



Thesis Dissertation

The Influence of Brand Loyalty on Purchase Intention and the mediator effect of the intention to 'Like' a brand's Fan Page – Case H&M

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Abstract

As social media is an increasing tool used by marketers to connect with consumers in order to increase their purchase intentions, this research aims to further understand user's behavioral motivation to engage in social networking sites. Specifically, this paper focuses on Facebook and in the format of brand's Fan Pages. The research was focused on the fast-fashion industry; a survey was implemented in order to address the proposed framework, having in consideration the worldwide-known fast-fashion brand, H&M.

In the literature, two intentions to 'Like' a brand's fan page were found, (1) to engage in WOM, (2) to receive information. This research investigates the presence of a mediation effect generated by each of the behavioral intentions, between Brand Loyalty and Purchase intention. In addition, the research identifies the intention that exerts the strongest influence on Purchase Intention. The findings offer insights for managers and marketers that allows them to more efficiently execute social media strategies, as well as introduce a more segmented set of brand loyalty programs, focused on consumer's behavioral motivations in order to increase the purchase intention.

Keywords: *Purchase Intention, Like Intention, Brand Loyalty, WOM, H&M, Facebook, Fan Pages*

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Chapter 1: Introduction

Social networking sites (SNSs) on social media have transformed the way of communication between brands and consumers. These platforms such as Facebook, Instagram, and Twitter – for mentioning a few of them- have become crucial tools for marketer’s strategy-planning. They manage to build relationships with consumers, and to influence sales by attracting new customers and retaining existing customers (Adjei & Noble, 2010). Therefore, with the abrupt rise of SNSs usage, the study of user’s behavior has been of much interest. Especially since 2009, with a turning point in terms of how people used the internet, when the number of people communicating via SNSs surpassed the number communicating through email (Pronschinske, Groza, & Walker, 2012).

A significant 90% of marketers agree that social media is important to their business, and more than half of them (55%) chooses Facebook as the most important platform (Stelzner M. A., 2018). Brands are going online to develop communities to connect and interact with consumers. A common tool to achieve this is the launching of Brand pages on Facebook – known as ‘fan pages’. These fan pages provide basic contact information about the brand, as well as additional information about new products or services, current promotions or special events (Nel & Halaszovich, 2017). Hence, Facebook is the focus of a great deal of interest. Social ad expenditure is projected to increase by 12.9 percent between 2016 and 2021, with Facebook accounting for the majority of social network advertising revenues worldwide (Statista, 2016). Among a study run on marketers, it was shown that 87 percent of marketers think of Facebook Ads as their first online advertising option (Stelzner M. A., 2018).

In this study, the behavior of interest is the ‘Like’ intention on Facebook’s fan pages. On Facebook, ‘Like’ is explained as a way for the users to give positive feedback or to connect with things they care about (Facebook, Facebook, 2012). From a brand’s perspective, the ‘fan base’ -or number of users that ‘Like” a fan page- is an important performance indicator – complementary with others- of the size of the brand’s community that is being built. The potential of fan pages to develop and maintain customer-brand relationships has led to many firms to develop strategies focused to connect with as many users as possible. For instance, some firms tend to implement ‘pull’ strategies, such as customers first having to ‘Like’ the brand’s social media page to be able to participate in a competition. Nevertheless, the value of ‘fans’ developed through such pull strategies may be questionable (Nel & Halaszovich, 2017).

Therefore, there has been increasing interest on understanding the user's behavior and motivators to 'Like' a brand's fan page organically and without the need of this 'pull' strategies. Based on the literature, two behavioral 'Like' intentions have been identified; the intention to 'Like' the fan page to engage in positive Word-of-Mouth, and the intention to connect with the brand to receive information (Nel & Halaszovich, 2015).

Facebook has been making it more challenging for brands to target users, through several updates on its algorithms that restricts the way brands sponsor ads or boosts posts, in an attempt to promote organic content for users. This is mainly, due to the number of business fan pages that has increased drastically in the past five years, there are currently more than 65 million active business fan pages (Facebook, 2018), which translates to an overload of sponsored ads for the users. In 2017, Kantar Millward run a survey regarding user's feelings towards Ads at the moment and compared to 3 years prior. The results show negative responses regarding the increased amount of sponsored ads, 81 percent agrees that ads are now appearing in more places, and 61 percent agrees that ads are more intrusive (AdReaction, 2017).

1.1 Research Questions

Understanding the motivations and behavioral trends of current –and future- followers of brand Fan Pages is crucial for brands to be able to design efficient strategies regarding content and allocation of budget on ads and its segmentation. Hence, the focus of this paper is based on the behavioral motivators for users to 'Like' a Fan Page. In addition, the level of brand loyalty will also be studied, in order to identify if it has a significant effect on the motivators.

The purpose of this research is to understand the individual's behavior to choose to be involved with a brand's fan pages. The problem statement is as follows:

How Consumer's Brand Loyalty Influence Purchase Intention, and How is this influence mediated by the intentions to 'Like' a brand's Fan Page.

Specifically, this research paper wishes to answer the following questions:

- Do different levels of Brand Loyalty have different effects on the intentions to 'Like'?
- Which intention to 'Like' result on the highest purchase intention?
- To what extend does brand loyalty influence the intentions to 'Like' a brand's fan page.
- Do the two behavioral 'Like' intentions have different influence on purchase intention?

1.2 Managerial relevance

This paper will be of interest to brand managers and marketers to better design their Facebook strategy, focused on targeted content. Considering the advantages of having a big fan base community, identifying the real behavioral ‘Like’ intention and its consequent level of purchase intention will be of significant interest, specially to fan page owners to develop better strategies to increase the size of the community and increase engagement with the brand. Fan Page followers tend to stay loyal and committed to the brand, and are more willing to receive information about the brand itself (Bagozzi & Dholakia, 2006).

The following study will allow marketers to develop a strategy aligned to the user’s motivations and content-expectations for the fan page. The need to identify consumer’s insights is crucial to increase the returns of the investments marketers make on social media. It is useful to understand consumer’s motivations to participate or ‘Like’ a brand’s fan page and lead to the consequent financial benefit to the brand (Nel & Halaszovich, 2015). The type of content shared and posted by a brand’s fan page is fundamental to the success in connecting with the brand’s customers and to the increasing of the fans base. Content is the instrument that stimulates interaction and can lead to higher levels of purchase intention from the users. Hence, brands must publish pieces of content trying to address customer’s motivation (F. Sabate, 2014). This paper will allow marketers to identify the motivators and the consumer’s interests, so that they can deliver the right content for the right consumers. Marketers will be able to develop efficiently segmented and different Facebook strategies focused on the two behavioral ‘Like’ intentions that users might have.

In addition, this paper will benefit brands that are looking to include brand loyalty objectives on their social media strategies. As the study will quantify the influence of brand loyalty on the two behavioral ‘Like’ intentions. Hence, Fan page owners will have insights to efficiently develop content targeting the behavior of specific users in order to increase their loyalty towards the brand. On the other hand, the influence of the two ‘Like’ intentions towards Purchase Intention will allow marketers to run specific sponsored ads with a segmentation focused on the users with high purchase intention, in order to stimulate the actual purchase.

1.3 Academic relevance

This paper will contribute to different streams of the academic literature. On one hand it will

add insights to the literature regarding consumer's behavioral intentions to 'Like' brand's Fan Pages. Additionally, it will study the influence of brand loyalty on the 'Like' intention, which has been studied in other industries, but not specifically in the apparel industry with a special focus on a fast-fashion brand. On the other hand, this paper will also focus on the purchase intention generated by the different 'Like' intentions, which is an unexplored behavioral area within Fan-Pages.

There have been prior studies about 'Like' intention of brand's fan pages, but they have not been associated to purchase intention, which is the -overall- desired outcome for every firm and brand. This paper differs from previous empirical studies mainly because this paper integrates two perspectives to the behavioral intention to 'Like' a Fan page, it associates brand loyalty and also purchase intention. This integration is expected to enrich the theoretical study of social media marketing -specifically on Facebook's platform- through the development of behavioral insights regarding the user's motivational involvement with Fan Pages on Facebook.

The rest of the study is structured as follows. Chapter 2 presents the theoretical framework. Chapter 3 describes the basis of the hypothesis in the conceptual model. Followed by Chapter 4, which reviews the research methodology and survey. Chapter 5 is a discussing of the results of the study. Finally, Chapter 6 presents the managerial implications, the limitations of the study and future research directions.

Chapter 2: Theoretical Framework

In this chapter, this paper will address the different variables that are taken in consideration for the research, and mention different perspectives and definitions that were found in previous research studies and in the literature.

2.1 Brand Loyalty

In the literature, there are at least eight relevant approaches to define brand loyalty (Jacoby, Brand Loyalty: a Conceptual Definition, 1971), which makes it challenging to synthesize and compare points of view in order to fully understand the topic.

Brand loyalty conveys an emotional and behavioral attachment to a brand (Ehrenberg, 1988). It shows the degree of fidelity a customer has towards a brand and it implies repeated purchases with a positive attitude over time (Aaker, 1991). Aaker suggests that brand loyalty arises when the consumer's personality is represented to some extent on the brand itself. However, other academics suggest that consumer's loyalty is mostly related to the favorable attitude towards the brand or the differentiation levels towards competitive brands (Dick, 1994).

According to Aaker, brand loyalty can reflect the difference between a habitual buyer and the satisfied buyer, to those who truly commit to a brand. Based on that, he suggests that brand loyalty shows the likelihood of a customer to switch to a different brand, specifically when the brand makes an adjustment in any aspect of its marketing mix strategy and its Four Ps (price, product, placement and promotion). Similarly, The American Marketing Association defines brand loyalty as *“the degree to which a consumer consistently purchases the same brand within a product class”*.

