ENGAGEMENT WITH BRANDS ON SOCIAL MEDIA AMONG YOUNG ADULTS

A country comparison between Finland and The United States of America

Isa Korhonen

International Business
Bachelor’s Thesis
Supervisor: Suzanne Altobello
Date of approval: 8 April 2019

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Objectives  
The main objectives of this study were to widen the knowledge about how young adults engage with brands on social media and how they perceive the large amount of branded content available. In addition, the extent to which young adults participate in electronic word-of-mouth was subject to research. The main objective was to discover strategical implications to how these young adults should be communicated with through social media and if there were any variance due cultural differences between Finland and the US.

Summary  
Consumer engagement and social media are widely researched topics, but since the industry is rapidly and constantly developing it is important to keep collecting new data. In addition, there is not a lot of existing research on specifically Finnish consumers. This thesis will suggest managerial implications for companies regarding their social media strategies in order to gain higher consumer engagement. A qualitative online questionnaire was conducted to gain better knowledge of consumers’ perceptions towards brands on social media.

Conclusions  
Based on the results, the differences between the cultures were smaller than expected, which could indicate that companies could implement similar marketing on both countries. However, the respondents from both countries showed rather negative feelings towards brand related content and presented somewhat low engagement with brands. Electronic world-of-mouth was also surprisingly unpopular among the respondents. Therefore, companies should strive to innovate better methods to engage their consumers, since more engaged consumers often have higher brand loyalty as well.

Key words: social media, marketing, brand, consumer engagement

Language: English

Grade:
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1. INTRODUCTION

1.1 Background

When considering companies on social media, the first things that often come to mind are the various advertisements, such as pop-up ads on the platform’s feed or in the middle of videos. In addition to these ads, companies are strongly present on social media with brand pages on multiple platforms, such as Instagram, Twitter and Facebook, where they can contribute versatile marketing content. Today, fundamentally all brands exist in at least a few different social media channels, or they at least should, if they wish to stay in the competition. From the US Fortune 500 companies, around 90% had presence at least in Facebook and Twitter in 2018 (eMarketer, 2018), which well illustrates the significance of social media marketing today.

Companies have various reasons to be present in social media. To some extent, it can be perceived that companies are forced to be there due to the high popularity of the platforms among consumers and competitors, but also for the company strategy and the possibility for cost reductions in marketing expenses (Tsimonis & Dimitriadis, 2014). In order to stay connected to the consumers and remain attractive, companies can, and should, communicate through diverse actions, such as product releases, competitions, product information, general interactions and customer service (ibid). Social media operates as an organic marketing technique for consumers to end up on a company’s web page (Thiefels, 2018) and hopefully in the end to purchases online or in physical stores.

Consumers are also increasingly using social media as a source to find information about brands and therefore, the significance of the brand’s presence on these platforms is essential to their success (Manfred, et al., 2012). However, social media also allows consumers to talk to a vast number of other consumers. This reduces the power of the company as they are not the only source of information anymore and they cannot control the user-generated content (ibid). These aspects create the need for all companies to shape their marketing strategies in a way that addresses all
requirements of today’s online world. Especially young adults are could be best reached through social media and the internet and therefore, they should be considered in the strategies. According to Taken Smith (2012), young adults respond to marketing activities in a different way than older generation and bad digital marketing can easily create a poor image of the brand.

The aim of this thesis is to gain more information about how consumers perceive brands on social media and interact with them on different social media platforms. The effect of culture will be taken into consideration with a comparison between Finnish and American young adults. Furthermore, this thesis will seek to provide better understanding on how engaged young adults are with brands. The results aim to provide strategical implications for companies in Finnish and American markets.

The structure of the thesis will be as follows. After the introduction, a literature review of the existing research will discuss the different aspects of social media marketing that can have significant impact on the marketing strategies of brands. The literature review will conclude to a conceptual framework. Later, the methodology section will discuss the quantitative method used to test the hypotheses and the conceptual framework, and possible limitations. The results from the quantitative survey that was conducted for this thesis will be then presented and analyzed. Lastly, the main findings, strategical implications for businesses and possibilities for future research are discussed.

1.2 Research problem

Today, virtually all brands are present in social media and so are their customers. Therefore, it is vital for companies to understand the consumer behavior of these customers when it comes to engaging with brands. With the vast amount of branded content created every day, it can be difficult for companies to stand out and find the right locations to reach the most potential consumers. Additionally, people perceive and respond to this content differently. Especially young adults are often perceived to be active on social media but the challenge is to know if they truly engage with the brands or merely observe them. Furthermore, the bottom question is if young adults even follow brands on social media at all.
This thesis will investigate the engagement between young adults and brands, for example by looking into the questions of what type of brands they like to follow, why they follow brands and where they like to follow them. The country comparison between Finland and the United States will further reveal the extent that culture affects this engagement. For example, this thesis will explore factors that brands should take into consideration in their social media marketing when expanding to the US or the other way around.

1.3 Research questions

This thesis will specifically focus on the following research questions:

1. How is companies’ marketing in social media perceived by young adults?

2. What type of brands young adults like to follow on social media and on what platforms?

3. How do cultural differences affect engagement with brands on social media among young adults?

4. How young adults participate in user-generated content and online word-of-mouth (eWOM) to an extent that should that be taken into consideration by brands?
1.4 Research objectives

In particular, the research objectives of this thesis are:

- To investigate how young adults perceive brands and their content on social media.
- To gain better understanding of what social media strategies are the most efficient.
- To look into the extent of online word-of-mouth among young adults.
- To explore the different ways of social media marketing and how effective they are.
- To evaluate the significance of communicating with young adults through social media and the effect of cultural differences.

2. LITERATURE REVIEW

2.1 Introduction

In this literature review, existing studies and articles around the topic will be critically analyzed. Different aspects that influence social media marketing decisions, such as the constantly growing online word-of-mouth and customer brand engagement possibilities will be discussed. Also, some cultural aspects impacting engagement with brands on social media will be explored. Lastly, a conceptual framework will be presented based on the discussed literature, with the goal of understanding how different social media marketing activities are perceived by young adults from different cultures and how they are ultimately engaging with the brand.

Existing literature on the topic is often limited to a specific social media platform (e.g. Khajuria & Rachna, 2017; Liu, et al., 2018) or to a specific geographical area (e.g. Hansson, et al., 2013). This project will explore multiple platforms, including Facebook, Instagram, Twitter and YouTube, and recruit respondents from Finland and the United States to compare the created model across cultures. The goal is to additionally discover which platforms and actions are the most effective ones for marketing in terms
of creating consumer brand engagement and if there are any differences caused by culture.

2.2 Marketing in social media

Social media has become a significant part of the everyday lives of consumers. In addition to relaxing, the consumers can engage in different activities, such as seeking information and reviews, and eventually even purchasing the products through social media (Stephen, 2016). Therefore, companies have understandably adapted social media into their marketing strategies increasingly during the past few decades (Ashley & Tuten, 2014; Hudson, et al., 2016). The marketing activities that brands perform there can appear in a variety of forms, for example as status updates, photos or competitions on company pages (Glynn Mangold & Faulds, 2009; Lipsman, et al., 2012; Colicev, et al., 2016).

