

Modern Retailers: How Intense, Engaging and Differentiating Is Their Communication on Facebook?

Carmen Balan

The Bucharest University of Economic Studies

carmen.balan@mk.ase.ro

Abstract

At present, marketing debate focuses mostly on the tremendous potential provided by social media for brand communication. Facebook is the buzzwords of the moment. The goal of the research presented in this paper was to study whether leading modern retailers on the Romanian market differ in terms of their marketing communication on Facebook. The studied retailers were the leading chains of the hypermarket, supermarket and discount formats. The research objectives referred to the study of the following aspects: the intensity of their posting behavior during a predefined period, the level of generated engagement (likes, comments and shares), the themes of the posts made by these retailers. Recommendations are made to practitioners of modern retailing, in order to improve the impact of their communication in social media. This paper brings two contributions to the research field. The former is the fact that, to the best of our knowledge, this research is the first study of the communication on Facebook of these leading modern retailers in Romania. The later consists in the formulation of specific recommendations based on the points of parity and the points of differentiation identified in the comparative study.

Keywords: modern retailers, Facebook, social media, marketing communication, engagement, differentiation.

JEL classification: M30, M31, M37

1. Introduction

Launched under its preliminary version in 2004, Facebook became one of the most important social media channels worldwide.

According to the Facebook Reports for the quarter ended on 30 June 2017, the number of daily active users reached 1.32 billion on average, while the number of monthly active users was 2.01 billion (Facebook, 2017). The same source specified that revenues achieved by Facebook in the first semester of 2017 were of 17.35 billion USD, compared to 11.82 billion USD for the similar period of 2016.

Facebook pages are an integral part of the marketing communication of an increasing number of retailers in Romania. This paper presents the findings of the research focused on leading retail chains in Romania, from the perspective of their communication on Facebook with the present and potential customers. The aim of the research was to study whether leading modern retailers on the Romanian market differ in terms of their marketing communication on Facebook.

2. Present status of the specialized literature

The literature dedicated to the field of retailing developed significantly during the last decades. This field progressively became a mature area of study.

Lately, social media and Facebook captured the attention of practitioners and researchers. However, the study of Facebook use by retailers is still in a preliminary stage. This state of fact is reflected by the number of articles dedicated to this field that were published in peer-reviewed journals presented in international databases.

For example, on 22 September 2017, a search for article titles on the basis of the keywords “retailing” and “Facebook” in the World of Science database managed by Clarivate Analytics

led to two articles only. Another example is provided by the SCOPUS database. A search for titles including the keywords “retailing” and “Facebook” led to no results, while a search for titles comprising the keywords “retailer” and “Facebook” led to a list of 5 results.

The articles that focused on retailing/retailers and Facebook referred to not only the offline retailers, but also to the e-retailers (Harris & Dennis, 2011; Wang & Amin, 2013). Studies approached fashion retailers also (Escobar-Rodriguez & Bonson-Fernandez, 2017). The researchers focused on consumer behavior from the perspective of motivation (Gu & Kim, 2016), usage and purchase intention, as well as buying decision (Wang & Amin, 2013) and loyalty (Anderson, Knight, Pookulangara & Josiam, 2014), in the context of Facebook use. Modern retailing applies to various social media channels and especially to Facebook. Many questions need to be answered and many hypotheses wait to be tested.

3. Romania: Internet access and use

In 2016, the percentage of households with Internet access in Romania was still below the level registered at the European Union level. However, the country witnessed an accelerated increase compared to the European Union (EU). In 2007, the year of Romania’s accession to the EU, the percentage of households with Internet access was 60% smaller than the percentage at the EU level. After one decade, the gap narrowed down to 15%. During the period 2007-2016, the percentage of households with Internet access more than tripled in Romania (see table 1).

- percentage of households -

European Union / Romania	2007	2011	2016
European Union (28 members)	55	73	85
Romania	22	47	72

Table 1. Household level of Internet access in Romania and the European Union

Source: Eurostat, 2017a

The percentage of individuals that use mobile phones or smartphones to access Internet increased tremendously in Romania. During the present decade (see table 2), the indicator grew 14 times, compared to 2.9 times in the European Union (28 members).

