat negative reception of Facebook advertising, especially privacy concerns related to targeted messages (Baglione & Tucci, 2019). At the same time, many scholars reported a positive effect of Facebook advertising and brand responses (De Keyzer et al., 2015, Duffett, 2015b). In general, researchers have found that Facebook advertising is more effective when it offers informative and engaging content.

2.3.1 Facebook Advertising and Brand Awareness

Bannister et al., (2013) found that the attitudes of US college students towards Facebook advertising were largely negative or indifferent. Respondents disclosed that Facebook advertisements were predominantly uninformative, irrelevant, and uninteresting, and would, therefore, not generally click on them. The study further revealed that a majority of college students would not make a purchase owing to Facebook advertising. As cited by Duffett, (2015a), an experiment carried out among 96 young adults to explore the impact of interactivity and product involvement on respondents’ attitudes towards brands on Facebook and their intention to purchase, showed no significant relationship among interactivity, product involvement or intention to purchase. However, the study revealed that high levels of interactivity on Facebook were positively correlated to intention to purchase and favorable attitudes towards the brand.

2.4 Electronic Word of Mouth (eWOM)

eWOM has been defined as: ‘any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a multitude of people and institutions via the Internet (Hennig-Thurau et al., 2004). The term “Electronic word of mouth” is also known as “online word of mouth”, “internet word of mouth” (Goldenberg et al., 2001), “Buzz marketing” (Thomas, 2004), and “Electronic word of mouth communication” (Hennig-Thurau et al., 2004).

Social media networks are bidirectional communication channels that make tools available for users to express their reactions respond to any content posted to the platform and create eWOM. These tools include the social plugins (e.g., “like,” “retweet,” “share,” “comment,” etc.) Usually, those are click-based buttons on social media platforms. Users can then share their interests or convey their attitude about content posted by anyone using these buttons (Swani et al., 2013). Different social media platforms use different types of engagement alternatives. For instance, Facebook’s “Like”, Twitter’s “Favorite, and Pinterest’s “Pin”, all methods try to encompass the positive eWOM behavior (Ananda et al., 2019). According to Dhaoui, (2014), suggests that there are four types of consumer engagement on Facebook. First, endorsement of the brand and/or the values expressed in the content, e.g., “liking”; second, feedback or replies from users to content published by the brands; third, conversation with/among Facebook users; and fourth, recommendation, i.e., passing on or sharing online content with other users.

2.4.1 eWOM and Brand Awareness

A study carried out by Hutter et al., (2013) has identified three relationships relating to WOM and brand awareness. (a) Brand page commitment has a positive effect on WOM activities. (b) Annoyance with the content of a brand page has a negative effect on WOM activities (c) Higher levels of brand awareness, have a higher positive effect on WOM activities. Finally, the study identified a positive relationship between eWOM and purchase intention. A study conducted by Tariq et al., (2017) has identified that eWOM and brand awareness create purchase intention using a mediating variable of brand image. They identified a positive
relationship between eWOM and brand image and ultimately it creates a positive relationship with purchase intention (Tariq et al., 2017).

3. Methodology

3.1 Conceptual Framework

![Conceptual Framework](image)

**H1:** Facebook advertising is positively related to brand awareness.

**H2:** eWOM engagement is positively related to the brand awareness.

**H3:** Brand awareness mediates the relationship between Facebook advertising, eWOM engagement, and purchase intention.

**H4:** Facebook advertising has an indirect positive relationship with purchase intention.

**H5:** eWOM engagement has an indirect positive relationship with purchase intention.

3.2 Hypothesis Development

**H1:** Facebook advertising is positively related to brand awareness.

**H2:** eWOM engagement is positively related to the brand awareness.

**H3:** Brand awareness mediates the relationship between Facebook advertising, eWOM engagement, and purchase intention.

**H4:** Facebook advertising has an indirect positive relationship with purchase intention.

**H5:** eWOM engagement has an indirect positive relationship with purchase intention.

3.3 Research Design

Research design refers to the overall plan of the research which helps to obtain answers to the research questions. It includes Research philosophy, Research approach, Research strategy, time horizon, and techniques and procedures. This research study can be categorized as positivistic, and epistemological due to the fact that the researcher can be separated from its study. Since the study is focused on an existing theory, it can be considered a deductive research approach. The research strategy is identified as the “Survey” because the required data was collected using a questionnaire. The time horizon of the study is one-shot/cross-sectional, due to the fact that data were gathered only one time and also falls under the quantitative research category.

