

Research: Facebook fan pages are effective marketing tool

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Dholakia and Emily Durham's new Facebook marketing study appears in March issue of the *Harvard Business Review*. Credit: Jeff Fitlow/Rice University

Companies that use the popular social-media site Facebook and its fan page module to market themselves to customers can increase sales, word-of-mouth marketing and customer loyalty significantly among a subset of their customers, according to new research from Rice University's Jones Graduate School of Business. The study is featured in the March issue of the *Harvard Business Review*.

Research for the article, "How Effective is Facebook Marketing?", was conducted by Utpal Dholakia, associate professor of management at Rice University's Jones Graduate School of Business, and Emily Durham, a Jones School alumna and founder of Restaurant Connections, a Houston-based restaurant consultancy.

Dholakia and Durham surveyed customers of Dessert Gallery (DG), a popular Houston-based café chain. Prior to the study, DG did not have a Facebook presence.

The study, based on surveys of more than 1,700 respondents over a three-month period, found that compared with typical Dessert Gallery customers, the company's Facebook fans:

- Made 36 percent more visits to DG's stores each month.
- Spent 45 percent more of their eating-out dollars at DG.
- Spent 33 percent more at DG's stores.
- Had 14 percent higher emotional attachment to the DG brand.
- Had 41 percent greater psychological loyalty toward DG.

According to Dholakia, the results indicate that Facebook fan pages offer an effective and low-cost way of social-media marketing.

"We must be cautious in interpreting the study's results," Dholakia said. "The fact that only about 5 percent of the firm's 13,000 customers became Facebook fans within three months indicates that Facebook [fan pages](#) may work best as niche marketing programs targeted to customers who regularly use Facebook. Social-media marketing must be employed judiciously with other types of marketing programs."

Dholakia said Facebook marketing programs may be especially effective for iconic brands, which appear to attract a higher percentage of their customer base as [Facebook](#) fans.

More information: Read the Harvard Business Review story at [hbr.org/2010/03/one-cafe-chain ... book-experiment/ar/1](https://hbr.org/2010/03/one-cafe-chain...book-experiment/ar/1)

Provided by Rice University

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