2.2.1 Characteristics

Social media offers unique opportunities that traditional marketing channels cannot, which companies should strive to exploit. It is a platform where companies can both communicate easily with consumers but also where consumers can talk to one another (Glynn Mangold & Faulds, 2009; Vinerean, et al., 2013; Hudson, et al., 2016). In addition, social media offers an effective and practical way for consumers to have a dialogue with companies (Glynn Mangold & Faulds, 2009). This gives companies an opportunity to receive feedback and suggestions in real time from the consumers who use their products. As discovered by Mangold and Faulds (2009), this could also be beneficial in long term because consumers feel higher engagement with companies and their products if they are provided with the possibility to give feedback. In addition, frequent communication with consumers on social media can lead to better transparency (Gunawan & Huamg, 2015).

The overall communication between brands and consumers has greatly evolved due to the high accessibility provided by smartphones and the internet connection in general (Martins, et al., 2019). On the contrary, when increasingly shifting from computers to smartphones, the screens get smaller which consequently makes the
space for ads smaller (Hansson, et al., 2013), which has created the need for altering the forms of marketing. For example, in Instagram and Snapchat, companies have been placing advertisements between the stories (e.g. My Story on Snapchat) posted by the users’ friends.

When planning a marketing strategy for social media, the aim of companies should be to affect the image consumers have about the brand and to direct the discussions towards a tendency that is consistent with the “mission and performance goals” of the company (Glynn Mangold & Faulds, 2009: 361). The implemented strategy aims to narrow the gap between “what the marketer wants to say and what the customer needs to hear” (Ashley & Tuten, 2014: 18). However, social media does not only include positive information and comments, and in order to uphold the wanted brand image, companies should also reminisce their own interests enough (Christodoulides, et al., 2012; Hansson, et al., 2013).

Occasionally companies and its managers have difficulties to engage in marketing on social media and truly understand its importance (Lipsman, et al., 2012; Glynn Mangold & Faulds, 2009). In order to design better marketing strategies, companies should strive to effectively measure how well their previous marketing efforts have performed. For example, measuring the reach and frequency of the branded content can help in realizing the true value of the marketing efforts better than merely measuring the amount of advertisements published. (Lipsman, A. et al., 2012). Because there is a massive amount of branded content published every day, it is also important to reach the consumers as quickly as possible (Hansson, et al., 2013). Measuring these factors properly can make integrating social media marketing to different dimensions of the marketing mix easier (Lipsman, et al., 2012).

According to Vinerean, et al. (2013), another key to success in marketing on social media is to analyze the consumer behavior of the people who have been reached by the branded content. Consumers tend to make purchase decisions more likely if they perceive that the ads they encounter are relevant and informational (Abdallah Alalwan, 2018), and therefore, the analysis can reveal if the marketing efforts have been successful. Additionally, analyzing the reach of the branded content can help in
locating more potential customers, such as the friends of the current consumers (Vinerean, et al., 2013).

When marketing in social media, it is important to have engaging content published often enough in order to reach the consumers (Lipsman, et al., 2012; Hansson, et al., 2013). However, it should be considered that some consumers might not like receiving branded content in their social media and it can even be found bothering if it occurs too frequently (Fournier & Avery, 2011; Lipsman, et al., 2012; Taken Smith, 2012; Hansson, et al., 2013). Especially today, when the number of ads and other branded content on social media is constantly increasing, it is possible that young adults, who are often seen as frequent users of social media, might be having this type of negative feelings. Especially pop-up ads were perceived as annoying among young adults (Taken Smith, 2012). Although, despite the frequency of branded content, it could be agreed that validity and relevance of the marketing activities is important for all consumers (Hansson, et al., 2013). The succeeding hypotheses can be drawn based on these findings:

H1a: Young adults express negative feelings towards brand-related content on social media.

H1b: Young adults rate informational content as the most valuable aspect of branded content.

2.4 Electronic word-of-mouth

According to Stephen (2016), producing electronic word-of-mouth (eWOM) and reviews have been the most popular topics lately across research articles in the industry. This is not surprising since consumers seem to engage more and more in conversations on social media platforms for various reasons which can include “reputation, sense of belonging and enjoyment of helping” (Czheung & Lee, 2012: 218). Especially young adults seem to be active in writing reviews and spreading eWOM (Taken Smith, 2012). Social media truly does offer valuable possibilities with eWOM, both for consumers and companies (Erkan & Evans, 2016). Traditional word-of-mouth is impactful as well but the possibility to reach millions of people all around
the world in just seconds, is rather unique and beneficial aspect that social media and internet in general have enabled (Chenn, et al., 2011).

No company should override the impact of online word-of-mouth between consumers (Vinerean, S. et al., 2013). Consumers are interested in what other consumers have experienced and noticed with different products, in a hope to receive higher confidence to purchase the product and reduce risks related to it. Furthermore, consumers find reviews and other brand related content that is created by other consumers more reliable than content provided by the company behind the product and they truly value the opinions of their peers (Glynn Mangold & Faulds, 2009; Taken Smith, 2012). Understandably, it can be perceived that the comments made by other consumers are more honest and therefore trustworthy.

However, companies themselves can also benefit from the eWOM contributed by their customers. They receive up-to-date feedback, which enables them to react accordingly. They also have the possibility to answer to critic and other negative comments, and possibly even convert the customer experience to positive (Tsimonis & Dimitriadis, 2014). As mentioned earlier, companies have the possibility to affect the consumer conversations and even their brand value with their social media actions. Social media is a rather easy way for companies to communicate with their consumers and form an engaged relationship with them (Tsimonis & Dimitriadis, 2014). This can further affect consumers’ willingness to spread word-of-mouth about a particular brand which can lead to higher brand awareness and eventually to higher brand value (ibid). It has also been discovered that eWOM can understandably positively impact purchase decisions (Chenn, et al., 2011). However, it can be hard to measure how much certain activities on social media affect in reality, for example, brand value or sales. The following hypothesis can be drawn from the existing literature:

H2: Young adults are actively participating to electronic word-of-mouth, for example, by sharing posts and discussing about the brand with their followers and friends.
2.5 Consumer engagement

It can be difficult at times to understand why consumers wish to use time on brand pages in social media and interact with other consumers there, when they, in a way, work as free brand ambassadors voluntarily. Tsimonis and Dimitriadis (2014) interviewed different managers for their research and found that the greatest benefit the managers expected from using social media in their marketing was higher consumer engagement. Consumers also have various reasons to engage with brands and their conversations on social media. One of these reasons is that, logically, consumers like to feel belonging to different groups (Maslow, 1943) and in the communities around brands they can fulfil this need by participating in social relations with other consumers (Tsimonis & Dimitriadis, 2014). In addition to this social motive, there are also other motives why consumers decide to engage with brands, such as competitions and promotions (ibid). Based on these findings, the following hypotheses can be formed:

H3a: Young adults in both Finland and the US will rate social interaction and community as important in their engagement with brands.

H3b: Young adults in both Finland and the US will rate promotions and competitions as important in their engagement with brands.