3.4 Population and Sampling

As the study mainly deals with Facebook, the population of the study is considered as Facebook users in Sri Lanka. Looking at the population for this study, the researcher identifies two important factors when deciding on the minimum number of respondents required to distribute the questionnaire to make the generalization of the results. The first factor was that the researcher needed respondents to be knowledgeable or at least have some experience regarding Facebook activities and preferably be active users themselves.
The second factor was, that among those who fulfil the previously stated condition, the respondents should also be familiar with fashion retailing activities through Facebook.

University students were considered appropriate for this study due to the latest statistics which present people between the ages 18-24 and 25-34 as being the majority of social media users representing 30.1% and 35.4% respectively (NapoleonCat, 2023). Furthermore, younger age groups are more familiar with social media platforms and they are the group of people who are well aware of the fashion trends and fashion retailing industry.

A questionnaire was distributed among 150 university students in Sri Lanka using convenience sampling method including Rajarata University, University of Kelaniya, University of Peradeniya, and University of Sri Jayawardanapura. According to a survey done by Seven Media Group Pvt. Ltd, (2018) identified that 40% of the social media users are from Colombo district, which is the highest usage rate in Sri Lanka, the researchers selected the University of Sri Jayawardenapura covering Colombo district. University of Sri Jayawardenapura was selected among 4 state universities situated in Colombo district (University of Colombo, University of Sri Jayawardenapura, University of Moratuwa, Open University of Sri Lanka) due to the fact that it holds the largest student population and largest no of Faculty combination.

On the other hand, the second largest social media usage is represented by the Kandy district which is 16%. Covering the Kandy district, the researchers selected the University of Peradeniya for the survey. In order to represent the 3rd largest district, which is Gampaha, University of Kelaniya was selected. Rajarata University of Sri Lanka was selected due to its access capabilities.

3.5 Data Collection Method
The required primary data were collected using a questionnaire with the use of online platforms and the secondary data were gathered by referring to the previous studies, books, and journals.

3.6 Data Presentation and Analysis
Due to the quantitative nature of the study, collected data were analyzed using “Statistical Package for Social Sciences (SPSS- 26), including, assumption testing, correlation analysis, and regression analysis to test the hypotheses.

4. Findings
4.1. Descriptive Statistics
In order to understand the basic nature of the research variables, descriptive statistics were performed (Table 1). According to the analysis, mean values for four variables; Facebook advertising, eWOM engagement, brand awareness, and purchase intention respectively 3.68, 3.55, 3.78, and 3.53 of mean values which have dispersed from the mean values amounting to 0.51, 0.51, 0.56, and .60 of standard deviation lay at the acceptable range.
Table 1. Descriptive Statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Skewness Statistic</th>
<th>Std. Error</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook advertising</td>
<td>3.6881</td>
<td>.51390</td>
<td>-.306</td>
<td>.198</td>
</tr>
<tr>
<td>eWOM engagement</td>
<td>3.5539</td>
<td>.51656</td>
<td>-.079</td>
<td>.198</td>
</tr>
<tr>
<td>Brand awareness</td>
<td>3.7867</td>
<td>.56926</td>
<td>-.741</td>
<td>.198</td>
</tr>
<tr>
<td>Purchase intention</td>
<td>3.5314</td>
<td>.60204</td>
<td>-.302</td>
<td>.198</td>
</tr>
</tbody>
</table>

Source: Survey data, 2023

4.2 Reliability Analysis

In order to test the internal consistency of the constructs that were used to measure the variables of the study, reliability analysis was performed with Cronbach’s Alpha test (Table 2). Cronbach’s Alpha values for all independent and dependent variables are respectively 0.80, 0.83, 0.70, and 0.85. Therefore, it can be concluded that the questionnaire of the study remains the same the questionnaire or the measurement continues to be stable over time and the similarity of the measurement within a given time period is ensured.