The loyal customers are less price sensitive, and often accept to pay a price premium for their favorite brands. Moreover, they are easily stimulated to new usage situations and tend to increase their spending on the brand (Davis, 2002). Therefore, acquiring and increasing loyal consumers should be the optimal goal of brands and marketers, as they are an efficient and organic growth opportunity. Nevertheless, in the literature, many academics refer to a 'Declining Loyalty Era' happening among brands since 1971. This era implies a decrease in the level of differentiation between brands, hence brands are becoming more substitutable. This results in consumers being both; more price-sensitive and less loyal towards a particular brand

(Bennett R., 2005).

Nevertheless, regardless of the declining loyalty era, there are some brands that demonstrate high levels of loyalty. These brands often have developed brand communities, such as Facebook fan pages. The more integrated the consumer is into the brand community, the more loyal their consuming behavior will be. Furthermore, consumers who are members of brand communities tend to engage in positive word-of-mouth, and act as advocates for the brand, and be considered a virtual sales force (Bennett R., 2005). Therefore, one-way brand loyalty generates value is by allowing a reduction in marketing and communication costs, as retaining current customers is significantly less costly than attracting new ones.

Brands aiming to improve brand loyalty should identify and understand the level at which their brand is successfully known for (functional, emotional or symbolic). Only after this identification, brands should develop marketing programs -tailored to engage with consumers in a way that differentiates the brand from the competition and enhances its competitive advantages (Bennett R., 2005). Organizations use different strategies to increase brand loyalty by improving the relationship with their customers. Loyalty programs (i.e. reward programs) are often used by brands, as well as trails and purchase incentives (i.e. samples and gifts).

Consumer's feeling of 'ultimate loyalty' arises through a set a social and product motives when consumers are satisfied with the use and results of a brand (Oliver, 1999). Facebook fan pages are able to target and influence this set of motives. Fan Pages are considered to be online brand communities that allow brands to connect with interested and loyal users – this will be furtherly discussed in the section focused on Fan Pages. Therefore, this research identifies a connection between consumer's brand loyalty and consumer's involvement in a brand's Fan Page. Thus, brand loyalty could be considered as an antecedent of consumers becoming 'fans' of a brand on Fabebook. A brand that enables a direct communication with their customers generates a unique, personalized experience for the customers, which contributes to the building of trust and loyalty (Morrissey, 2009). This suggests that high levels of brand loyalty lead to a higher likelihood of customers to 'Like' a brand's Fan Page.

As academics refer to brand communities as an optimal goal of brand loyalty, customer's motivations and intentions to join these communities should be of importance to marketers. This research studies specifically brand communities in the form of Facebook fan pages, and the influence of different levels of brand loyalty towards two different intentions to 'Like' and

the ultimate effect on purchase intention.

2.2 Brand Communities in the form of Facebook Fan Pages

Online communities allow companies to understand consumers and create a channel to encourage word-of-mouth and communication. These communities are useful for businesses, as it allows brands to identify key clients, spread messages and obtain customer's information (Martinez-Lopez, 2016), in order to make accurate decisions regarding product development, increasing efficiency of marketing budget and new opportunity identification. Communities, in general, are considered as social networks made for exchanging information and for social interaction (Bagozzi R. D., 2002).

Social networks in social media (SNS) have generated new forms in which people socialize, communicate, make decisions, entertain themselves, interact with others and even their shopping habits (Constantinides, 2008). Marketing in SNS is a way to adapt to the time in which consumers desired to be part of a brand's marketing process (Pronschinske M. &, 2012). Facebook, is the largest social media networking platform, it connects over one billion people around the world with an average of 2.1 billion monthly active users (Facebook, 2018). Therefore, it is understandable that businesses and marketers aim to follow customers in these networks by increasing the budget allocated to social media marketing. These social formations offer many advantages by allowing brands to build strong long lasting relationship with customers (Algesheimer, Dholakia, & Herrmann, 2005).

Brands are able to create profiles on Facebook, also known as Fan Pages, to interact in a relatable and direct manner with users. Brands can create content in the form of posts – containing photos, videos, anecdotes or any relevant message - in order to connect with brand fans, who are then able to interact with the brand posts by liking, commenting or sharing them (Gensler , De Vries, & Leeflang, 2012). This form of online communities, have the potential to improve the relationship between brands and their customers, and has the power to influence fan's perceptions and actions (Muniz Jr, 2001). Moreover, brand fan pages are creating a large impact in the business community, as they provide additional functionalities like detailed analytics, better content and fans administration (F. Sabate, 2014) which are extremely valuable for businesses and organizations.

As an effective tool for increasing sales (Bagozzi & Dholakia, 2006), the dramatic increase in the number of business fan pages in the last years comes with no surprise. There are more than 60 million active business Pages on Facebook (Facebook, 2018). Brand's fan pages allow brands to engage with consumers in real time and target consumers at a relatively low cost with high efficiency compared to traditional marketing tools (Kaplan & Haenlein, 2010). The fact that two in three marketers claim Facebook as their most important social media platform (Stelzner M. A., 2018), show the crucial role and relevance of the platform in the current marketing landscape. Consumers who become brand fans on Facebook, tend to be more loyal and committed to the brands, more open to receiving information, and more likely to engage in positive WOM (Hollenbeck & Kaikati, 2012).

The studies regarding marketing strategies specific for Facebook's platform are still scarce. Social media marketing strategies should be focused in the first place on understanding the brand's clients. Afterwards, marketers should focus on creating personalized and segmented content, and finally define a strategy that strengthens the brand's reputation (Abdillah, 2016). This paper address the first stage of the strategy, understanding of the client's behavior and motivations, which is crucial for the following steps to design an effective social media strategy.

2.3 "Like" Intention

The importance for brand to have a Facebook marketing strategy is undeniable. The potential outcomes and the numerous benefits of social media customer-brand relationship have encouraged many firms to develop strategies that would allow them to connect with as many customers as possible (Nel & Halaszovich, 2017). Therefore, how to increase the number of users that 'Like' a brand's fan page is of particular interest, as it allows brands to communicate with a bigger audience and increase the reach of their campaigns. As stated previously, this paper focuses on the first stage of social media marketing; understanding the client. Specifically, in understand the motivations that Facebook users have in order to 'Like' a brand's fan page.

The need for information has been identified as the main motivator influencing the use of digital media (Papacharissi & Rubin, 2000). Nevertheless, different approaches have been found in the literature to understand the motivators and user's drivers to Like a fan page. According to a survey of global social media run by Statista in July 2016, the main reasons for

consumers to ‘Like’ a brand’s fan page were; firstly, their interest in the product and service, secondly, the chance to find promotions, and thirdly, entertainment. On the other hand, other academics suggest that the sharing of knowledge and content, the need for information, and simple socializing factors are the main drivers of user’s interaction on SNSs (Brodie, Juric, & Hollebeck, 2013).

Users ‘Like’ fan pages to cover informational, entertainment and social needs. Moreover, to support or give feedback about a brand, to look for information about the brand, or to show-off and gain prestige from being fans of a brand (Sicilia & Palazon). Consumers who ‘Like’ a fan pages and become ‘fans’, tend to be more loyal and committed to the brands, more open to receiving information, and more likely to engage in positive word-of-mouth (Hollenbeck & Kaikati, 2012). It is identified that these behaviors, such as the openness to receiving information, and engaging in WOM- are directly related to two behavioral ‘Like’ intentions identified in the literature; (1) the desire to stay informed about the brand, and (2) the intention to spread positive WOM (Nel & Halaszovich, 2017). This paper will focus on these two intentions based on the user’s perspective.

2.3.1 Need of Information

The ‘Like’ of a fan page motivated by the need of information is supported by the U&G (User and Gratification) theory. This theory shows the audience’s motivations and needs -from a social and psychological perspective- to select specific media channels and content choices (Diddi & LaRose, 2006). The need for information was identified as a core gratification influencing the use of digital media (Nel & Halaszovich, 2017). Other academics have backed up this theory as well, suggesting that information, convenience and self-expression gratifications influenced the use of a brand’s fan page (Choi, Fowler, Goh, & Yuan, 2015).

The ‘Liking’ of a brand’s Facebook fan page allows customers to stay in contact with the brand’s social media updates, updates that can include information about new products/services, events, promotions, etc. Purchase intentions or consumption goals may motivate users to ‘Like’ a specific brand’s page (Nel & Halaszovich, 2015).

2.3.2 Engage in WoM

It has been identified that the spreading of positive WOM is an engaging behavior of customers

of a brand (Dwivedi, Wilkie, Johnson, & Weerawardena, 2016). WOM is defined as an “informal, person-to-person communication between a perceived non-commercial communicator and a receiver regarding a brand” (Harrison-Walker, 2010). It is considered a powerful and authentic tool for marketing, and is used by consumers as a source of brand or product information (Buttle, 1998).

In the case of eWOM, the communication and engagement is within a network of people in online communities –such as a fan page- where conversations are more visible than in the traditional WOM (Nel & Halaszovich, 2015). According to Chu and Kim (2011), eWOM can involve opinion-giving, opinion-seeking or opinion-passing. The actual ‘Like’ of a fan page is explained as a way for Facebook users to express positive feedback (Facebook, 2018), it is referred as a way of WOM, which would be defined as an opinion-giving WOM behavior.

This paper will address and measure these two behavioral intentions independently. The study will provide insights on the interests and motivators that users have when joining a brand’s community on Facebook. This will allow marketers to effectively design a content strategy that enhances the interests of users segmented by motivations and expectations from the fan page itself.