Customer brand engagement can be defined as “the level of a customer’s cognitive, emotional and behavioral investment in specific brand interactions” (Hollebeek, 2011: 555). According to Ashley and Tuten (2014: 17), when a company understands the importance of consumer engagement and adopts it to their marketing strategy, their communication changes from “transactional perspective” to “interactional perspective”. At that point, the consumers also begin to create emotional connection and feel the brand as part of their identity. Truthfully, brand engagement is a key for companies to build trust with their consumers (Liu, et al., 2018). In addition, when consumers are engaged to a brand they are more likely to participate in discussions in social media brand communities (SMBC), which can further increase their trust towards the brand and also to other customers in the community (ibid).
2.6 Effects of cultural differences

When communicating with consumers on social media, an important factor to identify, and take into consideration, is who they really are, including their preferences based on their culture (Lipsman. Et al., 2012; Liu, et al., 2018). This is required in order to build a relationship between a brand and a consumer that is, at best, beneficial for both sides. Consequently, consumers can be more satisfied from receiving a better experience while companies can gain a better understanding of their customers’ needs and respond to those in the future more properly (Tiago & Verissimo, 2014; Hudson, et al., 2016). This could again lead to higher loyalty from customers and higher profitability for the company (ibid).

The cultural dimensions created by Hofstede (2001), can also be applied to social media marketing. In order to design posts and other marketing materials that are effective and visually attractive to consumers, marketers should understand how the cultural differences, such as the ones mentioned by Hofstede, affect the way consumers perceive and understand different messages (Lin, et al., 2017). In their research, Lin, et al. (2017) gave suggestions on how to apply the dimensions in social media marketing. For example, they proposed that in cultures where individualism is high, consumers appreciate more personalized and unique posts than in collectivistic cultures. Thus, it is important to consider the format of the post in relation to the culture when engaging consumers.

In this thesis, the differences between Finnish and the American consumers will be investigated. According to the Country comparison by Hofstede Insights (Figure 1), Finland and the US are rather similar in many of the dimensions. The largest differences occur within individualism and masculinity. Due to the combination of low score on power distance and a truly high score on individualism, Americans are comfortable with approaching people they do not know and interact with them in order to gain information more than Finns (Hofstede Insights). This could suggest that Americans would be more enthusiastic to participate in eWOM and creating user-generated content (UGC) and therefore, the following hypothesis is formed:
H4: American respondents are more likely to participate in eWOM than Finnish respondents.

In addition, Chatzipanagioutu, et al. (2018) suggested in their study about effects of individualism versus collectivism culture on consumer-based brand equity, that people from more individualistic countries are willing to pay a premium price for brands, if the brand has been able to create a personal meaning and a relationship with the consumer. This relationship could be acquired, for example, through social media. The individualistic country in the study (Chatzipanagioutu, et al., 2018) was Germany, whose individualism score is rather close to the score of Finland and thus, similar behavior could be assumed from Finns as well. The correlation between the developed relationship and future sales is important, since brand equity and value are the ultimate goals for all marketing, including social media marketing.

Americans also score significantly higher in the masculinity dimension than Finland (Hofstede Insights). Consequently, Americans often strive to win both in business and in personal life and thus, aim to show their success to others as well (ibid). It is possible that this might reflect to their social media behavior as well by engaging more visibly than Finns with the brands they wish to be associated with, for example by posting about the products on their social media. On the contrary, Finland scores rather low on this dimension, and therefore people generally do not want to show their status too clearly (ibid). It is possible that Finns are more likely to merely follow and like brands, rather than posting themselves about it and hence, the following hypothesis can be drawn:

H5: Finnish respondents tend to merely consume and observe brand-related content more than American respondents.
2.7 Conceptual framework

The framework presented in Figure 2 has been developed based on the conducted research on existing literature around topic. It proposes that by adapting social media into the brand’s marketing strategy, companies can gain stronger consumer engagement through their various marketing activities there. The marketing activities identified in the framework are brand pages and advertisements. In this framework, brand pages include company founded pages for example on Facebook, Twitter or
Instagram and the different posts and other activities there. Advertisements, on the other hand, include actions like pop-up advertisements, for example during videos or personal stories, other paid advertisements, such as banners, and sponsored materials provided by different influencers and brand ambassadors, such as athletes or bloggers. Additionally, the effect of culture will be taken into consideration. Culture can affect how people communicate and perceive different messages, and thus, in order to appeal to consumers and engage them to a brand, the marketing style needs to be correct. (de Mooij & Hofstede, 2010). Therefore, the conceptual framework proposes that culture will have an impact on how consumers engage with brands on social media and how the advertisements and other content on brand pages are perceived.

There seems to be no particular widely accepted model to measure consumer brand engagement. However, for example, Muntinga, et al. (2011) presented a model called the Consumers’ brand-related activities (COBRA), which was further studied by Schivinski, et al. (2016) by creating the “Consumer’s Engagement with Brand-Related Social-Media Content” (CEBSC) scale. The CEBSC model extends the COBRA model by “introducing and describing its systematic development and validation” (Schivinski, et al., 2016: 65). In the models, consumer brand engagement is divided into three different levels: consuming, contributing and creating. The engagement level of a consumer might differ between brands (Muntinga, et al., 2011). The models present a rather understandable way to explore if consumers are merely observing the brand-related content or actively taking part in it.
In this thesis, it will be investigated how the conceptual framework is visible in practice. The focus will be on discovering how young Finnish and American consumers are similar or different in terms of their brand engagement on social media, e.g. what type of brands they follow on different platforms and how do they engage with them. Based on the Hofstede’s cultural dimensions (Hofstede, 2001) the hypothesis could be made, that there will be differences between how Finnish and American respondents typically engage with brands and how they perceive the brand-related content.

H6: Young adults will engage with brands and perceive the branded content in a visibly different manner based on their culture.
3. METHODOLOGY

3.1 Data collection

In this thesis, both primary data and secondary data were utilized. The primary data was collected through an online questionnaire, that tested the hypotheses presented in the literature review. Many researchers in the field have used surveys to collect data (i.e. Christodoulides, et al., 2012; Gunawan & Huarng, 2015; Martins, et al. 2019) and therefore, it was reasonable to use one in this study as well. Secondary data was collected from online databases and the obtained existing literature was discussed in the literature review. This secondary data was used as a base for the conceptual framework, hypotheses and the scales used in the questionnaire.

A questionnaire was chosen as a method of quantitative research due its appropriate nature for consumer research and the research objectives of this thesis. The questionnaire was designed on Webropol survey software and the responses were collected online as it was the only way to efficiently conduct a country comparison and collect responses from both Finland and the US. In addition, by conducting an online survey, it could be assured that the responses would remain anonymous. Online survey was also the most undemanding method resource-wise to collect a sample that was large enough from both countries.

The survey was sent to potential respondents through different social media channels, such as Instagram and Facebook, in both countries in order to reach people who fit in the right demographics and use social media. Additionally, the survey was sent to some possible respondents via email. Some respondents were additionally asked to share the survey with other potential respondents, especially in order to reach a large enough sample from the US. The questionnaire was open for responses from March 11th to March 19th.

The sample for the questionnaire was mainly done as convenience sampling but partly as snowball sampling. There were limitations in resources, such as time, which is why this sampling method was chosen. All respondents participated voluntarily and they were informed that the survey results would only be used for this Bachelor’s thesis and
that all response would be anonymous. They were also informed with the objective of the survey.

### 3.2 Questionnaire design

The full questionnaire discussed in this section can be found from Appendix 1.

The questionnaire began with simple basic questions about how frequently the respondent spends time on social media and on what platforms. Then the respondent indicated if they followed brands on social media, and if not, they immediately skipped the questions relating engagement with influencers who promote brands. If the respondent reported that they do follow brands on social media, they responded to questions about what type of brands they follow and on what platforms.

