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The development of Facebook's competitive advantage for brand awareness

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Abstract

The paper aims to examine the development of competitive advantage in Facebook for brand awareness. The paper describes a dynamic model of the simulation system associated with the stock of online communication and customer engagement, the increase of users and the geographic connection that social media provide.

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1. Introduction

Communication among people with the use of Web2.0 entails the element of interaction among people who may have never met yet, they may exchange messages because they share common interests. Online social media platforms allow such two way communication to take place. "Social media are Internet-based channels that allow users opportunistically interact and selectively self-present, either in real-time or asynchronously, with both broad and narrow audiences who derive value from user-generated content and the perception of interaction with others" Carr & Hayes (2015).

Strategies that implement social media have recently been initiated by practitioners taking into consideration the viral effect of social media platforms Dooley, Jones and Iverson (2014). If we take into consideration financial

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returns for one of the biggest platforms, that of Facebook, companies need to implement the use of social media in their advertising campaigns. According to Facebook report results, the advertising revenue for 2014 was 12,466 million dollars in comparison to 7,872 million in 2013 an increase of 58% year-over-year (<http://investor.fb.com/releasedetail.cfm?ReleaseID=893395>). Since people are online, the communication takes place via social media networks Hutter, Hautz, Dennhardt and Füller (2013). The interaction existing among users and companies and the huge amounts invested on advertising in social media may be effectively used to increase a company's brand awareness.

Facebook participants may use their online profile to interact with people they already know offline or to meet new people with whom they may share common experiences, photos, comments participation in online groups associated with brands Ellison, Steinfield and Lampe (2007). For this reason, brands have recently employed Facebook as a tool to create brand awareness and to gain people's participation with their online comments, their post, their likes Wallace, Buil and de Chernatony (2014). This engagement brings interaction with brands and people experience the brands with the use of social media and the possibility to add friends from their social network to the brand's network Wallace, Buil and de Chernatony (2014), Hutter, Hautz, Dennhardt and Füller (2013).

This paper aims to provide elements that need to be taken into consideration so that companies' economic investment on social media and Facebook can be effective bringing together the tank of benefits of social media as well as element that may hold consumers back from the communication campaigns of social media.

2. Background of the research

2.1. Social media and online communication

Social networks allow for an on-line discussion, which nourishes the relationship, participation and networking among individuals in comparison with traditional media, which communicate only content without discussion. The interaction with social media has benefits since it enhances online communication. People participate in online communities and provide their points of view for the company or the product, share comments, upload pictures Zheng, Cheung, Lee and Liang (2015). Nonetheless, limited research has taken place on this online communication and engagement of people in brand communities created online in platforms such as Facebook Brodie et al. (2013), Zheng et al. (2015).

The word of mouth and blogging consist of part of a person's online engagement that causes communication Van Doorn et al. (2010). Engagement lies in supporting the increasingly interactive and experiential nature of consumer relationships, while extending their scope beyond core purchase situations Vivek Beatty and Morgan (2012), Dessart, Veloutsou and Morgan-Thomas (2015). Even if the person does not buy a specific brand, his/her behavioral engagement with the brand that is based on communication about the brand either with another consumer or with the company via online communication, blogging and other social media (van Doorn et al., 2010; Gummerus, Liljander, Weman and Pihlström, 2012).

Social media depend on online communication with large groups of people with whom users share information and updates; different groups where one person belongs (university classmates, neighborhood friends, common activity groups' people or even strangers etc.) may merge together and the feeling of connection and communication exists Utz. (2015).

2.2. Geographic connection

Initially people communicated offline in a geographically bounded community. With the advent of social media, users can be connected and create communities with shared interests irrespective of geographic boundaries Ellison, Steinfield and Lampe (2007).

People interact via online social networks with a group of participants while there are not geographical limits at the same time, the online group associated with a brand is also bounded in the sense that it needs a specific language and/or specific interests that bring people together in order to communicate Marwick and Boyd (2010), Kavoura (2014).

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