- percentage of individuals -

European Union / Romania	2011	2012	2013	2014	2015	2016
European Union (28 members)	19	27	35	44	52	56
Romania	3	5	10	19	31	42

Table 2. Individuals – Mobile Internet access in Romania and the European Union

Source: Eurostat, 2017b

The share of Internet non-users within the overall population was twice higher than at the EU level, in 2016. Nevertheless, most of the population (70%) used Internet and 66% in the last 12 months. There is an Internet usage gap between Romania and the EU, but this tends to shrink progressively. For instance, in one decade, the percentage of individuals who used Internet grew from 2.4 times (from 29% in 2007 to 70% in 2016) in Romania compared to 1.4 times in the EU (Eurostat, 2017c).

- percentage of individuals -

European Union / Romania	Never used Internet	Ever used Internet	Last Internet use in the last 3 months	Last Internet use in the last 12 months	Last Internet use more than a year ago
European Union (28 members)	15	85	82	83	2
Romania	30	70	60	66	4

Table 3. Individuals – Internet use in Romania and the European Union, in 2016

Source: Eurostat, 2017c

Participation in social media and social networks range among the Internet activities carried out by 44% of Romanians. This percentage is lower than at the EU level, but even for the EU-28, this activity is deployed by no more than 52% of the individuals (see table 4).

- percentage of individuals -

European Union / Romania	Posting messages to social media sites or instant messaging	Participating in social networks**	Finding information about goods and services	Selling goods and services
European Union (28 members)	40*	52	66	18
Romania	22*	44	35	3

Table 4. Individuals – Internet activities in Romania and the European Union, in 2016

Source: Eurostat, 2017d

Note: * 2012. **Creating user profiles, posting messages or other contributions to Facebook, twitter etc.

The business environment adapts to the evolving trends in consumer behavior. The use of social media became an integral part of the marketing strategy of an increasing number of companies. In 2016, in Romania, 29% of enterprises (except those from the financial sector) used social media networks, compared to 42% at the EU level (Eurostat, 2017e). The Romanian businesses still lag behind their European counterparts in this respect.

Only 9% of the Romanian enterprises actually pay to advertise on Internet and any social media, two times less than at the EU level (overall EU percentage being 18%) (Eurostat, 2017e). Several hypotheses may be formulated relative to the factors that contributed to this gap, respectively: tight marketing budgets of companies, scarce information held by small enterprises about the proven performance of social media, insufficient knowledge of decision-makers about the opportunities provided by social media.

The data on the use of social media by purpose provide a clear image about the stark differences between Romanian companies and the enterprises from other EU member states. In 2015, in the EU-28, 31% of the enterprises used social media with the purpose to develop the image of the company and to market products. In Romania, only 15% was the corresponding share of enterprises. Similarly, rather few Romanian enterprises use social media to obtain or respond to customer opinions, reviews and questions (see table 5). The hypotheses that may be tested in further research studies, in order to explain this behavior, may refer to the following factors: weak customer focus, lack of internal expertise to use social media, low level of innovation.

- percentage of enterprises* -

European Union / Romania	To create website with ordering, reservation or booking functions and to use social media for more than one purpose	To develop the image of the enterprise or to market products	To obtain or respond to customer opinions, reviews and questions	To involve customers in the development of innovative goods or services	To collaborate with business partners or other organizations
European Union (28 members)	6 ^a	31	20	10	10
Romania	6 ^a	15	13	7	9

Table 5. Social media use by purpose in Romania and the European Union, in 2015

Source: Eurostat, 2017f

Note: * Enterprises without financial sector (with 10 employees or more).

^a In 2013

The data presented in the tables 1-5 underline several trends on the Romanian market, as regards the use of social media:

- a) social media was “adopted” by a wider share of the individual consumers than of the enterprises;
- b) the growth of the Internet access of individuals is more prominent in Romania compared to the EU, while the actual levels are lower than the overall percentage for the EU-28;
- c) participation in social networks is one of the activities carried out by most individuals in Romania, while the activity deployed by most individuals from the EU-28 is the search for information on goods and services;
- d) there is still a gap in terms of purpose of social media use by enterprises in Romania and in the EU-28, especially in the case of image development and product marketing, as well as in the case of communicating with customers.

The rapid development of the Internet access in Romania is associated with an increased use of social media.

4. Social media in Romania

Social media captured the attention of an increasing number of Romanians. The audience evolved gradually and the information volume grew rapidly. The scope of social media in terms of audience and information is presented in the table 6.