2.4 Purchase Intention

Purchase intentions has been extensively used in the literature as a predictor of subsequent purchase (Krishnan, Grewal, & Baker, 1998). Nonetheless, it is an indicator that is often criticized by researchers, because there is a difference between the actual purchase behavior and the purchase intention. Actual purchase can be influenced by external factors such as budget, social norms, search costs, inaccessibility, unexpected promotions (Suh & Yi, 2006). Therefore, consumers might not end up purchasing the product/service, although they have the purchase intention. Nevertheless, attitude-behavior studies have revealed that attitudes and intentions are significantly useful to predict accurate behaviors (Kraus, 1995).

The purchase decision-making process can be complex, and it varies depending on the type of product and its specific characteristics (Jahng & Ramamurthy, 2000). Consumer’s behaviors towards products are different depending on the product type. Hence, the product type influences attitudes and purchase intention. In this paper, we will study a fast-fashion brand in the apparel industry, which will be considered as a commodity product. Commodities are

products whose characteristics and quality can be easily communicated, they are purchased regularly and in most cases, the price is low (De Figueiredo, 2000) .

Purchase intention is significantly influenced by the perceived quality of the product or service. Consumers base their perception of quality on their purchase experience or on information given in marketer's ads (Dodds, Monroe, & Grewal, 1991). Consumers are using social networks to get information to base their purchase decisions (Kozinets, 2002). Online communities, such as Facebook fan pages, serve as informational platforms where users can find the information they are seeking. Therefore, the understanding of their behavioral intentions and motivations to be part of the online communities is an important insight for marketers to understand and take in account when designing their social media strategy and objectives.

Market research has been run and tested in various situations to understand consumer's purchase intentions. This studies belong to a category of variables that englobe consumer's predispositions, preferences and attitudes towards a product or service. The results are used in several brand decision-making departments, such as product-testing, pretesting of advertisements, in the evaluation of promotional action and in marketing decisions in general (Bird & Ehrenberg, 1966).

This study investigates the two behavioral intentions that motivates users to 'Like' a brand fan page and its influence on consumer's purchase intention behavior. The focus of this paper aims to provide marketers with consumer's insights to better and more effectively design strategies that lead users with high purchase intentions to the actual purchase of the brand's products.

Chapter 3: Conceptual Model and Hypotheses

This chapter focuses on the development of the hypotheses that will form the conceptual model studied in this research. Firstly, theoretical reasoning for each hypothesis is presented and then followed by the statement of the hypothesis itself.

3.1 Hypothesis Development

3.1.1. Brand Loyalty's influence on the behavioral intention to 'Like' a Fan Page

Loyal consumers tend to be proactive (Habibi, Laroche, & Richard, 2014a), and loyal members of a brand community are prone to adopt a behavior of diffusing positive information regarding the brand (Zaglia, 2013). Consumers tend to create pro-brand content which is referred in the literature as user-generated content (UGC) (Burman, 2010), which takes the form of brand promotion mechanism that can be referred as a way of e-WOM (Hennig-Thurau, Gwinner, Walsh, & Gremler, 2004). The consumer's decision to express their voice, and express their experiences with the brand is a form of e-WOM (Van Doorn, et al., 2010). Hence, this paper understands that brand loyalty has a direct relationship on consumer's desire and willingness to engage in e-WOM and their intention to 'Like' a brand Fan Page.

Social Media diffusion and the increasingly impact and penetration into everyday life, real-world sociological constructs, such as a brand community has impacted the way brands design their branding strategies as well as how consumers interact with the brands (Muniz & O'Guinn, 2001). Members of social media communities with high levels of brand loyalty are likely to engage in positive e-WOM regarding the brand itself (Habibi, Laroche, & Richard, 2014a). Hence, the focus of this research is to determine the influence of brand loyalty on the intention to 'Like' a brand page in order to initiate e-WOM.

As members of online communities are more prone than others to recommend the brand through e-WOM (Rialti, Zollo, Caliandro, & Ciappei, 2016) this paper aims to study the role of brand loyalty and its influence in the propensity to recommend the brand online, more specifically in the act of 'Liking' a brand Fan Page. The following hypothesis was formulated based on the previous explained literature, planning to illustrate the relationship between brand loyalty and the intention to 'Like' the fan page of brand to engage in WOM.

H1: Brand Loyalty positively influences the behavioral intention to 'Like' a brand Fan Page

in order to engage in WOM

In the terms of consumer's engagement with a brand, which could be referred as being involved with a brand's online community in the form of a Facebook fan page, consumption goals directly influence how customers engage with a brand (Van Doorn, et al., 2010). Consumption goals may vary from each other, and can involve the need of staying informed about the brand (Nel & Halaszovich, 2015), hence this may motivate customers to 'Like' a brand fan page. As after 'Liking' a fan page, the brand's information will automatically show on the user's Facebook news feed.

Brand loyalty represents an emotional attachment from the customers towards a brand. The stronger the emotional attachment to a brand, the stronger the customer's desire and willingness to actively engage with the brand (Bergkvist & Bech-Larsen, 2010). Facebook fan pages are a form of online brand communities, which makes it a channel for loyal customers to connect with the brand and receive information. Consumers increasingly use online tools, such as fan pages, to obtain information to base their decisions (Casalo, Flavian, & Guinaliu, 2007). Therefore, this papers predicts a direct connection between brand loyalty and the behavioral intention to 'Like' a brand Fan Page in order to receive information.

The following hypothesis was formulated based on the points of view stated before, intending to illustrate the relationship between brand loyalty and the intention to 'Like' the fan page of brand to receive information.

H2: Brand Loyalty positively influences the behavioral intention to 'Like' a brand Fan Page to receive Information

3.1.2 Mediation effect

As previously stated, social media channels such as brand's fan pages are a way for managers to increase and improve the brand-costumer relationship, by maintaining and developing loyal consumers. Moreover, social media's adoption by users has evolved and is now considered part of the user's every-day life. Therefore, this papers predicts that the two intentions to 'Like' a fan page are capable of mediating the effect of brand loyalty on purchase intention. As the user's intention to engage in social media channels could be considered a factor in the customer's decision-making process and influence the overall purchase intention (Edelman,

2010). This research aims to identify if both intentions mediates the effect of brand loyalty on purchase intention. The following hypotheses were formulated to test the evidence of a mediation effect:

H3: The behavioral intention to 'Like' H&M's fan page in order to engage in WOM mediates the influence of Brand Loyalty on the Purchase Intention of the H&M brand

H4: The behavioral intention to 'Like' H&M's fan page in order to receive Information mediates the influence of Brand Loyalty on the Purchase Intention of the H&M brand

As Aaker stated, the increase of brand building activities increase the role of brand associations in the purchase intention (Aaker, 1991). Brand Loyalty programs and strategies could be perceived as brand building activities, and it has demonstrated to be a behavioral construct relating to repeated consumer's purchase intentions (Whyatt, Nam, & Ekinci, 2011). Hence, this paper predicts a direct impact from Brand Loyalty, within fast-fashion brands, on the consumer's purchase intention.

Brand Loyalty has been a matter of great focus an effort from all successful brands. Nevertheless, in some cases, loyalty has been perceived as the result of executed marketing programs. In this research I am to determine if brand loyalty has an actual effect on the consumer's intentions to purchase a brand. Along with the prior lines of literature, the following hypothesis was formulated:

H5: Brand Loyalty positively influences the Purchase Intention of the brand

'Like' intention's influence on Purchase Intention

Social Media has definitely affected the traditional decision-making process of consumers (Edelman, 2010). The unquestionable acceptance of Facebook as a social network service, used by consumers and businesses, justifies significant attention and study, in order to understand the effect on consumer's behavior, and specifically the effect of e-WOM on social networking sites and its influence on consumer's decision making (Kudeshia, Sikdar, & Mittal, 2016). WOM information has become crucial for consumers seeking to minimize risk and make better consumption decisions (Steffes & Burgee, 2009).

Engaging in positive e-WOM develops a stronger relationship between consumer's emotional

trust and attitude (Rialti, Zollo, Pellegrini, & Ciappei, 2017). Therefore, since purchase intention's dimension is based on trust and attitude (Cheung, Luo, Sia, & Chen, 2009), it can be suggested that e-WOM creates stronger relationships between consumers and their purchase intention as well. A study among university students backs this point of view, as it was observed that students that engage in e-WOM, seeking for opinions or giving their own opinions, eventually showed a positive influence in their purchase decisions (Themba & Mulala, 2013).

In the literature regarding traditional WOM, WOM is considered an efficient communication tool that triggers social influence affecting consumer's beliefs and purchase intention (Arndt, 1967). Based on the previous lines of discussion and prior research studies, the following hypothesis is formulated to demonstrate the relationship between the consumer's behavioral intention to 'Like' a Fan Page in order to engage in WOM and their purchase intention.

H6: The behavioral intention to 'Like' a brand Fan Page in order to engage in WOM positively influences Purchase Intention

As stated before, the 'Liking' of a brand Fan Page allows users to stay updated about information regarding the brand. Therefore, these sites cover consumer's informational needs (Papacharissi & Rubin, 2000), which brands use as a way to persuade and enhance purchase intention. Social Networks, specifically Facebook, have changed the way consumers make purchase decisions, as they can more easily and quickly find brand and product related information (Graham & Havlena, 2007).