Next, the respondents were asked to indicate their favorite brand to follow, on which social media channel and to what industry could that brand be categorized in. Then, the respondents were presented with follow-up questions about the motivations behind why they follow that particular brand and how do they engage with it, for example by liking or sharing the brand’s post. Those respondents who chose options that were related to online word-of-mouth were directed to questions about their motives to spread eWOM, while others were straightly directed to questions regarding if they follow influencers that promote brands and on what platforms do they follow them. The respondents who followed influencers also received questions about if they had encountered advertisements on social media in general and if yes, how did they perceive these ads. Furthermore, if they had encountered advertisements on social media, they were also asked to indicate what type of features, such as information or entertainment, they valued in those advertisements. Lastly, everyone was asked to report their basic demographics: gender, age and nationality.

The questionnaire included four questions in total that were designed into a matrix format. The questions had different statements that the respondents were asked to respond on a typical five-point Likert scale with options from “Strongly disagree” to “Strongly agree”, excluding the question regarding how the respondents engage with the brand, where they were asked to check all options that applied. All of the matrix
type questions included 6-8 statements. The propositions in the matrix question regarding the motives why people follow brands were designed based on the research conducted by Lin, et al. (2017) and modified to fit the objectives of this thesis. Also, the matrix question about perceptions towards ads on social media was created using the same research (Lin, et al. 2017) as a base. The next matrix question, that regarded the motives behind spreading eWOM, was partly modified from the research done by Tsimonis and Dimitriadis (2013) and further extended to offer respondents more possible options. Lastly, the matrix question regarding how young adults interact with brands, such as by liking or commenting, was modified from the Consumer’s Engagement with Brand-Related Social-Media Content (CEBSC) model created by Schivinski, et al. (2016).

3.3 Sample

The sampling method used in the survey was mainly convenience sampling. However, some respondents were also asked to send the questionnaire link forward to other potential respondents and therefore, snowball sampling was partly used. These two were chosen as research methods because they enabled efficient data collection from both Finland and the US. As mentioned before, all respondents participated voluntarily.

In total, the questionnaire had 219 respondents: 117 from Finland and 95 from the US. From all responses, seven were excluded due to the respondent being from some other nationality than the ones investigated in this thesis. In addition, the focus of the research objectives was on young adults, which in this thesis is defined as 18-25-year-olds. From the respondents 4 were under 18 years old and 6 were over 25 years old and therefore, these responses were excluded. The remaining total after excluding these two factors the number of valid responses was 203.
4. FINDINGS

This section will discuss the findings from the conducted questionnaire based on analysis done with IBM SPSS software.

4.1 Sample profile

The number of valid responses from the survey was 203. The mean age of the respondents was 20.95 (SD=1.515) out of which approximately 72 percent were between the ages of 20 and 22. Out of all respondents, around 35 percent were male and around 64 percent were female while 1 percent responded their gender to be other. Nationality was somewhat equally distributed between the two countries of focus with 55.2 percent being Finnish and 44.8 percent being American from all respondents. However, the majority of Finnish respondents was expected because the questionnaire and this thesis were conducted in Finland. In both countries, the majority of respondents were female: around 63 percent of Finns and around 65 percent of Americans. A total on 16 responses were excluded due to not being from either of the two nationalities discussed or not being from the right age range of 18-25.

4.2 Reliability analysis

Each of the matrix questions were tested with reliability analysis on SPSS and analyzed with Cronbach’s alpha. These scales were tested to measure if they were consistent and reliable enough together to conduct further research on the questionnaire results as a new variable. The first reliability test was performed on the questions about the respondents’ motives behind interacting with brands. This scale included 6 questions and initially received a Cronbach’s alpha of .419, which is below the alpha score of .7 which is considered to be the minimum score for a scale to be reliable (Bland & Altman, 1997). However, when three questions in total were excluded, the Cronbach’s alpha was .683 which is already rather close to .7 and can be considered acceptable. Although, since the reliability was low initially and many of the questions needed to be removed in order to be reliable, it is better to analyze these questions individually with a different method.
<table>
<thead>
<tr>
<th>Question: Why I follow brand X?</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>I want to keep up with new products.</td>
<td></td>
</tr>
<tr>
<td>I find it entertaining.</td>
<td>Removed (α → .617)</td>
</tr>
<tr>
<td>I want information about it.</td>
<td></td>
</tr>
<tr>
<td>I wish to purchase their products.</td>
<td></td>
</tr>
<tr>
<td>I have purchased from them previously.</td>
<td>Removed (α → .683)</td>
</tr>
<tr>
<td>My friends follow it.</td>
<td>Removed (α → .513)</td>
</tr>
</tbody>
</table>

Figure 4: Reliability analysis for matrix question from the questionnaire (Brand X=The respondent’s favorite brand to follow on social media indicated in a previous question)

H3a: Young adults in both Finland and the US will rate social interaction and community as important in their engagement with brands.

The next matrix question regarded how young adults engage with brands, for example by liking or commenting posts. However, this question could not be measured with Cronbach’s alpha because the respondents were asked to check all answers that applied instead of a Likert scale. Therefore, it was analyzed with crosstabulation between nationality and the questions individually, which will be presented and discussed more in depth later. The matrix question about higher engagement and spreading electronic word-of-mouth could not be measured with Cronbach’s alpha because the question only had 2 responses. This question was only visible to respondents who indicated to share branded content, discuss it with their friends and followers, or write reviews. The low number of responses could already indicate that the young adults who responded to the questionnaire are not actively engaging with brands, for example, by spreading eWOM. Therefore, the third hypothesis (H3a) could not be tested in this thesis. These challenges with the reliability tests need to be considered as a limitation for the results. However, the responses to these questions can still be analyzed and utilized in different ways.
Lastly, a reliability analysis was conducted for the matrix question about what young adults as consumers valued in ads or other branded content. This scale included 8 questions and it received a Cronbach’s alpha of 0.558 at first, but when one of the statements were excluded, the alpha value was 0.737 which can be viewed as reliable (Bland & Altman, 1997).

<table>
<thead>
<tr>
<th>What do you value in branded content on social media?</th>
<th>Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>I find the ads interesting.</td>
<td></td>
</tr>
<tr>
<td>I think there should be more ads.</td>
<td></td>
</tr>
<tr>
<td>I get inspiration from the ads.</td>
<td></td>
</tr>
<tr>
<td>I am more likely to purchase after seeing an ad about it.</td>
<td></td>
</tr>
<tr>
<td>I find the ads annoying.</td>
<td>Removed (α → .737)</td>
</tr>
<tr>
<td>I often skip the ads if possible.</td>
<td></td>
</tr>
<tr>
<td>I find the ads useful.</td>
<td></td>
</tr>
<tr>
<td>I like to see ads that are personalized for me.</td>
<td></td>
</tr>
</tbody>
</table>

Figure 5: Reliability analysis on what people value in social media ads and other branded content.

4.3 Country comparisons

4.3.1 Social media channels

The divisions between Finnish and American young adults on different social media channels were mostly rather equal. The most significant difference was with Twitter: from the American respondents, 50 percent of respondents used Twitter, while only 14 percent of Finnish respondents reported to use the platform. Overall, Twitter was also the least used social media channel. Other platforms measured in the questionnaire were Facebook, Instagram, Snapchat and YouTube. Respondents were also given the possibility to mention other channels if they wished. The most common one that was additionally mentioned was LinkedIn.
From the platforms measured, Instagram was evidently the most popular among the nationalities, both separately and together, with 91 percent of respondents using the channel. Somewhat surprisingly Snapchat was the second most used one, while Facebook was only third, followed by YouTube which was the least popular before Twitter. Regarding all platforms except Twitter, Finnish respondents reported to use each channel more than Americans. However, this could be affected by the fact that there were more respondents from Finland in total.