Table 2. Reliability Analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>Number of items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook Advertising</td>
<td>0.804</td>
<td>9</td>
</tr>
<tr>
<td>eWOM Engagement</td>
<td>0.835</td>
<td>11</td>
</tr>
<tr>
<td>Brand Awareness</td>
<td>0.708</td>
<td>3</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>0.857</td>
<td>7</td>
</tr>
</tbody>
</table>

Source: Survey data, 2023

4.3. Assumption Testing

4.3.1. Normality Test

Figure 2 demonstrates the normality of the distribution. The majority of residuals should be closer to the linear line, to be considered as a normal distribution. As per the below normal probability plot, it can be assumed that the majority of residuals are closer to the linear line, and thus the data set is normally distributed.

![Normal Probability Plot](image)
4.3.2. Multicollinearity Analysis

Serious multicollinearity in a model is represented by anything under 0.20 tolerance and anything that exceeds 10 of VIF value (Weisburd & Britt, 2013). As per the multicollinearity analysis (Table 3), all two independent variables exceeded the 0.20 tolerance level and all VIF values were less than 10. Hence, it can be concluded that there is no multicollinearity among independent variables and they are perfectly correlated.

| Source: Survey data, 2023 |

Table 3. Multicollinearity Analysis

<table>
<thead>
<tr>
<th></th>
<th>Collinearity Statistics</th>
<th>Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tolerance</td>
<td>VIF</td>
</tr>
<tr>
<td>Facebook Advertising</td>
<td>0.653</td>
<td>1.533</td>
</tr>
<tr>
<td>eWOM Engagement</td>
<td>0.653</td>
<td>1.533</td>
</tr>
</tbody>
</table>

Source: Survey data, 2023

4.3.3 Homoscedasticity

Around the regression line, a scatter plot shows a random array of dots. As a result, there are no obvious signs of funneling in any of the independent variables, indicating that the homoscedasticity assumption was met.

Figure 3. Scatterplot
Source: Survey data, 2023

4.4 Correlation Analysis

According to Table 4, the probability values of the relationships between Facebook advertising and brand awareness, eWOM and brand awareness, brand awareness, and purchase intention is 0.000. Further, the probability values of the indirect relationships of Facebook advertising and purchase intention, eWOM, and purchase intention is also 0.000. It indicates that a highly significant relationship exists between the independent and dependent variables.

According to Tavakol et al., (2011), relationships between two variables are strong if the correlation coefficient lies between 0.6 to 0.8 and moderate if the coefficients lie between 0.4 to 0.6. As per table 4, correlation coefficients between Facebook advertising and brand awareness, eWOM and brand awareness, brand awareness, and purchase intention lie between the range of 0.4-0.6, confirming a moderate relationship between variables.
Correlations analysis further revealed the indirect relationships between variables; Facebook advertising and purchase intention, eWOM, and purchase intention. The correlation coefficient between the above variables is 0.694, and 0.682 respectively, indicating a strong relationship between variables.

Table 4. Correlation analysis

<table>
<thead>
<tr>
<th></th>
<th>Facebook advertising</th>
<th>eWOM engagement</th>
<th>Brand awareness</th>
<th>Purchase intention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook advertising</td>
<td>Pearson Correlation</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>eWOM engagement</td>
<td>Pearson Correlation</td>
<td>.589**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand awareness</td>
<td>Pearson Correlation</td>
<td>.577**</td>
<td>.544**</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>Purchase intention</td>
<td>Pearson Correlation</td>
<td>.694**</td>
<td>.682**</td>
<td>.589**</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
</tbody>
</table>

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

Source: Survey data, 2023

4.5 Regression Analysis

Multiple linear regression was employed to examine the effects of two or more independent variables on a dependent variable using SPSS-26. Regression analysis was performed under three sections since there is a mediating variable (brand awareness) and also to identify the indirect relationships of the variables.

4.5.1 Regression Analysis for H1 and H2

In the first phase of the analysis, brand awareness was entered as the dependent variable and Facebook advertising and electronic word of mouth were entered as predictors.

Model Summary

R square value indicates how much of the total variation in the dependent variable can be explained by the independent variables. According to the above table, the R² value, 0.397, indicates that predictor variables for the test have the ability to explain 39.7 percent variation in brand awareness. Therefore, it can be concluded that this regression model is reasonably fit for the data.