The use of social networks in businesses, like brand Fan Pages, involve large amounts of brand information being shared, in addition to various marketing messages (Poyry, Parvinen, & Malmivaara, 2013). Consumer's satisfying their informational needs about a brand through online communities have a direct influence on their intention to purchase (Woo Gon, Lee, & Hiemstra, 2004). Facebook Fan Pages in particular have the features and serve as an informational environment where consumers can search and find the needed information depending on their interests and needs (Burnett, 2000).

Prior literature and research shows that purchase intention of a brand is of crucial importance to businesses, as it shows the likelihood of customer's retention. Along with the prior lines of discussion and researches, the following hypothesis was formulated to understand the

relationship between the behavioral intention to ‘Like’ a brand Fan Page for informational need and the purchase intention of the brand’s product/services.

H7: The behavioral intention to ‘Like’ a brand Fan Page to receive information positively influences the Purchase Intention of the brand

3.2 Conceptual Model

Based on the literature review, the conceptual model presented in Figure 1 has been developed to achieve the objective of the study. The model shows that the two identified Facebook engagement outcomes, the intention to ‘Like’ the fan page to receive information, and the intention to engage in positive WOM, mediate the effect of Brand Loyalty on Purchase Intention. In addition, this study also hypothesized that Brand Loyalty has a direct influence on consumer’s purchase intention.

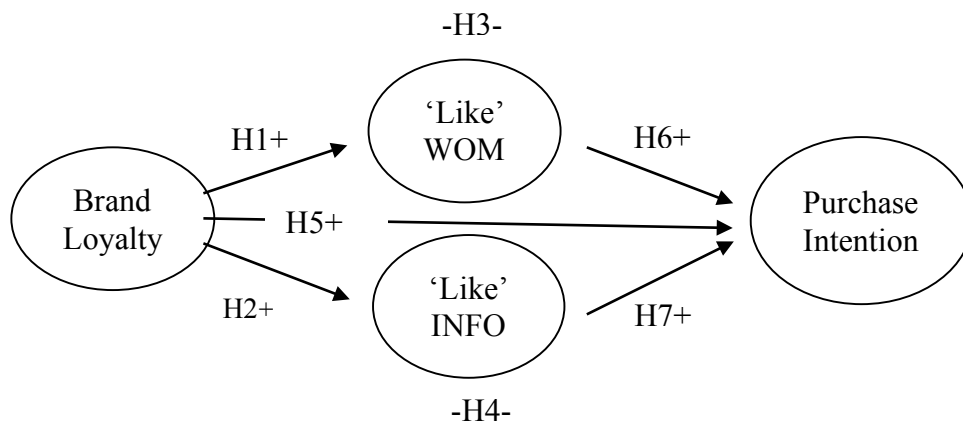


Figure 1: Conceptual Model

Chapter 4: Methodology

This chapter describes the research methodology applied in order to test the previously stated hypotheses and conceptual model. A general description of the research method is presented at the beginning, followed by an introduction of the brand being studied. Next, the variables' measurements and description are defined. Finally, the questionnaire's design and structure is presented.

4.1 Research Method

The design of this research is based on quantitative research which consists of an investigation focused on quantitative properties and consumer's singularities and their relationships. In order to test the relationship between the different variables stated in the previous section, I will use an online survey as the primary tool of harvesting information. This kind of survey in the form of a questionnaire is an efficient and flexible way to collect and analyze information from a big sample. It is commonly used as a research tool among academics, organizations and businesses. The online questionnaire allowed this research to collect primary data through a structure specifically designed to address the conceptual framework presented in Chapter 3.

The questionnaire has been designed with standardized and multiple choice questions. These narrow questions and the numerical data allows this research to utilize statistical methods to test the significance effect and correlation between the variables in question.

The respondents were asked if they know a specific apparel brand, and were asked to answer the items measuring the constructs in the conceptual model with that brand in mind.

4.1.1 The brand

The brand chosen to test this research is a globally known fast-fashion brand, with presence in 69 markets worldwide with more than 4,700 stores and 45 online markets (H&M, 2018). The Swedish brand, H&M, was chosen as it is an iconic brand in the apparel industry, specifically in fast-fashion. Exhibit 1 shows that the chosen brand has the highest market share in the Apparel and Footwear industry, in the Netherlands.

In addition, the brand's fan page on Facebook has over 35 million members. Exhibit 2 shows that among the retail brands with the most Facebook fans, H&M ranks 4th. Therefore, we can

see that for a brand like H&M, it is of crucial importance to understand the motivations to join their online community, in order to design marketing and content strategies tailored to the needs and motivations of specific customers among their millions of fans. In addition, the size of H&M's fan page suggests that it is a mainstream brand, making it suitable for this research, as the focus of this study englobes commodity products –as previously mentioned- that could be bought regularly and at a relatively low price.

This brand has been selected since it is a well-known global brand, which allows respondents to have significant prior-information regarding the brand when answering the online questionnaire. In addition, being a fast-fashion brand makes it a suitable brand for this research as the levels of brand loyalty may vary from person to person, as it is not considered to be a 'love' brand or a very prestige brand.

4.2 Measures and Descriptive

The measurement of all variables and constructs has been carried out based on statements from previous literature and research. A 7-point Likert scale ranging has been used going from (1) Strongly Disagree/Uncommitted to (7) Strongly Agree/Committed.

4.2.1 Brand Loyalty

Brand Loyalty has been commonly studied around two perspectives: behavioral and attitudinal loyalty (Bandyopadhyay, 2007). The first perspective refers to the likelihood of a repeat purchase. The second perspective refers to an emotional commitment to purchasing and recommending the brand.

In this research, brand loyalty was approached by 3 statements taken from Bloemer, Ruyter & Peeters (1998) shown in Appendix 3. Minor changes were made in order to adapt the statements to the current research.

4.2.2 Like Intention

Scales and measurements for the two intention constructs were taken from a study from Nel, J. & Halaszovich, T. (2015), who developed the constructs using different academic studies as reference Jones, Reynolds and Arnold (2006). The 'Like' intention to engage in WOM is measured with three item construct, whereas the 'Like' intention to receive information is

measured with a four item construct (See Exhibit 3 in the Appendix).

4.2.3 Purchase Intention

The final dependent variable is the respondent's purchase intention of H&M products. In the literature, several ways to measure purchase intention have been identified. Although purchase intention is not the same as actual purchase, it is the indicator that most accurately demonstrates and anticipates the behavior (Peter & Olson, 2008) .

In this paper, the expressed intention to purchase is measured. Respondents rated on a 7-point-Likert scale how likely they are to purchase the brand in the following two months. As the purchase intention concept is perceived as a concrete one (Rossiter, 2002; Taylor and Baker, 1994), it is measured with a single item construct (Rossiter, Reminder: A Horse Is a Horse, 2005) and the scale is based on previous research about consumer's purchase intention (Brewer, Zhu, & McKeith, 2001).

4.3 Sample and Data Collection

The questionnaire was executed through an online survey tool that is commonly used for researches, *Qualtrics*. It was distributed through a URL link and shared to the sample through the Facebook platform, which guarantees the study that the respondents are active users of the social network site. The sample was composed by 135 respondents.

The first section of the questionnaire is focused on standard demographic information about the respondents. Afterwards, a screening question is presented, in order to make sure that only respondents who are familiar with H&M's brand continue forward with the survey. The second section is based on consumer's brand-behavior information aiming to measure the constructs featured in the conceptual model.

See Exhibit 3 for the final Questionnaire.

Chapter 5: Results

This chapter contains the results and findings of the implemented survey that tested the previously stated research questions and conceptual model. In the first part, the reliability analysis of the scale is presented. Followed by some descriptive statistics of the sample and variables in matter. In the next part, the results regarding the mediation effect are presented. At last, each of the hypotheses are analyzed with support of SPSS outputs.

5.1 Scale Validities

A reliability test was carried out in order to confirm internal consistency and reliability within the items of each variable. This paper assesses the Cronbach's alpha for each scale (brand loyalty, Like INFO, Like WOM).

Brand Loyalty scale was comprised by three items, which showed a Cronbach's alpha of 0.260 (N=132). This level of reliability is not acceptable, therefore in order to increase the alpha and the variable's reliability, item three was excluded, as its exclusions was shown to increase the alpha. The final brand loyalty variable was computed as a mean of two items with $\alpha = 0.750$, N = 132.

The intention to 'Like' to receive information was measured with four items. The reliability analysis shows a Cronbach's alpha of 0.894 N=132, which indicates a high level of internal consistency of our scale. All items appeared to be worthy of retention, resulting in a decrease in the alpha if excluded. Similarly, the intention to 'Like' to engage in word-of-mouth, was measured with three items, and the reliability analysis shows a Cronbach's alpha of 0.844 (N=132), which is also considered as an acceptable and high level of reliability. Hence the variable was computed as a mean of this three items.

5.2 Descriptive Statistics

The sample is composed of 135 participants, where 64% were females and 36% were males. The age range of focus in this study goes from 18 to 54 years old. In order to analyze the data in the following sections, two age groups are introduced, Millennials (18-34) and Mature (35-54). The Millennial group accounts for 73% of the sample, whereas the Mature group accounts for 27%. See Table 1 in detail for the demographic aspects of the sample.

Demographics	Frequency	Percent
Gender		
Female	86	64%
Male	49	36%
Total	135	100%
Age		
18-24	40	30%
25-34	58	43%
35-44	8	6%
45-54	29	21%
Total	135	100%
Highest level of education		
High School	12	9%
Technical Degree	18	13%
Bachelor's Degree	82	61%
Master's Degree	21	16%
Doctorate	2	1%
Total	135	100%
Occupation		
Employed full-time	42	31%
Employed part-time	14	10%
I am a student	42	31%
Self-employed	24	18%
Unemployed	13	10%
Total	135	100%

Table 1: Demographic of survey's participants

All variables were measured with a 7-point Likert scale, hence the minimum is always 1, and the maximum is always 7. The overall mean for purchase intention was 4.49, which regarding the coding, would be placed between “Neither likely nor unlikely” and “Slightly likely”. The variable with the lowest mean score is the intention to ‘Like’ to receive information, with a mean of 3.64. Table 3 shows the descriptive statistics for the four variables in this study.