Information/Audiences	Numbers
Blogs	95,000
Public Facebook pages	74,000
Online media sources	3,600
Forums	200
Instagram accounts	570,000
Twitter accounts	380,000
Youtube accounts	800,000
Facebook users	+8,000,000
Blog readers	+3,100,000

Table 6. Information and audiences encompassed by social media from .ro

Source: Zelist, 2016

In Romania, since the beginning of the present decade, the number of Facebook accounts has increased 4 times, reaching 9,600,000 in January 2017 (see figure 1). The annual growth rate is significant. In January 2017, the number of accounts augmented by 15.66% against January 2016 and 9% against September 2016 (Facebrands, 2017). One may estimate that in 2017 or no later than 2018, the number of accounts will reach 10 million.

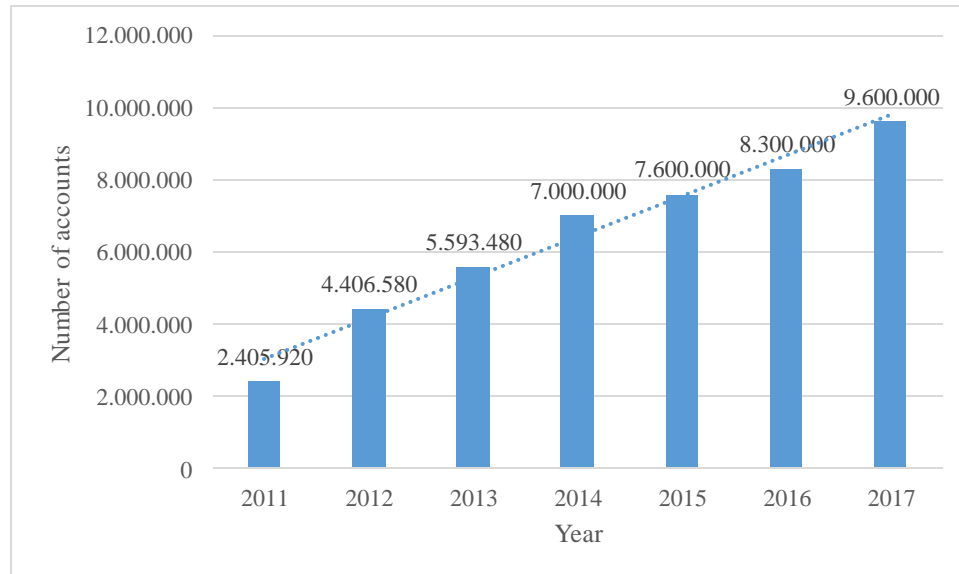


Figure 1. Number of Facebook accounts from 2011 to 2017 in Romania

Source: Facebrands, 2017

Note: * January each year

Retailing ranks third among the top industries on Facebook, in terms of the total number of fans (see table 7). A specific fact to be noted is that retailing sector of “brick-and-mortar” stores reaches 68% of the number of fans totaled by e-commerce in Romania.

Industries	Sum of fans
Beauty	3 517 345
Ecommerce	3 511 016
Retail	2 386 806
Electronics	2 027 288
Fast moving consumer goods	1 845 681

Table 7. Top industries on Facebook in August 2017, in Romania

Source: Socialbakers, 2017

Note: Data is from the total number of Local Fans for the largest 200 pages in Romania by Fan count

Another medium in social media is Instagram. The total number of Instagram users in Romania reached 566,206. Only 49.6% were active users in June 2017 (Katai, 2017). These data show that Instagram is still in an early development stage. At present, Instagram lags behind Facebook in social media, in Romania.

5. Modern retailers in Romania

Traditional trade loses ground in front of modern retailing. Romanian consumers support this trend because they enjoy shopping in every type of modern retail format.

According to the studies of GfK Romania (2017), in the first quarter of 2017, modern retailing reached a value market share of 62%. The same source revealed that discounters, supermarkets and convenience stores registered an increase in the market share, in comparison to hypermarkets whose market share diminished as a result of lost traffic. The ascending trend of discounters and supermarkets consists in an intensive growth based on the larger purchase value of retail baskets. Convenience stores succeeded to attract more purchasers.

The retail market is dominated by international retail chains (see table 8). The ranking of top retailers is led by three hypermarket chains and a discounter that reached each a turnover of more than one billion Euro in 2016.