### 4.3.2. Interaction with brands

The results about respondents who follow brands in general are limited since only 56 percent of all respondents reported to follow brands of any kind. Out of these respondents 53.5 percent were male and 56.9 percent were female, making the division between genders quite equal. Additionally, nearly 62 percent of all respondents followed influencers who promote brands on their social media channels. This could imply that young adults prefer not to interact directly with the brand, but rather have people they follow or trust present and recommend the brand to them. While the percentage who followed brands at large was about the same for both countries, 71 percent of Finnish people reported to follow influencers while only 48 percent of Americans reported the same making the difference significant ($p < 0.5$). The difference between the items compared is considered to be significant if the two-sided chi-square value is $<0.05$ (McHugh, 2013).

The responses indicating where these young adults follow brands were rather straightforward even though they included clearer differences between the two nationalities than in terms of general social media usage. From the platforms measured, Instagram was undoubtedly the most popular with almost 95.2 percent of Finnish and 86 percent of the American respondents using the platform to follow brands. Facebook was the second most popular but still greatly lacking behind Instagram with only around 65 percent of respondents from Finland and 40 percent from the US indicating that they follow brands on the platform. Here, the Chi-square showed significant difference between the two nationalities ($p < .05$), since the platform was somewhat surprisingly unpopular among the respondents from the US. All of the
remaining platforms were used by less than 20 percent of respondents except Twitter, which was used by 30 percent of American respondents to follow brands.

<table>
<thead>
<tr>
<th>Platform</th>
<th>Finland</th>
<th>USA</th>
<th>Chi-square/significance (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>65.1%</td>
<td>40.0%</td>
<td>.008 → significant difference</td>
</tr>
<tr>
<td>Instagram</td>
<td>95.2%</td>
<td>86%</td>
<td>.086</td>
</tr>
<tr>
<td>Twitter</td>
<td>7.9%</td>
<td>30%</td>
<td>.002 → significant difference</td>
</tr>
<tr>
<td>YouTube</td>
<td>17.5%</td>
<td>16%</td>
<td>.837</td>
</tr>
<tr>
<td>Snapchat</td>
<td>15.9%</td>
<td>4%</td>
<td>.042 → significant difference</td>
</tr>
</tbody>
</table>

Figure 6: Crosstabulation and Chi-square on platforms used to follow brands

The respondents were also asked to indicate what type of brands they follow on social media. It is clear that fashion was the most popular type of brand the respondents from both countries stated to follow, especially among Finns of whom almost 90 percent indicated to follow fashion brands. This could suggest that brands in the fashion industry have been able to get a foothold in social media both among these two nationalities and among all genders better than many other industries. Also, the visual nature of the industry could be a reason behind its popularity, which as discussed more in depth later, was rated as important among respondents from both Finland and the US.

Traveling related brands were the second most popular, followed by entertainment brands. In addition, beauty and food related brands were quite popular among both nationalities. Similar to fashion, all of these types of brands mentioned can also be visually presented rather easily which could be one of the reasons behind their popularity. Gaming brands were the least popular type but technology and employment related brands also scored rather low.
<table>
<thead>
<tr>
<th>Type of brand</th>
<th>Finland</th>
<th>USA</th>
<th>Chi-square/significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fashion</td>
<td>88.9%</td>
<td>76%</td>
<td>.069</td>
</tr>
<tr>
<td>Travel</td>
<td>54%</td>
<td>40%</td>
<td>.140</td>
</tr>
<tr>
<td>Beauty</td>
<td>47.6%</td>
<td>38%</td>
<td>.305</td>
</tr>
<tr>
<td>Food</td>
<td>50.8%</td>
<td>62%</td>
<td>.234</td>
</tr>
<tr>
<td>Technology</td>
<td>22.2%</td>
<td>24%</td>
<td>.824</td>
</tr>
<tr>
<td>Employment</td>
<td>15.9%</td>
<td>16%</td>
<td>.985</td>
</tr>
<tr>
<td>Entertainment</td>
<td>54%</td>
<td>66%</td>
<td>.196</td>
</tr>
<tr>
<td>Gaming</td>
<td>9.5%</td>
<td>20%</td>
<td>.113</td>
</tr>
<tr>
<td>News</td>
<td>41.3%</td>
<td>42%</td>
<td>.938</td>
</tr>
<tr>
<td>Other</td>
<td>20.6%</td>
<td>2%</td>
<td>.003</td>
</tr>
</tbody>
</table>

Figure 7: Crosstabulation and Chi-square on type of brands respondents follow on social media

4.3.3 Behaviors with brands

The matrix question that measured different engagement behaviors was also measured with crosstabulation and chi-square. This question was only visible to the respondents who indicated to follow brands on social media in general, which included 63 responses from Finland and 50 from the US. The different behaviors were measured regarding the respondent’s favorite brand and the platform they use to follow it which they had indicated in the beginning of the questionnaire.

H2: Young adults are actively participating to electronic word-of-mouth, for example, by sharing posts and discussing about the brand with their followers and friends.

As could have been expected, liking was undoubtedly the most popular form of engagement behavior. From the respondents from both countries in question, about 94 percent stated to like the posts of their favorite brand. The difference to the second most popular form, discussing with friends or followers about the brand, was drastic. Only 24 percent of Finnish respondents and 32 percent of the American respondents indicated to do this. Sharing the brand’s posts was the third most popular form among Americans with 28 percent of responses while posting pictures about the brand’s products was the third most popular among Finns with 17 percent of responses.
Overall, it can be noted that apart from liking, all the other behaviors were rather rare, meaning that respondents from the two countries are engaging with brands on social media quite marginally. Therefore, the second hypothesis (H2) cannot be supported.

H4: American respondents are more likely to participate in eWOM than Finnish respondents.

H5: Finnish respondents tend to merely consume and observe brand-related content more than American respondents.

As can be seen from Figure 8, the significant differences between the two nationalities in question were regarding commenting, sharing and posting pictures about the products. Commenting and sharing posts was significantly more popular in the US while posting pictures was more popular in Finland. On the contrary, the least popular behaviors among American respondents were tagging the brand and posting pictures. Among Finnish respondents writing reviews and commenting posts were least popular. Additionally, writing reviews was in general the least common activity. Spreading electronic word-of-mouth in general was quite unpopular among the respondents from both nationalities. However, all of its forms mentioned in the questionnaire, sharing, writing reviews and discussing with friends or followers, were more popular among the American respondents than the Finnish ones which suggest that the fourth hypothesis (H4) is supported. In addition, the fifth hypothesis (H5) is supported with the data even though the difference between the two nationalities was smaller than expected.