Table 3: Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Error
Brand Loyalty	131	1	7	4.54	0.113
Like INFO	131	1	7	3.64	0.133
Like WOM	131	1	7	4.64	0.137
Purchase Intent	131	1	7	4.49	0.154

5.3 Mediator Effect

As proposed by Baron & Kenny (1986), I ran several tests and steps in order to determine if there is evidence of mediation effect from both of the intentions to Like a brand’s Fan Page (to receive Information and to engage in WOM) significantly affecting the path between Brand Loyalty and Purchase Intention.

Firstly, the correlation coefficients were studied, that is, the links between each of the variables. Table 4 and Table 5 show that each of the relationships are statistically significant. The results indicate that at a bivariate level, each of the necessary conditions to test for the mediator effect has been met.

Table 4: Correlation ‘Like’ to receive information

		Brand Loyalty	Like INFO	Purchase Intent
Brand Loyalty	Pearson Correlation	1	0.509*	0.555*
	Sig.		0.000	0.000
	N	132	131	132
Like INFO	Pearson Correlation	0.509*	1	0.243*
	Sig.	0.000		0.005
	N	131	131	131
Purchase Intention	Pearson Correlation	0.555*	0.243*	1
	Sig.	0.000	0.005	
	N	132	131	132

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

Table 5: Correlation ‘Like’ to engage in WOM

		Brand Loyalty	LikeWOM	Purchase Intent
Brand Loyalty	Pearson Correlation	1	0.354*	0.390*
	Sig.		0.000	0.000
	N	132	131	132
LikeWOM	Pearson Correlation	0.354*	1	0.367*
	Sig.	0.000		0.000
	N	131	131	131
Purchase Intention	Pearson Correlation	0.390*	0.367*	1
	Sig.	0.000	0.000	
	N	131	131	131

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

In order to determine if the effect of the Brand Loyalty on Purchase Intention, after adding the mediators in the regression model, is significantly reduced which would suggest that there is presence of a mediation effect, this study used the Sobel test method.

First, we analyze the intention to ‘Like’ to receive brand’s information. When determining the difference between the direct effect of Brand Loyalty on Purchase Intention, and its effect when

controlling for the intention to 'Like' to receive Information (LikeINFO), it was found that the raw coefficients were different. In addition, I found that the controlling variable removed all of the effects of Brand Loyalty on Purchase Intention, as the results were found insignificant. Therefore, until this point, it is suggested that there is a full mediation effect.

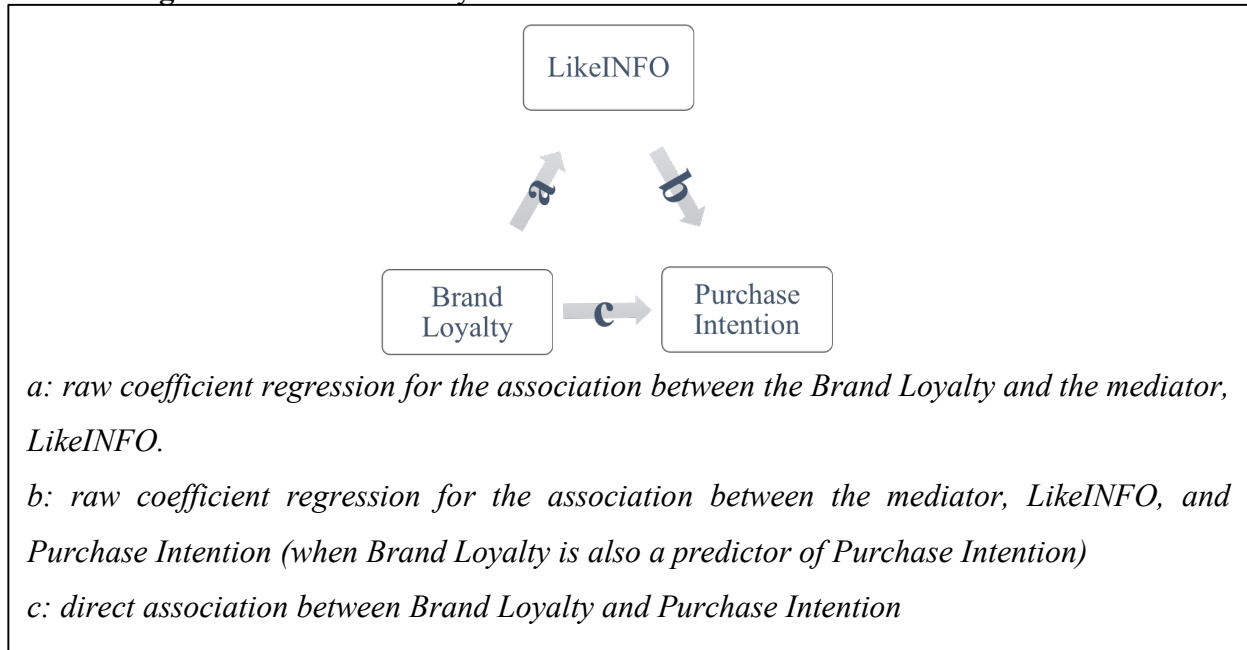
The same procedure was made for the second variable, the intention to 'Like' to engage in WOM (LikeWOM). When determining the difference between the direct effect of Brand Loyalty on Purchase Intention, and the effect when controlling for the intention to 'Like' to receive WOM, it was found that the raw coefficients were different, but both remained significant. Therefore, at this point, it is suggested that there is a partial mediator effect, as the effect of Brand Loyalty on Purchase Intention is still different when controlling for the suggested mediator.

To continue with the analysis, the Sobel test was calculated through Quantspy, an interactive calculation tool for mediation tests (Preacher & Leonardelli, 2018). In the case of the predictor of LikeINFO, the outcome shows that the test statistic for the Sobel test is -0.66, with an associated *p*-value of 0.509. The fact that the observed *p*-value does not fall below the established alpha level of 0.10 indicates that the association between Brand Loyalty and Purchase Intention is not reduced significantly by the inclusion of the mediator (LikeINFO) in the model; therefore, according to the Sobel test there is no evidence of mediation.

The Sobel test for the second predictor, LikeWOM, shows a result of 1.83, with an associated *p*-value of 0.067. This indicates that the association between Brand Loyalty and Purchase Intention is affected significantly by the inclusion of the mediator (LikeWOM) in the model; therefore, according to the Sobel test there is sufficient evidence of the presence of a mediation effect.

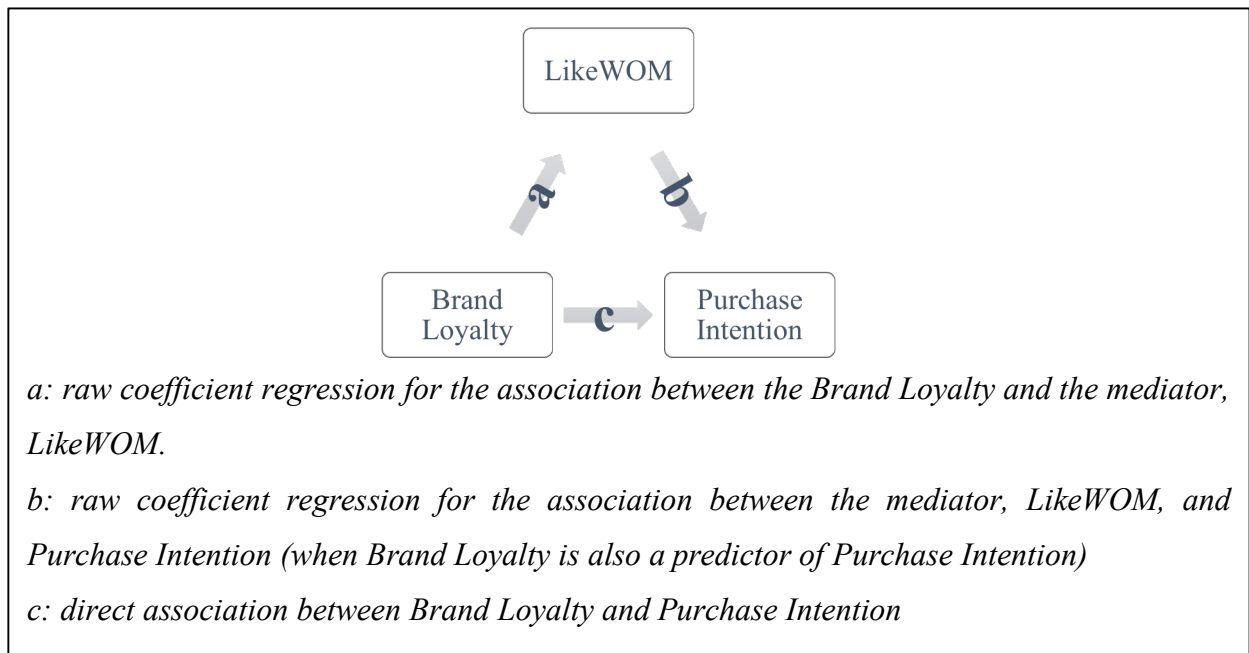
Figure 2 and Figure 3 show the results of the mediation analysis for both variables.