Rank	International retail chains	Trade format	Turnover 2016 (Million Euro)	Profit 2016 (Million Euro)	Number of stores 2016
1	Kaufland	Hypermarket	2,158.44	145.51	112
2	Carrefour	Hypermarket	1,868.14	28.72	244
3	Lidl	Discount store	1,242.28	48.49	203
4	Auchan	Hypermarket	1,090.33	-5.33	33
5	Metro	Cash & carry	970.37	23.04	30
6	Mega Image (including Shop & Go)	Supermarket	963.27	30.03	522
7	Profi	Supermarket	790.61	28.25	501
8	Selgros		734.25	5.62	21
9	Rewe Romania (Penny Market and XXL Mega Discount)	Discount store	638.14	5.29	206
10	Cora	Hypermarket	388.47	-1.29	11
11	dm Drogerie Markt	Drugstore	56.96	-0.31	85
Total			10,901.31	308.02	1,968

Table 8. Top international retail chains in Romania, in 2016

Source: Ardelean, 2017

6. Research methodology

The goal of this research was to study whether leading modern retailers on the Romanian market differ in terms of their marketing communication on Facebook. The study referred to the leaders of the Romanian modern retailing in the hypermarket, supermarket and discount store formats. More precisely, the study focused on the following leading retail chains: Kaufland Romania – the leader of the hypermarket format, Mega Image Romania – the leader of the supermarket format and Lidl Romania – the leader of the discount store format.

The research objectives refer to the study of the following aspects:

- intensity of their posting behavior during the month of August 2017;
- level of generated engagement (likes, comments and shares);
- major theme of the posts made by these retailers.

The research method was observation deployed in the online environment. It facilitated the gathering of both quantitative (relative to the posting intensity and to the engagement of Facebook users) and qualitative data (relative to the themes of the posts).

The data collection process was accomplished based on the publicly available data displayed by the Facebook pages of Kaufland Romania, Mega Image Romania and Lidl Romania. The investigated pages were verified pages only. A verified page is confirmed by Facebook as being an authentic page of the specific company.

A database was created in order to organize in a structured framework the data necessary to accomplish the research objectives. A distinct entry was developed for each post made by each retailer on own Facebook page during the month of August 2017.

7. Research findings

The first research objective referred to the intensity of the posting behavior of the three leading retailers in August 2017. The data resulted from the research are presented in the table 9.

International retail chains	Trade format	Total number of days with posts in August 2017	Total number of posts during August 2017	Average number of posts per day of posting
Kaufland	Hypermarket	26	59	2.27
Lidl	Discount store	31	65	2.10
Mega Image	Supermarket	31	48	1.55

Table 9. Intensity of posting behavior of the three international retailers in August 2017

Source: Own research

The three retailers displayed a sustained posting behavior throughout the analyzed month. The posts were made on daily bases or almost daily (in the case of Kaufland). Average number of posts per day varied between 1.55 for Mega Image and 2.27 for Kaufland. A worthwhile aspect is that Lidl and Kaufland used to post twice a day, on average.

The second objective of the research consisted in finding the level of engagement generated among Facebook users. The engagement is expressed as sum of the following variables: “number of likes”, “number of comments” and “number of shares” (see table 10).

International retail chains	Trade format	Number of liker in August 2017	Number of shares in August 2017	Number of comments in August 2017	Engagement
Kaufland	Hypermarket	36,795	1,903	3,500	42,198
Lidl	Discount store	37,959	2,684	1,251	41,894
Mega Image	Supermarket	28,275	867	893	30,035

Table 10. Engagement generated by the three international retailers in August 2017

Source: Own research

The total engagement generated by Kaufland and Lidl is almost similar. However, Mega Image generated a lower level of engagement compared to the other two competitors. The situation of the engagement generated by Facebook posts is presented in table 11.

International retail chains	Trade format	Average number of liker per post	Average number of shares per post	Average number of comments per post	Average engagement per post	Average engagement per day of posting
Kaufland	Hypermarket	624	32	59	715	1,623
Lidl	Discount store	584	41	19	645	1,351
Mega Image	Supermarket	589	18	19	626	969

Table 11 Level of engagement generated by the three international retailers in August 2017

Source: Own research

The engagement level varied between 626 and 715 likes, shares and comments during one month.