<table>
<thead>
<tr>
<th>Behaviors</th>
<th>Finland</th>
<th>USA</th>
<th>Chi-square/significance(p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Like</td>
<td>94%</td>
<td>94%</td>
<td>.939</td>
</tr>
<tr>
<td>Comment</td>
<td>3%</td>
<td>16%</td>
<td>.017 → significant difference</td>
</tr>
<tr>
<td>Share</td>
<td>11%</td>
<td>28%</td>
<td>.022 → significant difference</td>
</tr>
<tr>
<td>Post pictures</td>
<td>17%</td>
<td>4%</td>
<td>.026 → significant difference</td>
</tr>
<tr>
<td>Tag</td>
<td>11%</td>
<td>2%</td>
<td>.061</td>
</tr>
<tr>
<td>Write reviews</td>
<td>3%</td>
<td>6%</td>
<td>.468</td>
</tr>
<tr>
<td>Discuss with friends/followers</td>
<td>24%</td>
<td>32%</td>
<td>0.332</td>
</tr>
</tbody>
</table>

Figure 8: Crosstabulation and chi-square on different behaviors with brands
4.3.4 Perceptions towards branded content

There was a total of 118 responses to the question regarding the perceptions of the respondents towards branded content, out of which 76 were from Finland and 42 from the US. The number of respondents was limited because the questions was mistakenly only received by the people who indicated to follow influencers who promote brands. However, conclusions can still be drawn from the sample. The question regarding what the respondents valued in branded content and ads was visible to all respondents and therefore, received the full number of 203 responses.

H1a: Young adults express negative feelings towards branded content on social media.

As can be seen from Figure 9, both Finnish and American respondents reported rather similar attitudes towards ads. The overall trend seems to be leaning towards more negative than positive feelings. For example, over 90 percent from both nationalities responded “Agree” or “Strongly agree” to the statement about skipping ads if possible. In addition, around 60 percent of Finnish respondents and around 70 percent of American respondents indicated to either “Agree” or “Strongly agree” to the statement on finding ads on social media annoying. However, almost 40 percent of Finnish respondents and 30 percent of American respondents said they “Agree” or “Strongly agree” to be more likely to purchase products if they have seen an ad about it. Additionally, it should be noted that especially American respondents with around 50 percent of the responses indicated to like seeing ads that are personalized to them. These results seem to support the first hypothesis (H1a) at least to some extent. The questions were also tested with an independent samples t-test on SPSS which also did not show any significant differences between the Finnish and American respondents.
<table>
<thead>
<tr>
<th>Statement:</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Chi-square</th>
</tr>
</thead>
<tbody>
<tr>
<td>I find the ads interesting.</td>
<td>FIN</td>
<td>7.9%</td>
<td>31.6%</td>
<td>35.5%</td>
<td>25%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>USA</td>
<td>14.3%</td>
<td>28.6%</td>
<td>33.3%</td>
<td>19%</td>
<td>4.8%</td>
</tr>
<tr>
<td>I think there should be more ads.</td>
<td>FIN</td>
<td>46.1%</td>
<td>44.7%</td>
<td>7.9%</td>
<td>1.3%</td>
<td>0%</td>
</tr>
<tr>
<td></td>
<td>USA</td>
<td>50%</td>
<td>33.3%</td>
<td>9.5%</td>
<td>4.8%</td>
<td>2.4%</td>
</tr>
<tr>
<td>I get inspiration from the ads.</td>
<td>FIN</td>
<td>15.8%</td>
<td>30.3%</td>
<td>27.6%</td>
<td>23.7%</td>
<td>2.6%</td>
</tr>
<tr>
<td></td>
<td>USA</td>
<td>26.2%</td>
<td>28.2%</td>
<td>14.3%</td>
<td>26.2%</td>
<td>4.8%</td>
</tr>
<tr>
<td>I am more likely to purchase after seeing an ad about it.</td>
<td>FIN</td>
<td>11.8%</td>
<td>21.1%</td>
<td>28.9%</td>
<td>34.2%</td>
<td>3.9%</td>
</tr>
<tr>
<td></td>
<td>USA</td>
<td>11.9%</td>
<td>28.6%</td>
<td>31%</td>
<td>23.8%</td>
<td>4.8%</td>
</tr>
<tr>
<td>I often skip the ads if possible.</td>
<td>FIN</td>
<td>0%</td>
<td>2.6%</td>
<td>5.3%</td>
<td>30.3%</td>
<td>61.8%</td>
</tr>
<tr>
<td></td>
<td>USA</td>
<td>2.4%</td>
<td>2.4%</td>
<td>9.5%</td>
<td>21.4%</td>
<td>64.3%</td>
</tr>
<tr>
<td>I find the ads annoying.</td>
<td>FIN</td>
<td>1.3%</td>
<td>6.6%</td>
<td>31.6%</td>
<td>38.2%</td>
<td>22.4%</td>
</tr>
<tr>
<td></td>
<td>USA</td>
<td>4.8%</td>
<td>11.9%</td>
<td>9.5%</td>
<td>40.5%</td>
<td>33.3%</td>
</tr>
<tr>
<td>I find the ads useful.</td>
<td>FIN</td>
<td>9.2%</td>
<td>26.3%</td>
<td>44.7%</td>
<td>15.8%</td>
<td>3.9%</td>
</tr>
<tr>
<td></td>
<td>USA</td>
<td>14.3%</td>
<td>31%</td>
<td>47.6%</td>
<td>7.1%</td>
<td>0%</td>
</tr>
<tr>
<td>I like to see ads that are personalized for me.</td>
<td>FIN</td>
<td>9.2%</td>
<td>15.8%</td>
<td>39.5%</td>
<td>25%</td>
<td>10.5%</td>
</tr>
<tr>
<td></td>
<td>USA</td>
<td>14.3%</td>
<td>14.3%</td>
<td>23.8%</td>
<td>45.2%</td>
<td>2.4%</td>
</tr>
</tbody>
</table>

Figure 9: Crosstabulation and Chi-square on perception towards branded ads (1=strongly disagree, 5=strongly agree)

H1b: Young adults rate informational content as the most valuable aspect of branded content.
There are multiple aspects that brands should take into consideration when planning their social media marketing and one of the most important ones is to reflect on what the consumers actually want to see from the branded content. In one of the survey questions, the respondents were asked to indicated which aspects they value the most in ads and other branded content. Within most of the statements Finnish and American respondents shared rather similar views. However, while informative content was evidently the most important one for Finns with an 83 percent respondent rate, Americans placed an equal amount of importance to both information and high-quality visuals with a 61.5 percent response rate. Even though the Chi-square score showed a significant difference ($p < .05$) between the two nationalities, a clear majority of respondents from both countries reported to place high value on informative content. Therefore, the hypothesis H1b was supported with the questionnaire data. Additionally, both nationalities placed high value on entertainment and good message.

H3b: Young adults in both Finland and the US will rate promotions and competitions as important in their engagement with brands.

On the other hand, influencers or celebrities, promotions and especially competitions were insignificant to the respondents. However, there was a significant difference between Finnish and American respondents regarding promotions, but both nationalities still placed low value on that aspect. Therefore, hypothesis H3b was not supported. It was also a little surprising that respondents from both countries rated personalized content as unimportant with less than 30 percent response rate which slightly contradicts with the responses presented in Figure 9.
Value: | Finland | USA | Chi-square/significance (p) |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Information</td>
<td>83%</td>
<td>61.5%</td>
</tr>
<tr>
<td>Entertainment</td>
<td>62.5%</td>
<td>54.9%</td>
</tr>
<tr>
<td>High-quality visuals</td>
<td>69.6%</td>
<td>61.5%</td>
</tr>
<tr>
<td>Influencers/celebrities</td>
<td>17%</td>
<td>11%</td>
</tr>
<tr>
<td>Good message</td>
<td>73.2%</td>
<td>60.4%</td>
</tr>
<tr>
<td>Competitions</td>
<td>7.1%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Promotions</td>
<td>20.5%</td>
<td>34.1%</td>
</tr>
<tr>
<td>Personalized content</td>
<td>27.7%</td>
<td>22%</td>
</tr>
</tbody>
</table>

Figure 10: Crosstabulation and Chi-square on what respondent value in ads and other branded content.