Figure 2: Mediation analysis for intention to ‘Like’ to receive Information



	Coefficient	Standard Error	Sig.	Sobel test (P-value)
<i>a</i>	0.596	0.089	0.000	-0.6600 (0.509)
<i>b</i>	-0.065	0.098	-0.228	
<i>c</i>	0.752	0.099	0.000	

Figure 3: Mediation analysis for intention to ‘Like’ to engage in WOM



	<i>Coefficient</i>	<i>Standard Error</i>	<i>Sig.</i>	<i>Sobel test (P-value)</i>
<i>a</i>	0.515	0.095	0.000	1.8302 (0.067)
<i>b</i>	0.175	0.090	0.054	
<i>c</i>	0.752	0.099	0.000	

Figure 4 summarizes the results of the mediation analysis on my proposed conceptual model.

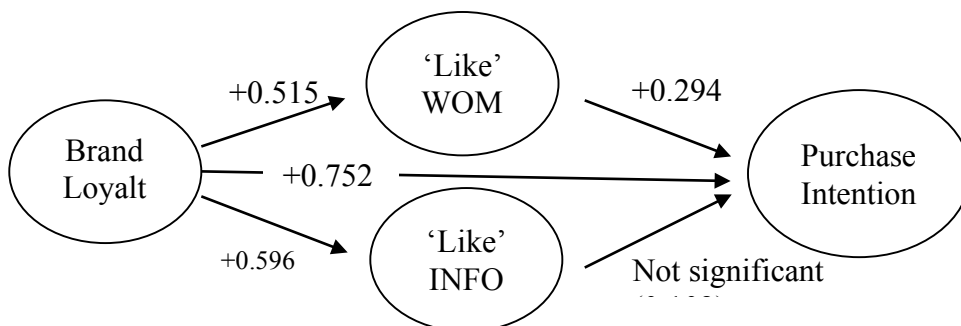


Figure 4: Mediation effect analysis

5.4 Testing the Hypotheses

The hypothesis are tested with a linear regression analysis, which allows this study to predict values of the dependent variable from the independent variable (Field, 2005). The proposed regression model is as follows:

$$\text{Purchase Intention}_i = \beta_0 + \beta_1 \text{BrandLoyalty} + \beta_2 \text{LikeInfo} + \beta_3 \text{LikeWOM} + e$$

H1: Brand Loyalty positively influences the behavioral intention to 'Like' H&M's fan page in order to engage in WOM

The regression analysis shows that Brand Loyalty has a positive effect on the intention to 'Like' H&M's Fan Page in order to engage in WOM. The beta of the coefficient influence of Brand Loyalty is 0.515 and significant. This means that when Brand Loyalty increases in one unit, the consumer's intention to 'Like' H&M's Fan Page to engage in WOM will increase in 0.515 units, ceteris paribus. To better understand the effect of Brand Loyalty on the mentioned 'Like' intention, age and gender were included in a regression analysis, in order to determine if there is any significant difference in the level of influence among different gender and different ages. Based on this results, hypothesis 1 is supported.

The results show that there is significant difference in the intention to 'Like' to engage in WOM between male (coded as 0) and female (coded as 1), ceteris paribus ($p=0.054 < 0.1$). The equation for this regression model predicts that when Brand Loyalty controls for gender, the male's group intention to 'Like' to engage in WOM is slightly higher than females, 2.696 vs 2.324 respectively. Nevertheless, when gender is studied independently, the results are the opposite, female's intention to 'Like' to engage in WOM is higher than male's, 4.284 vs 2.197 respectively. This shows that brand loyalty has different levels of relevance and influence among the two different groups. The male's group purchase intention seems to be more effectively persuaded by brand loyalty, whereas the female's group show a high influence on purchase intention regardless of the presence of brand loyalty.

Regarding Age, the results show that there is a significant difference between different age groups ($P=0.001 < 0.1$) in the intention to 'Like' to engage in WOM. The data gathered from the survey was used to transform the variable 'age' and two groups were created; Millennials (code: 0) with ages from 18 to 34, and Mature (code:1) with ages from 35 to 54. The equation

for this regression model suggests that when Brand Loyalty takes in consideration the age groups, the Mature group's intention to 'Like' to engage in WOM is higher than the Millennial's group, with a resulting influence of 3.444 vs 2.696 respectively. This suggests that the Mature's group is more likely to engage in WOM when there is presence of brand loyalty.

Nevertheless, when considering age as an independent variable, without brand loyalty, the results show that the Mature group has a negative effect on the intention to 'Like' to engage in WOM (-1.62). Therefore, we can assume that the Mature group is persuaded to engage in WOM when there is a presence of Brand Loyalty in the equation. Whereas the Millennial group is most likely to engage in WOM regardless of the presence of brand loyalty. Table 6: Regression Analysis

Table 6: Regression Analysis

Model		Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	90.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2.197	.612		3.590	.000	1.183	3.211
	BrandLoyalty	.499	.144	.416	3.473	.001	.261	.737
	Loyalty*Gender	-.372	.191	-.588	-1.945	.054	-.688	-.055
	Loyalty*Age	.748	.224	1.094	3.346	.001	.378	1.119
	Age	-3.817	1.123	-1.071	-3.399	.001	-5.678	-1.956
	Gender	2.087	.891	.644	2.342	.021	.611	3.564

a. Dependent Variable: LIKEWOM

H2: Brand Loyalty positively influences the behavioral intention to 'Like' H&M's fan page to receive Information

The analysis shows that Brand Loyalty has a positive effect on the intention to 'Like' H&M's Fan Page in order to receive information. The beta coefficient of Brand Loyalty is 0.758 and significant, higher than the previously mentioned intention to 'Like'. This means that when Brand Loyalty increases in one unit, the consumer's intention to 'Like' H&M's Fan Page to receive information will increase in 0.758 units, ceteris paribus. Based on this results, hypothesis 2 is supported.

In this case, control variables of age and gender were also included in order to identify behavioral trends in more depth. Nevertheless, the results show no significant difference among the age groups or gender groups.

Table 7: Regression analysis

		Coefficients ^a						
		Unstandardized Coefficients		Standardized Coefficients			90.0% Confidence Interval for B	
Model		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1	(Constant)	1.245	.594		2.096	.038	.261	2.229
	BrandLoyalty	.513	.139	.437	3.694	.000	.283	.743
	Loyalty*Gender	-.042	.184	-.068	-.228	.820	-.348	.264
	Loyalty*Age	.341	.216	.511	1.581	.116	-.016	.699
	Age	-1.226	1.084	-.352	-1.131	.260	-3.023	.570
	Gender	.103	.862	.032	.119	.906	-1.326	1.531

a. Dependent Variable: LIKEINFO

H3: The behavioral intention to 'Like' H&M's fan page in order to engage in WOM positively mediates the influence of Brand Loyalty on the Purchase Intention of the H&M brand

To test this hypothesis, a regression analysis was run, based on the previously presented equation model. The results show that the influence of the intention to 'Like' to engage in WOM on Purchase Intention is 0.175 and is statistically significant ($P=0.054 < 0.1$). This means that when the predictor, is increased in one unit, the model predicts an average increase of 0.236 in the overall purchase intention. Based on these results, Hypothesis 3 is supported.

Therefore, this research suggests that brand managers and marketers in H&M should enhance and encourage WOM in their Facebook fan page in order to influence and increase the consumer's purchase intention.

H4: The behavioral intention to 'Like' H&M's fan page to receive information positively mediates the influence of Brand Loyalty on the Purchase Intention of the H&M brand

There is no evidence of a significant mediation effect from intention to "Like" to receive information on purchase intention. The P value is 0.512 which is higher than the established

confidence level (0.1), this suggests that there is no evidence that the intention to ‘Like’ to receive information influences in any way (positive negative) the consumer’s purchase intention. Based on these results, this research cannot support Hypothesis 4.

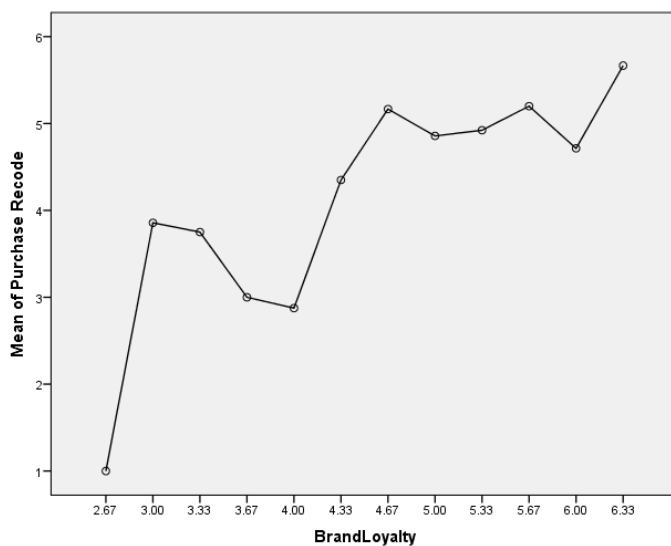
This is an unexpected result, as this predictor was expected to exert a greater influence on Purchase Intention. Nevertheless, it gives insights on the interests of users on the Facebook platform. This research can suggest that it is more efficient to generate content focused on enhancing and encouraging users to engage in WOM, rather than content to provide Information about the brand, as it has a stronger influence on the consumer’s purchase intention.

H5: Brand Loyalty positively influences the Purchase Intention of the H&M brand

The regression analysis shows that Brand Loyalty has a direct and positive effect on Purchase Intention. The beta coefficient of Brand Loyalty on the dependent variable is 0.913 and significant ($P=0.00<0.1$). The interpretation of this result predicts that when Brand Loyalty increases in one unit, the consumer’s purchase intention increases in average 0.913. Based on these results, this research supports Hypothesis 5. Brand Loyalty explains about 41% of the variation in Purchase Intention (R Square 0.41).