Table 5. Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>R Square Change</td>
<td>F Change</td>
</tr>
<tr>
<td>1</td>
<td>.630a</td>
<td>.397</td>
<td>.389</td>
<td>.44500</td>
<td>.397</td>
<td>48.416</td>
</tr>
</tbody>
</table>

Source: Survey Data, 2023

ANOVA

The P value is 0.000, which is less than 0.05, as seen in the below table 6. It demonstrates that the overall model used is statistically significant and accurately predicts the dependent variable and thus it can be concluded that, the model is a valid model.
Table 6. ANOVA Table

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>19.175</td>
<td>2</td>
<td>9.587</td>
<td>48.416</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>29.109</td>
<td>147</td>
<td>.198</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>48.284</td>
<td>149</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Survey data, 2023

Coefficients

Table 7 demonstrates the beta (β) and significance (p) values of each independent variable on the dependent variable; brand awareness. Facebook advertising (β= 0.436, p= 0.000), eWOM (β= 0.344, p = 0.000). All two independent variables indicate positive values. The significance value for both independent variables lies in the accepted range which is p<0.05. Therefore, it can be concluded that both independent variables demonstrate a significant positive relationship with the dependent variable: brand awareness. The following regression model can be formulated.

\[ \hat{Y} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \epsilon \]

\( \hat{Y} \) = Dependent variable = Brand Awareness (BA)
\( X_1 \) = Independent Variable 1 = Facebook Advertising (FBA)
\( X_2 \) = Independent Variable 2 = eWOM engagement (eWOM)
\( \alpha \) = Constant value
\( \epsilon \) = Error
\( \beta_1, \beta_2, \beta_3 \ldots \) represent the Coefficients

\[ \hat{Y} = 0.956 + 0.436 X_1 + 0.344 X_2 + \epsilon \]

\[ BA = 0.956 + 0.436FBA + 0.344eWOM + \epsilon \]

4.5.2 Regression Analysis for H3

In the second phase of the analysis, purchase intention was entered as the dependent variable, and brand awareness was entered as the predictor.
Model Summary

As per the results below Table 8, $R^2$ value, 0.346, indicates that predictor variables for the test have the ability to explain 34.6 percent variation in purchase intention. Therefore, it can be concluded that this regression model is reasonably fit for the data.

<table>
<thead>
<tr>
<th>Model</th>
<th>$R$</th>
<th>$R^2$</th>
<th>Adjusted $R^2$</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.589</td>
<td>.346</td>
<td>.342</td>
<td>.48837</td>
<td>.346</td>
<td>78.429</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>14</td>
</tr>
</tbody>
</table>

Source: Survey data, 2023

ANOVA

The $p$-value is 0.000, which is less than 0.05, as seen in the below table 9. It demonstrates that the overall model used is statistically significant and accurately predicts the dependent variable and thus it can be concluded that, the model is a valid model.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>$F$</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>18.706</td>
<td>1</td>
<td>18.706</td>
<td>78.429</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>35.299</td>
<td>148</td>
<td>.239</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>54.005</td>
<td>149</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Survey data, 2023

Coefficients

Table 10 demonstrates the beta ($\beta$) and significance ($p$) values of the independent variable on the dependent variable, purchase intention; ($\beta= 0.622$, $P= 0.000$). The independent variable, brand awareness indicates a positive value. The significant value for brand awareness lies in the accepted range which is $P<0.05$. Therefore, it can be concluded that brand awareness demonstrates a significant positive relationship with the dependent variable: purchase intention. The following regression model can be presented as follows.

$$\hat{Y} = \alpha + \beta_1X_1 + \varepsilon$$
\[ \hat{Y} = \alpha + \beta_1 X_1 + \epsilon \]

\( \hat{Y} \) = Dependent variable = Purchase intention (PI)

\( X_1 \) = Independent Variable 1 = Brand Awareness (BA)

\( \alpha \) = Constant value

\( \epsilon \) = Error

\( \beta_1, \beta_2, \beta_3 \ldots \) represent the Coefficients

4.5.3 Regression Analysis for H₄ and H₅

In the third phase of the analysis, purchase intention was entered as the dependent variable and Facebook advertising and eWOM engagement were entered as the predictor in order to identify the indirect relationships of the variables.

**Model Summary**

As per the results below Table 11, the \( R^2 \) value, 0.596, indicates that predictor variables for the test have the ability to explain 59.6 percent variation in purchase intention. Therefore, it can be concluded that this regression model is reasonably fit for the data.