**H6: Young adults will engage with brands and perceive content from them in a visibly different manner based on their culture.**

Based on the findings visible in Figure 9 and 10, the differences between Finnish and American respondents are smaller than expected. The assumption made in the conceptual framework was that the differences would have been more visible. However, there were some aspects as well that were dissimilar and might be beneficial from companies if taken into consideration in the marketing strategy. For example, the respondents from the US reported to be more interested in seeing ads that are personalized to them than respondents from Finland. On the other hand, Finnish respondents indicated to be more likely to purchase from the brand after they have seen an ad about it, more than American respondents. However, the respondents from both nationalities shared a rather similar negative perception towards ads in general. Furthermore, the respondents shared similar values regarding the nature of the branded content as mentioned before.
5. DISCUSSION AND ANALYSIS

This thesis aimed to further explore the consumer behavior of young adults on social media and how they engage with brands there, based on previous literature around the topic. The effect of cultural differences was also investigated by conducting a comparison between Finnish and American young adults. The main findings seemed to mostly align with existing literature. However, there were also some significant findings that contradicted with the hypotheses and the previous studies.

5.1 Analysis of the findings

The general mindset that seemed to exist among the respondents from both countries was that there is too much ads and other branded content on social media. This supports the hypothesis H1a and shows similar results with other researches, such as Fournier & Avery (2011) and Lipsman, et al. (2012). It is possible that the amount of brand-related content on social media is so massive that consumers miss the content that would have been relevant to them. It is however important to note that people might have varying perceptions towards different content from brands because they cannot choose the ads they come across with but they have decided voluntarily to follow brand pages and consequently, seeing the branded content.

As Manfred, et al. (2012) discussed, brands are highly involved in social media and their presence there is significant for the company’s marketing success. However, an interesting finding from the results was that only around 56 percent of the respondents, from both countries together, reported to follow brands on social media at all. This could imply that consumers are not interested in seeing any additional branded content on top of the already existing ads. It could also suggest that brands have not been able to create content that would be value adding enough. Therefore, companies need to ponder how they could engage consumers better and if there are other ways to increase both brand awareness and consumer engagement more efficiently. As Taken Smith (2012: 90) also stated in her research about millennials, there is promising potential to create value with the digital marketing targeted at young adults, but the strategies should “be perceived positively by this online generation”.

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It was also surprising to notice from the findings that the respondents from neither of the two countries were actively participating in electronic word-of-mouth and therefore, H3a could not be investigated with the data. Existing literature indicated that many consumers would be eager to participate to eWOM for various reasons, such as improving reputation or feeling of community (Cheung & Lee, 2012; Taken Smith, 2012). However, according to the findings from the questionnaire, respondents were mainly liking different posts or ads, and merely remaining on the consuming level of brand engagement (Muntinga, et al., 2011). This contradicts with H2, which therefore was not supported. It is difficult to say if companies have not been able to communicate in an engaging manner with the consumers or if consumers are merely not interested in participating in the interaction. Nevertheless, it would be beneficial for companies to create a relationship with their consumers as it can lead to better brand engagement and loyalty (Tsimonis & Dimitriadis, 2014; Hubson, et al. 2016). For example, some companies have attempted to encourage consumers to write comments and reviews by providing rewards in return, such as discount codes (Taken Smith, 2012).

It was also discovered from the findings, that the neither the respondents from Finland nor the US were too interested in competitions or promotions from brands on social media which contradicts with, for example, the research conducted by Tsimonis & Dimitriadis (2014) and Taken Smith (2012). The findings supported H1b, which stated that young adults were more interested in informational content but contradicts with H3b. Therefore, it is definitely a challenge for all companies to invent marketing strategies that would be interesting enough but yet not too intruding. However, as Ashley & Tuten (2014: 17) states: “In social media, engaged consumers participate and share”. Meaning that, as also Liu, et al. (2018) suggests, consumers might be more likely to start producing eWOM or participating in other ways after they have engaged with the brand, which understandably creates even bigger challenge.

Cultural differences were also visible in the findings which was expected based on previous literature (e.g. Hofstede Insights). Lin, et al. (2017) suggested that consumers from individualistic cultures appreciated personalized content with unique features, which was somewhat similar with the findings. However, the results regarding personalized content were a bit contradicting with each other as mentioned before. Also Taken Smith (2012) found similar results that young adults do respond to
personalization but there are more efficient ways to grab their attention as well, such as good graphics. In addition, the findings indicated that American respondents commented and shared posts more that Finnish respondents, similarly with Hofstede Insights’ suggestions which are in aligned with H4 and H5. However, the differences between the two cultures were smaller than expected which could indicate that the cultural barriers are diminishing due to social media and internet in general. Therefore, these findings regarding cultural differences were only partly supporting the conceptual framework and the hypothesis (H6) drawn from it.

5.2 General discussion

The findings from the questionnaire were able to mostly answer to the research questions and objectives presented in the introduction section. It could be noticed that the perceptions of young adults towards branded content were somewhat miscellaneous. Generally, the perceptions were rather negative especially towards advertisements which was anticipated. However, the respondents from both countries did show some value towards personalized content and they indicated to some extent to be more likely to purchase products after seeing ads, which would imply that even though ads might annoy them, the ads would still affect the respondents’ consumer behavior. This is an important aspect for companies since it indicates that the ads are valuable. In addition, more respondents reported to follow influencers who promote brands than merely follow the brands itself but yet, the respondents did not place high value on seeing influencer or celebrities in ads. This could suggest that seeing the influencer promote the brand on their own page is viewed as more reliable and interesting than the brand page itself. It is also possible that the negative feelings expressed are focused more on the advertisements than other type of branded content and, thus the latter one might be more beneficial to invest on.

Young adults today can be quite demanding when it comes to almost any aspect of their lives and therefore, companies need to remain innovative in order to engage this consumer segment. It is quite clear from the findings that the future of social media marketing is not in banners or pop-up ads, which was visible among respondents from both nationalities measured. Informative content with high quality visuals and a good message seems to be what young adults appreciate. These features were quite
equally valued with both Finns and the Americans. However, Finnish respondents seemed to place especially high value informative content, which is something that brands marketing in Finland should consider. Entertainment was also found important but the assumption could be made that it should be included in a way that still states the information clearly and is relevant to the consumer.

As mentioned, the extent of electronic word-of-mouth received unexpected findings. According to the questionnaire results, eWOM was very unpopular among young adults in both countries. In order to engage consumers to brands better, the brands should find a way to motivate consumers to produce and spread eWOM since currently the consumers' willingness to do so seems to be almost non-existing. There are benefits for both consumers and brands from eWOM, which is why the findings were surprising. However, it is possible that the respondents still discuss about brands and review their products in person with their friends rather than on social media. Another possibility is that the respondents prefer to merely consume the eWOM by viewing reviews and other conversations but not to spread it themselves. The findings clearly demonstrated that young adults actively like posts from brands, which supports the latter possibility, and consequently, active eWOM should not be the only measure of consumer engagement for brands. Nonetheless, there are limitations to this research and as these findings contradict with existing literature (e.g. Taken Smith, 2012), the extent of eWOM would require more research in the future.