Chart 1, shows a positive slope between the two variables which indicate that the higher the Brand Loyalty, the higher the Purchase Intention.

Chart 1: Relationship Purchase Intention and Brand Loyalty



In this case, control variables of age and gender were included in the regression analysis to identify further patterns in the consumer's behavior. The results show that there is a statistically significant difference in the influence of Brand Loyalty on Purchase Intention between male (coded as 0) and female (coded as 1), *ceteris paribus* ($p=0.089<0.1$). The equation for this regression model predicts that Brand Loyalty has a statistically different effect on Purchase Intention across gender groups, as when the two variables are combined in the analysis the *p*-value is below the established alpha level ($p=0.089<0.1$). The regression model shows that Brand Loyalty exerts a slightly higher influence on Female's Purchase Intention compared to Male's, with an influence of 1.644 vs 1.255 respectively.

Moreover, when Gender's influence on Purchase Intention is approached as an independent variable, without including brand loyalty, the results still show a statistically significant difference across gender ($p=0.006<0.1$). However, in this case, the Female group exerted a higher and stronger effect on Purchase Intention, with a resulting influence of 3.481 versus a 0.342 for the Male group. This means that, overall, the female group possess a higher level of influence on purchase intention, regardless of the levels of brand loyalty. On the contrary, the Male group possess a higher influence level on purchase intention when combined with brand loyalty.

Regarding the Age variable, the previously coded groups are also used in this regression analysis (Millennials and Mature). The computed variable of Brand Loyalty and Age show that there is a statistically significant difference on the influence on Purchase Intention across the different age groups ($p=0.089 < 0.1$). The equation for this regression model predicts that the Mature group exerts a higher effect on the dependent variable, with an influence of 1.644 versus a 1.255 for the Millennial group. This shows that when Brand Loyalty is combined with Age variable, the Mature group has a higher influence on purchase intention. Therefore, the effectiveness of brand loyalty programs could be higher among a mature group.

Moreover, when Age's influence on Purchase Intention is approached as an independent variable, without brand loyalty, the results still show a statistically significant difference across the two age groups ($p=0.014<0.1$). However, in this case, the Millennial group exerts a higher effect on Purchase Intention, with a 0.342 versus a negative effect of -2.491 for the Mature group. This results supports our previous conclusion regarding the effectiveness of brand loyalty among a Mature group, as the model suggests that the brand loyalty is a crucial variable to generate purchase intention within the group. Therefore, this research can suggest that this

group should be targeted with marketing efforts such as loyalty and fidelity programs. On the opposite, the model suggests that the Millennial's group is least influenced by brand loyalty, therefore loyalty programs might be less effective within this age group. However, the Millennials' group show the highest influence on purchase intention, when age is studied independently. Therefore, this group should be targeted with different marketing and communication efforts.

Table 8: Summary of Regression Analysis

Coefficients ^a								
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	90.0% Confidence Interval for B		
	B	Std. Error	Beta			Lower Bound	Upper Bound	
1	(Constant)	.342	.621		.551	.583	-.687	1.372
	BrandLoyalty	.913	.146	.674	6.261	.000	.671	1.154
	Loyalty*Gender	-.457	.194	-.640	-2.355	.020	-.778	-.135
	Loyalty*Age	.389	.227	.504	1.714	.089	.013	.766
	Age	-2.833	1.140	-.704	-2.485	.014	-4.723	-.944
	Gender	2.542	.905	.695	2.809	.006	1.042	4.041

a. Dependent Variable: Purchase Intention

H6: The intention to 'Like' H&M's fan page to engage in WOM has a positive effect on Purchase Intention

The regression analysis shows that the intention to "Like" to engage in WOM has a positive effect on Purchase Intention. The beta of the coefficient influence of LikeWOM is 0.318 and significant. This means that when that the intention LikeWOM increases in 1 unit, the user's purchase intention increases in 0.318, ceteris paribus. Based on these results, this research supports Hypothesis 6.

In addition, the results show that there is a significant difference between the different gender groups ($p=0.052 < 0.1$). The equation for this model predicts that the intention to 'Like' H&M's fan page to engage in WOM, exerts a slightly higher influence on purchase intention within the Female group, in comparison with the Male group, 3.136 vs 3.01.

Table 8: Summary of Regression Analysis

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	90.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	2.692	.453		5.936	.000	1.940	3.443
	LIKEWOM	.318	.112	.282	2.846	.005	.133	.502
	WOMGender	.126	.064	.189	1.963	.052	.020	.233
	WOMAge	-.042	.066	-.054	-.640	.523	-.152	.067

a. Dependent Variable: Purchase Intention

H7: The intention to ‘Like’ H&M’s fan page to receive Information has a positive effect on Purchase Intention

The regression analysis shows that the intention to “Like” to receive Information has a positive effect on Purchase Intention. The beta of the coefficient influence of LikeINFO is 0.281 and significant ($p=0.005<0.1$). This means that when that the intention LikeINFO increases in 1 unit, the user’s purchase intention increases in 0.281, ceteris paribus. Based on these results, this research supports Hypothesis 7. The results showed that there is no difference within different age or gender groups.

5.5 Overview

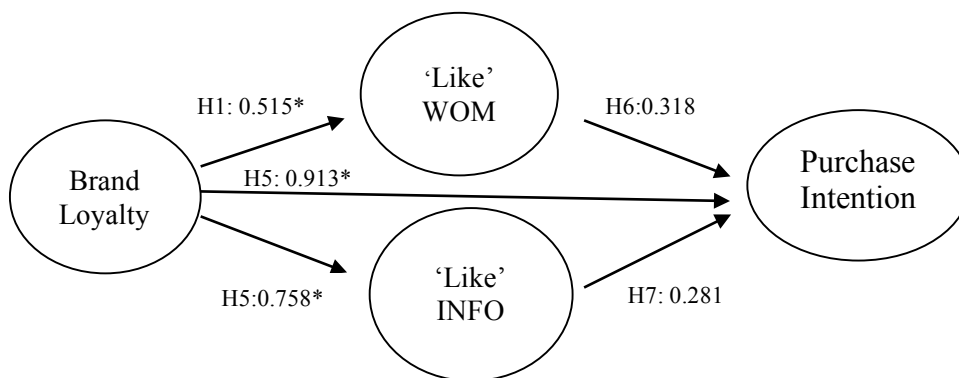
The main goal of this research is to build and test a framework with predictors and variables that statistically show a significant influence on the purchase intention of the H&M brand. The proposed framework had to be changed, as one of the expected mediator variables resulted having a not significant effect on the model (intention to ‘Like’ in order to receive information). Table 9 shows a summary of hypotheses testes in this research.

	Hypothesis	Proposed Effect	Result
1	Brand Loyalty positively influences the behavioral intention to 'Like' H&M's fan page in order to engage in WOM	+	Supported
2	Brand Loyalty positively influences the behavioral intention to 'Like' H&M's fan page to receive Information	+	Supported
3	The behavioral intention to 'Like' H&M's fan page in order to engage in WOM mediates the influence of Brand Loyalty on the Purchase Intention of the H&M brand	+	Supported
4	The behavioral intention to 'Like' H&M's fan page to receive information mediates the influence of Brand Loyalty on the Purchase Intention of the H&M brand	+	Rejected
5	Brand Loyalty positively influences the Purchase Intention of the H&M brand	+	Supported
6	H6: The intention to 'Like' H&M's fan page to engage in WOM has a positive effect on Purchase Intention	+	Supported
7	H7: The intention to 'Like' H&M's fan page to receive Information has a positive effect on Purchase Intention	+	Supported

Table 9: Overview of Hypothesis

Based on the regression analysis, the supported conceptual model is shown in Figure 5. In addition, the regression analysis is shown in Table 10.

Figure 5: Conceptual Model



*p<0.1

Table 10: Regression Analysis

Coefficients^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	90.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.643	.505		1.273	.205	-.194	1.481
	BrandLoyaltyNEW	.741	.116	.547	6.382	.000	.548	.933
	LIKEWOM	.236	.097	.209	2.423	.017	.075	.397
	LIKEINFO	-.167	.105	-.145	-1.599	.112	-.340	.006

a. Dependent Variable: Purchase Intent

Chapter 6: Conclusions

The main purpose of this paper is to contribute to the existing literature and research regarding social media marketing as a tool to increase consumer's purchase intention in the apparel industry. Brand Loyalty is already perceived as influential in consumer's decision making in online and offline matters. The results show that indeed there is a strong and direct relationship between Brand Loyalty and Purchase Intention. This paper aimed to build a conceptual framework with predictors that influence Brand Loyalty's effect on consumer's purchase intention. I found support for four out five hypotheses at 90% confidence level.

The results show that there is a significant difference between the direct influence of brand loyalty on the two 'Like' intentions constructs, the influence on the 'Like' intention to receive information was the highest, with a beta coefficient of 0.758, while the 'Like' intention to engage in WOM shows a beta coefficient of 0.628. Nevertheless, when the behavioral intentions to 'Like' are added as a correlation effect and combined with Brand Loyalty to determine the mediation effect on Purchase Intention, the intention LikeINFO has no significant effect, while the intention LikeWOM shows a significant mediation effect with a beta coefficient of 0.294. Regardless of the confirmation of one of the two mediator effects, the strongest influence on Purchase Intention is exerted by the single and direct effect of Brand Loyalty. Moreover, both intentions to 'Like' show a positive direct effect on Purchase Intention, the influence of LikeWOM is slightly higher than LikeINFO, with a beta coefficient of 0.318 and 0.281, respectively.