Kaufland stands out from the group of the three modern retail chains, due to its higher level of engagement not only per posting, but also per posting day. Consequently, the communication of Kaufland on Facebook is the most efficient in terms of generated engagement.

The third research objective consisted in identifying the major theme of the posts made by these retailers. For each post, only the major theme was considered.

The research findings revealed the major aspects pointed out by the three retailers (see table 12). The following table presents only the major aspects that registered the highest frequency of occurrence on the Facebook pages of the three retailers.

- percentage of posts of each retailer -

International retail chains	Products and brands	Products and brands at promotional prices / discounts	Products developed with renowned chefs	Recipes and culinary recommendations	Own advertising campaigns*	Tourism services	Events	Games and contests	Others
Kaufland	20.34	11.86	-	3.39	18.64	-	35.59	5.09	5.09
Lidl	36.92	1.54	-	27.69	16.93	7.69	-	1.54	7.69
Mega Image	29.17	29.17	10.42	10.42	-	-	2.08	8.32	10.42

Table 12 Major themes of the posts of the three international retailers in August 2017

Source: Own research

Note: * Own advertising campaigns of retailers: “Animaterra” (Kaufland Romania) and “Let’s WOW Romania – by Heidi Klum” (Lidl Romania).

The range of themes focused on the products and brands provided by the three retailers. The communication on Facebook was also marked by the theme of promotional prices. Lidl does not stress as Kaufland and Mega Image the discounts, maybe because people do associate Lidl with lower prices. Lidl is also focused on providing recipes and culinary recommendations. Unexpectedly, Lidl communicates about tourist services fact that represents a differentiator compared to the other two retailers.

8. Conclusions and recommendations

The following conclusions may be drawn relative to the intensity of the posting behavior of the three leading retailers:

- a) leading modern retailers seem to consider Facebook as a valuable social medium for the communication with the target market (aspect inferred from the active posting behavior of the retailers);
- b) the three retail leaders use Facebook to engage their customer community by posting twice on average, during a posting day;
- c) weekend days resemble working days in social media, consumers being exposed to the information posted by the retailers;
- d) Kaufland and Lidl seem to be more active on Facebook in terms of the number of posts.

The research has several limitations. Firstly, only the three retailers were studied. Secondly, the period was narrowed to August 2017.

As regards the engagement generated on Facebook, the conclusions are the following:

- a) Facebook users tend to “give likes” rather than to share and provide comments;
- b) average engagement level per post varied between 626 and 715 likes, shares and comments during August 2017, for the three retailers;
- c) average engagement level per day of posting varied substantially between 969 and 1,623 shares, likes and comments, during the same period, for the three retailers;
- d) the highest efficiency in engaging Facebook users was achieved by Kaufland (fact revealed by comparing the generated engagement levels to the numbers of posts).

The conclusions relative to the major themes addressed by the post underline the following:

- a) products and brands represent the focus of the Facebook communication of all the three retailers;
- b) prices are communicated in more posts by the non-discounter retailers than by the discount retailer;
- c) Facebook is a social medium that is used to multiply the effect of the other media applied for the own advertising campaigns of the retailers.

In the case of the three leading retailers, the marketing communication on Facebook shares the following points of parity:

- a) Facebook is a tool used constantly to communicate with consumers;
- b) posting is carried out at sustained intensity of around two posts per day;
- c) posting schedule includes both week and weekend days;
- d) products and discounts are major themes that register higher shares than the other themes approached by the Facebook posts.

The research findings allow a direct answer to the initial question relative to the differences existing in terms of communication on Facebook, among the three retailers. There are few differences relative to this communication. The differentiators are the share held by each major communication theme of each post and the level of generated engagement.

The main recommendations for practitioners are to: (i) continue improving the communication on Facebook by enhancing the level of user engagement; (ii) diversify the themes approached by posts; (iii) to focus on consumers and their lifestyle as well, not only on products/brands.

Researchers can provide support to retailers in order to identify: (i) the themes with the highest impact on Facebook users; (ii) the potential competitive differentiators to be communicated; (iii) the effectiveness and efficiency of Facebook in comparison to other components of social media; (iv) the correlation between the attitudinal data collected on Facebook and the behavioral data generated by purchases in the “brick-and-mortar” stores or online.

At present, Facebook is a point of parity for retailers. The question is how marketers will develop communication differentiators using Facebook posts in parallel to exploring the potential of new social media.

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