**Table 11. Model Summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>( R )</th>
<th>( R ) Square</th>
<th>Adjusted ( R ) Square</th>
<th>Std. Error of the Estimate</th>
<th>Change Statistics</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>( R ) Square Change</td>
<td>( F ) Change</td>
</tr>
<tr>
<td>1</td>
<td>.77</td>
<td>.59</td>
<td>.59</td>
<td>.38547</td>
<td>.596</td>
<td>108.225</td>
</tr>
</tbody>
</table>

Source: Survey data, 2023

**ANOVA**

The \( p \)-value is 0.000, which is less than 0.05, as seen in the below Table 12. It demonstrates that the overall model used is statistically significant and accurately predicts the dependent variable and thus it can be concluded that, the model is a valid model.

**Table 12. ANOVA Table**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>( F )</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regression</td>
<td>32.162</td>
<td>2</td>
<td>16.081</td>
<td>108.225</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>21.843</td>
<td>147</td>
<td>.149</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>54.005</td>
<td>149</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Survey data, 2023

**Coefficients**

Table 13 demonstrates the beta (\( \beta \)) and significance (\( p \)) values of the independent variables on the dependent variable, purchase intention. Facebook advertising (\( \beta = 0.524, p = 0.000 \)), eWOM engagement (\( \beta = 0.487, P = 0.000 \)), the independent variable, Facebook advertising, and eWOM engagement indicate positive values. The significant values for both independent
variables lie in the accepted range which is P<0.05. Therefore, it can be concluded that Facebook advertising and eWOM engagement demonstrate a significant positive relationship with the dependent variable: purchase intention. The following regression model can be presented as follows.

### Table 13. Coefficient Table

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td>Tolerance</td>
</tr>
<tr>
<td>(Constant)</td>
<td>-0.134</td>
<td>.251</td>
<td></td>
<td>0.532</td>
<td>.000</td>
</tr>
<tr>
<td>Facebook advertising</td>
<td>.524</td>
<td>.076</td>
<td>.447</td>
<td>6.889</td>
<td>.000</td>
</tr>
<tr>
<td>eWOM engagement</td>
<td>.487</td>
<td>.076</td>
<td>.418</td>
<td>6.440</td>
<td>.000</td>
</tr>
</tbody>
</table>

Source: Survey data, 2023

\[
\hat{Y} = \alpha + \beta_1 X_1 + \beta_2 X_2 + \epsilon
\]

\[
\hat{Y} = \text{Dependent variable} = \text{Purchase intention (PI)}
\]

\[
X_1 = \text{Independent Variable 1} = \text{Facebook Advertising (FBA)}
\]

\[
X_2 = \text{Independent Variable 2} = \text{eWOM engagement (eWOM)}
\]

\[
\alpha = \text{Constant value}
\]

\[
\epsilon = \text{Error}
\]

\[
\beta_1, \beta_2, \beta_3 \ldots \text{represent the Coefficients}
\]

\[
\hat{Y} = -0.134 + 0.524 X_1 + 0.487 X_2 + \epsilon
\]

\[
\text{PI} = -0.134 + 0.524\text{FBA} + 0.487\text{eWOM}
\]

### 4.6 Hypothesis Testing

To test the hypothesis of the study, multiple regression was adopted. The hypothesis can be tested using Pearson correlation values significant values are taken from the Correlation table and the p-value (Sig value) and the coefficient (B) are taken from the multiple regression tables. The following table demonstrates the summary of the regression analysis.

### Table 14. Summary of the hypothesis testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Relationship</th>
<th>Status</th>
<th>Justification</th>
</tr>
</thead>
</table>
| H1         | Positive Significant | Supported | Pearson Correlation = 0.577  
Sig Value = 0.000  
P-value = 0.000  
Coefficient = 0.436 |
| H2         | Positive Significant | Supported | Pearson Correlation = 0.544  
Sig Value = 0.000  
P-value = 0.000  
Coefficient = 0.344 |
| H3         | Positive Significant | Supported | Pearson Correlation = 0.589  
Sig Value = 0.000 |
5. Discussion

As per the descriptive statistics of demographic variables, 52% of the sample represents the Female category whereas 48% represents the male respondents. As per the data, almost all (92.8%) respondents were using Facebook on a daily basis.

As per the data, the majority of respondents (87.5%) click advertisements displayed on their news feed whereas 75.6% of respondents are keen on the reviews made by other peer customers.