In the first part of this Chapter, key findings and managerial implications are presented. Followed by an indication of the research limitations, as well as future research recommendations.

6.1 Implications

The results and findings of this research are expected to be of relevance and importance to provide new insights for marketers to more effectively design marketing and content strategies for the Facebook platform specifically.

The findings identified when testing the hypothesized and the conceptual model offer relevant theoretical implications. On one hand, the results confirmed that brand loyalty has a strong

effect on purchase intention, and that they have a positive correlation. Moreover, the results showed that brand loyalty has a different effect on the two different behavioral intention to 'Like' a brand's fan page. Nevertheless, the data supports the mediation effect for the intention to 'Like' to engage in WOM, but rejects the mediation effect of the intention to "Like" to receive information.

Managerial implications have also emerged from the current study. For instance, Facebook campaigns targeting loyal consumers should focus on enhancing the behavioral motivation to 'Like' in order to engage WOM, as it can more effectively generate a higher purchase intention. Therefore, managers generate a content strategy that provides users with new innovative ways to engage in WOM, motivating them to post, comment and rate the brand on the fan page.

Additionally, it was found that Brand Loyalty exerts a stronger effect on Purchase Intention within the Male group. Nevertheless, the purchase intention is higher within the female group, when brand loyalty is not taken in consideration. This suggests that the female group is a less loyal type of consumers, but with a higher likelihood of purchasing the H&M brand. From a managerial perspective this is of relevance, as efforts focused on brand loyalty will have a greater effect on the male customers. Therefore, when managers aim to increase the purchase intention of their male customers, an efficient strategy would be to introduce loyalty or fidelity programs specifically for this target group.

6.2 Limitations and Future Research

The main limitation found in this research is the size of the sample, comprised by 135 people, where 58% are originally from Peru. The nationality factor involves cultural and regional factors influencing the behavioral motivations of the respondents, therefore influencing the general results. The limited sample size is also a factor that restricts this research, as it could be considered as insufficient to make general conclusions about the results. In addition to this, the fact that this study is focused on behavioral intentions, Purchase Intention and 'Like' intention, is definitely a limitation of this paper, as the intentions might not really lead to the actual behavior. Moreover, the brand loyalty scale used in this paper could furtherly be improved, as the validity of the scale showed that one of the three items was not reliable for the study.

Future studies should consider these limitations prior to designing future research methods and framework. On one hand, the sample size should be more significant in order to accurately generalize and interpret the results. In terms of the respondent's nationality, if the study does not have a specific regional delimitation, the sample should be representative of different global regions. Additionally, an actual behavior could be included in the model, to understand the influence of brand loyalty and 'like' intentions on an actual action on the Facebook platform (e.g. like, comment, share, rate).

An interest addition to future studies would be the inclusion of Income as a variable. In the current study, two different age groups were identified, Millennials (18-34 years) and Mature (35 to 54 years), which can be assumed to have significantly different income levels, which could drastically influence the respondent's attitudes towards the brand, as well their purchase intention.

As this study lacked of information to support Hypothesis 4, an interesting extension to the current model in future studies could examine and include constructs to measure an additional independent variable in order to identify a phenomenon with a significant effect on purchase intention when mediated by the intention to 'Like' to receive information. For instance, Brand Perception in terms of social values, or user's Facebook usage in terms of hours per day, could be interesting variables to add in the framework.

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Appendix

Exhibit 1: Apparel and Footwear in the Netherlands

Brand Shares of Apparel and Footwear

% Share - Retail Value RSP - 2016

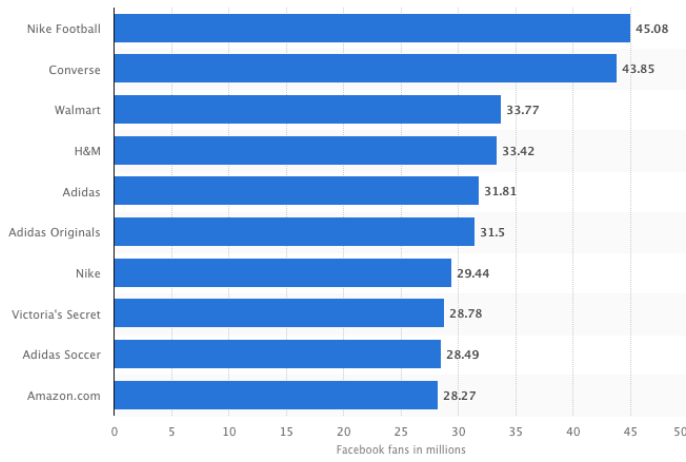


H&M		5.7%	▲
C&A		3.6%	▲
Hema		2.6%	▲
Primark		2.2%	▲
adidas		1.3%	▲
Zara		1.2%	▲
Esprit		1.2%	▼
Scapino		1.2%	▲
WE		1.2%	▲
VanHaren		1.1%	▲
Miss Etam		1.1%	▲
Zeeman		1.0%	▲
Nike		1.0%	▲
Jack & Jones		0.8%	▲
Levi's		0.8%	▲
Hunkemöller		0.8%	▲
Ralph Lauren		0.8%	▲
Ecco		0.7%	▲
Private Label		0.4%	▲
Others		71.3%	▼

Source: Euromonitor

Exhibit 2: Facebook fans of retail brand's fan pages

Retail brands with the most Facebook fans as of December 2017 (in millions)



DOWNLOAD SETTINGS SHARE

PNG PDF XLS PPT

DESCRIPTION SOURCE MORE INFORMATION

This statistic gives information on the most popular retail brands on Facebook, ranked by number of fans on the social network. As of December 2017, Walmart was ranked third with 33.77 million Facebook fans. H&M was ranked fourth with 33.42 million fans on the social network.

🔍 ☆ 🔔

Source: Statista

Exhibit 3: Like intentions measurement constructs_(Nel & Halaszovich, 2015)

'Like' intention to engage in positive WOM: LIKEWOM
I intend to click the 'Like' button on brand H&M's Facebook fan page to show my positive experience with the brand
I intend to click the 'Like' button on brand H&M's Facebook fan page to recommend the brand to my Facebook friends.
I intend to click the 'Like' button on brand H&M's Facebook fan page to recommend the brand to other Facebook users visiting the brand's Facebook fan page.
'Like' intention to receive information: LIKEINFO
I intend to click the 'Like' button on brand H&M's Facebook fan page to stay informed about new products of brand X.
I intend to click the 'Like' button on brand H&M's Facebook fan page to stay informed about competitions offered by brand X.
I intend to click the 'Like' button on brand H&M's Facebook fan page to stay informed about promotions regarding brand X's products.
I intend to click the 'Like' button on brand H&M's Facebook fan page to stay informed about brand X.

Exhibit 4: Questionnaire

The following survey will take less than 5 minutes and will contribute to the thesis research conducted by Carla Nora regarding consumer behaviour and purchase intention in the apparel industry.

What is your age?

- 18-24
- 25-34
- 35-44
- 45-54
- 55-64
- 65 or over

What is your gender?

Male	Female	Other
------	--------	-------

Where are you originally from? _____

Where do you currently live? _____

What is the highest level of formal education that you have completed? (please check only one)

- High School
- Technical degree
- Bachelor's degree
- Master's degree
- Doctorate

How would you describe your current employment status?

- Employed full-time
- Employed part-time
- Self-employed
- Unemployed
- I'm a student

Do you know the brand H&M?

- Yes
- No

Answer the following question having the brand H&M in your mind.

To what extent do you agree with the following statements:

- **I will recommend H&M to someone who seeks my advice**

1	2	3	4	5	6	7
Disagree						Agree

Strongly						Strongly
----------	--	--	--	--	--	----------

- **Next time I purchase clothes I will do it from H&M**

1	2	3	4	5	6	7
Disagree Strongly						Agree Strongly

- **I will switch to other brands if I experience a problem with H&M**

1	2	3	4	5	6	7
Disagree Strongly						Agree Strongly

- ***How committed are you to purchasing products from H&M?***

1	2	3	4	5	6	7
Definitely Uncommitted						Definitely Committed

- ***How likely are you to purchase a product from H&M in the next 2 months?***

1	2	3	4	5	6	7
Disagree Strongly						Agree Strongly

- **I intend to click the “Like” button on the H&M’s Facebook fan page to show my positive experience with the brand.**

1	2	3	4	5	6	7
Definitely Disagree						Definitely Agree

- **I intend to click the “Like” button on the H&M’s Facebook fan page to recommend the brand to my Facebook friends**

1	2	3	4	5	6	7
Definitely Disagree						Definitely Agree

- **I intend to click the “Like” button on the H&M’s Facebook fan page to recommend the brand to other Facebook users visiting the brand’s Facebook fan page.**

1	2	3	4	5	6	7
Definitely Disagree						Definitely Agree

- **I intend to click the “Like” button on the H&M’s Facebook fan page to stay informed about new products of the brand**

1	2	3	4	5	6	7
Definitely Disagree						Definitely Agree

- **I intend to click the “Like” button on the H&M’s Facebook fan page to stay informed about competitions offered by the brand**

1	2	3	4	5	6	7
Definitely Disagree						Definitely Agree

- **I intend to click the “Like” button on the H&M’s Facebook fan page to stay informed about promotions regarding brand’s products**

1	2	3	4	5	6	7
Definitely Disagree						Definitely Agree

- **I intend to click the “Like” button on the H&M’s Facebook fan page to stay informed about the brand**

1	2	3	4	5	6	7
Definitely Disagree						Definitely Agree