The study has examined the impact of Facebook on brand awareness and purchase intention. This study identified two independent variables (Facebook advertising and electronic word of mouth). The results of this study indicate that all hypotheses were supported according to the regression analysis and correlation analysis. To test the hypothesis of the study, empirical data from 150 respondents were taken. The data were analyzed using correlation and regression analysis. Correlation results supported all hypotheses of the study and the regression analysis that was performed in the second stage confirmed the findings of correlation analysis.

The research study examined the impact of Facebook advertising on brand awareness and purchase intention. This was tested using four indicators and research outcomes revealed a strong positive relationship between two variables. Based on the results, it revealed that Facebook advertising has a significant positive impact on brand awareness. In the second stage, electronic word of mouth was tested using four indicators and results revealed that there was a significant positive relationship between electronic word of mouth and brand awareness. Finally, brand awareness was tested using two indicators and results revealed that there was a positive relationship between brand awareness and purchase intention.

5.1 Facebook Advertising and Brand Awareness

This study has proposed that Facebook advertising is positively related to brand awareness (H1). The empirical results of this study support the direct positive impact of Facebook advertising and brand awareness; therefore, H1 is supported. This finding is not surprising, as it is suggested by previous researchers; Xue, (2019), Taylor et al. (2011), Mukherjee and Banerjee, (2019), Park et al. (2015), Shim et al. (2013), Alford and Biswas, (2002) and Park et al. (2015), found that Consumers’ favorable attitude towards visual merchandising in fashion retail stores has found a positive influence on brand attitude and purchase intention. Shim et al. (2013) found that there is a positive impact of advertisements on brand attitude and purchase intention. According to Abzari et al., (2014), social media advertising plays a more significant and effective role in establishing a brand attitude and inciting purchase intention in comparison to traditional advertisements. This study also proves the aforementioned relationship in the context of Facebook.
5.2 eWOM and Brand Awareness

As the second hypothesis, this study has proposed that electronic word of mouth is positively related to brand awareness. The empirical results of this study support the direct positive relationship between eWOM and brand awareness; therefore, H2 is supported. This result shows that consumers consider the electronic word-of-mouth information on Facebook to be useful. A study carried out by Hutter et al. (2013) has identified a positive relationship between eWOM and purchase intention and this result is further supported by Tariq et al. (2017), study. He has identified that eWOM and brand awareness create purchase intention using a mediating variable of brand image. This study also proves the aforementioned relationship in the context of Facebook.

5.3 Brand awareness and Purchase intention

As the third hypothesis, this study has proposed that brand awareness is positively related to purchase intention. The empirical results of this study support the direct positive relationship between brand awareness and purchase intention; therefore, H3 is accepted. The study revealed that customers who are more aware of the product will eventually create the intention to purchase the product. This result of the study is supported by Chi et al., (2009), a study conducted on cellular phone company shows that brand awareness has a positive impact on purchase intention with the mediating role of brand loyalty and brand perceived quality. The results of this study are further supported by Tariq et al. (2017) which identifies a positive direct relationship in the presence of the mediator of brand image. More so, Hoyer and Brown (1990) showed the impact of brand awareness on choice, frequency, and brand sampling, the result shows that consumers make choices of purchase or had intention of purchase towards those brands of which they are aware. Hence brand awareness has a positive impact on consumer brand choice leading toward purchase intention. Which also supports the findings of this study (H3). Therefore, this study also proves the aforementioned relationship in the context of Facebook.

Moreover, as outcomes of the study, Facebook advertising, electronic word of mouth, and brand awareness are found to be significant predictors of purchase intention.

5.4 The indirect relationships between Facebook advertising, eWOM, and Purchase intention.

In order to identify the indirect relationships of the independent variables (Facebook advertising and eWOM engagement) with the dependent variable (purchase intention) researcher has proposed two hypotheses H4 and H5. The empirical results of this study support the indirect positive relationship between the above independent variables and the dependent variable; therefore, H4 and H5 were accepted. The study revealed that more eye-catching, quality Facebook advertisements are more likely to create instant purchase intention because customers are more likely to dress with their eyes. On the other hand, more favorable peer reviews are also driving customers for instant purchase intention. These results were further supported by, (Duf- fett 2015a, Kudeshia & Kumar 2017, Hutter et al. 2013). Therefore, this study also proves the aforementioned relationship in the context of Facebook.

6. Conclusions

6.1 Managerial Implication

The outcome of the study is beneficial to fashion retail companies, Facebook users, advertising agencies, content creators, fashion influencers, future researchers, and the general public. The findings of the study will be directly applicable to Facebook users to alter their
brand awareness and purchase intention. Therefore, the following recommendations can be made.

In the Facebook marketing, it is very essential to maintain proper Facebook accounts. Having a clear company image running through all the social media accounts (Facebook, Instagram, TikTok, Pinterest) will help them to send clear messages to potential and already existing customers. This will in turn lead to less confusion and make people more aware of the company’s offerings. For that, companies need to pay more attention to the details provided by the social media profiles. They might seem insignificant but, eventually, this can make a huge impact in the customers’ eyes. For instance, adding a phone number, and address to the Facebook pages and using an eye-catching profile picture with a popular celebrity or an influencer are more important facts in the digital regime. Those are the preliminary areas that organizations should give their focus on and ultimately create awareness of the brand. As described throughout the study, brand awareness often leads to purchase intention and thereby increases rupee sales.

According to the study, one way of creating brand awareness is electronic word of mouth. For that, organizations should consider encouraging their customers to be more active on their Facebook pages. One way to do this could be by arranging contests with discounts or free products as prizes for the customers who win; e.g., who could come up and share the most interesting and beautiful posing with the company’s outfits. However, engaged and dedicated customers also require engaged and dedicated companies. Those who leave feedback (like, share, comments) on anything related to a company’s products, or other related information about the company, often do so in hopes of receiving some kind of response from the company’s side. Hence, in order to motivate customers through electronic word of mouth, fashion retailing companies can arrange raffles for the customers who share their posts more frequently or they can give “Top Fan Badges” to the customers who post comments more often.

The other way of creating brand awareness is Facebook advertising. The responsibility of handling this particular section goes to the organization. The posts/ advertisements uploaded to the pages should be in high quality and attractive and also it requires frequent updates of posts/advertisements on a regular basis. The quality of the pictures/ advertisements is very essential, especially in the fashion retail industry. In fact, customers are more likely to “dress with their eyes”. The more eye-catching the advertisement looks, the stronger will the effect be. Customers are willing to buy and use the clothing products as well as gain inspiration from the said pictures/ advertisements. More so, maintaining a regular posts/updates schedule is a way to remind the customers that the company or brand exists, an inactive page or Facebook account where no response is given (or given too late) and very little activity is found, can leave the impression of the customers to hang out with those pages further.

6.2. Areas for Future Research

Since Instagram was found to be the second most frequently used social networking site, future researchers can focus more on Instagram to identify the mentioned impact. Instagram is an emerging marketing tool that helps to attract a large audience. For instance, customers find
it amusing to be able to take part in the behind-the-scene process of different events such as fairs or normal working days in production. It brings the company closer to its customers, which can lead to increased brand awareness and purchase intention.

6.3 Limitations of the Study

- The method of collecting data is an online-mediated questionnaire. This method allows only a fraction of the online population to be able to participate in the questionnaire due to the fact that the distribution of the survey was restricted to specific social media platforms and web pages.
- The questionnaire was distributed among 150 Facebook users and it is relatively small to represent the entire population of Facebook users. Hence the results of this study are not sufficient enough to make concrete recommendations.
- The incapability of including all the social media platforms in the study. The chosen social media platform in this study was the one that the public is more familiar with and aware of.
- The entire study was built based on the fashion retailing industry. Therefore, the findings of the study will be beneficial to fill the gap existing in the mentioned industry.

6.4 Conclusion

This study was mainly undertaken to measure the impact of Facebook advertising on brand awareness and purchase intention. The data were analyzed using descriptive and inferential statistics. As per the regression analysis, the independent variables of the study; Facebook advertising and eWOM respectively had a positive and significant relationship with the mediating variable of the study which is, brand awareness. Next brand awareness had a positive and significant relationship with the dependent variable of the study which is purchase intention. Finally, Facebook advertising and eWOM had an indirect but positive and significant relationship with the dependent variable of the study, purchase intention. Therefore, all five hypotheses were accepted.

Furthermore, the implications of the study provide a pool of knowledge to fashion retailing companies and Facebook customers, content creators advertising agencies, etc. Finally, this research study contributes to the existing body of literature and as well as to future researchers as a source of literature.

References