All findings considered, social media does seem to be an efficient way to reach young adults in both Finland and the US. All of the respondents from Finland reported to use social media multiple times a day or at least daily and around 94 percent of American respondents reported the same. Therefore, the opportunities to reach them there on different platforms are almost unlimited. However, currently the number of young adults who reported to follow brands on social media is only a bit over 50 percent of the respondents which still excludes a lot of potential users. Companies should aim to both make the existing activities more efficient in leading consumers to their brand pages and invent new ways to attract them. It is positive from the perspective of the companies that 95 percent of Finnish respondents and around 98 percent of American respondents reported that they have encountered ads, such as pop-up ads or banners, on their social media channels meaning that the ads are reaching this consumer segment in question. Nonetheless, the ads seem to not have significantly positive
impact on the respondents and, thus it could be better for companies to focus on developing their other branded content.

As mentioned, the differences between the respondents from the two countries were smaller than expected. However, there were some variance among the platforms where the respondents followed brands, which companies should consider. Instagram was noticeably the most popular platform among respondents from both nationalities, while Facebook was visibly more popular among Finns. Twitter and Facebook were somewhat popular in the US, but possibly not popular enough for companies to gain high benefit from them. In addition, YouTube and Snapchat did not seem to be good places to invest and locate marketing actions in the future. Therefore, Instagram appeared to be the platform where companies could benefit the most from developing their marketing even further. The popularity of the platform might be partly due to its visual environment, which was important among the majority of respondents who rated high quality visuals as valuable.

Additionally, these results might indicate that companies could implement rather similar campaigns and other marketing activities in both countries. As an example of this strategy, the Finnish lifestyle company Marimekko has not created a separate Instagram account for their US market and instead uses the same one for both. However, it is important to mention that Finland and the US are culturally rather close to each other and therefore, the mentioned strategy might not be as successful with countries that are more dissimilar. Overall, there is still room for more research in order to learn what strategies will be successful in the future as well.

5.3 Limitations of the research

There are a number of limitations that should be taken into consideration when reflecting the results from the quantitative questionnaire. The division between genders was not equal, since only around 35 percent of the respondents were male. Therefore, the results might be different if more males would have participated. However, this division was expected since females generally use social media more than males (Statista, 2018). Also, the research only included young adults that were form ages 18
to 25 and thus, the results would likely be different for older population. The sample also included only 203 respondents, hence it is not possible to make direct generalizations to an entire nationality.

In addition, the respondents indicated what type of brands they follow on social media in general but some of the more specific questions about brands were regarding the single brand the responded mentioned to be their favorite on a specific platform. Therefore, the results cannot be unequivocally generalized neither to one particular platform nor to all platforms in general. Furthermore, the focus of this thesis was on Finnish and American young adults which means that the results can only evoke assumptions about implications for other cultures.

It should also be taken into consideration that the questionnaire was conducted in English which can create some limitations due to the interpretations made by the respondents, especially the ones from Finland. Also in general, questionnaire as a research method is prone to the interpretations of the respondent.

6. CONCLUSION

6.1. Main findings

The objective of this thesis was to further explore how young adults engage with brands on social media and how do they perceive the ads and other branded content the companies produce. Furthermore, the aim was to discover how cultural differences might affect the results. Based on the findings, there is still opportunities to grow in terms of brand engagement. From the young adults who participated to the questionnaire only slightly over 50 percent indicated to follow brands at all. In addition, they reported to mainly consume branded content on social media by liking the posts they encounter rather than sharing or discussing them. It was evident that spreading electronic word-of-mouth was not popular since it was almost non-existent among the respondents from both Finland and the US. It would however be beneficial for companies if their consumers would be more active in this aspect.
The general opinion among the respondents seemed rather negative towards branded content. However, the perception appeared to be more negative regarding ads than for example brand pages which are followed voluntarily. The respondents valued information above all in branded content. Also, good message, high quality visuals and entertainment were appreciated. Personalized content was also rated somewhat value adding. Companies should aim to engage young adults better on social media because while almost all respondents reported to use social media at least daily, many of did not follow brands there. The majority of respondents indicated to follow influencers who promote brands and thus, this could be a successful strategy in the future as well.

As expected, cultural differences were also noticeable between the two nationalities. However, the differences were smaller than assumed which could suggest that cultural barriers among young adults might be fading partly as a result from constant interaction on social media. Therefore, companies might be able to implement rather similar campaigns in both countries. Even though Instagram was the most popular platform to follow brands among all respondents, Facebook was significantly more popular among Finnish respondents while Twitter showed popularity only in the US.

6.2 Implications for international business

The topic of social media and brand engagement has been widely researched previously as well. It seems that the power of social media as a marketing channel is only growing and therefore, companies need to be able to continuously innovate and discover new ways to engage their consumers. Especially young adults, who are on social media constantly, can easily get annoyed if the content is not interesting or relevant to them. Therefore, companies should aim to produce informative high-quality content with good message. Instagram seemed to be the most popular platform and hence, companies could benefit the most from marketing there.

Even though there exists a vast amount of research about this topic, there seems to be very little research about Finnish consumers regarding brand engagement, especially as a comparison to other countries. It is important that these country comparisons are made, since it will broaden the knowledge about a topic from different perspective. Also, this constantly developing industry needs incessant research in
order to continue understanding the consumers and being able to reach them through marketing that truly has an effect. Even though the young adults of today seem to be getting closer to each other continually, there are always differences as well that should be considered by companies in order to succeed. There are still possibilities to grow in terms of higher and stronger consumer engagement which is why the topic should be constantly explored further.

6.3 Suggestions for future research

There are various factors that could be done differently or investigated more in depth in future research. The different limitations mentioned could be taken into consideration, for example, by conducting similar research in other countries. Additionally, differences between genders could be further explored. Also, different aspects of brands’ activities on social media could be further investigated. For example, ethical issues such as privacy concerns have been quite prevalent topic recently. Companies collect a vast amount of data about their consumers in order to produce more personalized and relevant content, which however, includes collecting personal information. The EU is already starting to take this matter into consideration with the new GDPR laws but the US seems to still lack this type of legislation. It would be interesting to conduct research about how the GDPR laws affect companies and consumers in the social media environment in the future.

Future research could also explore different opportunities to encourage brand engagement on social media in order to learn what new techniques could be implemented. The online environment is continuously developing rapidly and hence, brands need to be able to present new and innovative methods. The difficulty will however always be to research different techniques and trends fast enough. It could also be further investigated how companies could get consumers to engage strongly enough to eventually raise the company’s brand equity.
REFERENCES:


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APPENDICES

Appendix 1: The online questionnaire

This survey is undertaken as a part of a Bachelor's thesis at Aalto University School of Business in Finland. The objective of this survey is to gather information about consumers' behavior with brands on social media. The survey is a comparison between Finnish and American young adults.

All responses will be anonymous and used only for this thesis project. By completing this survey, you are giving consent to use any information provided as a part of the thesis.

This survey should only take approximately 4-5 minutes to complete. If you have any questions regarding the survey or the thesis project in general, please contact me via email: isa.korhonen@aalto.fi

Thank you in advance!

1. How often do you use social media? *
   - Multiple times a day
   - Daily
   - Multiple times a week
   - Weekly
   - More rarely

2. What social media channels do you use? (check all that apply) *
   - Facebook
   - Instagram
   - Twitter
   - Youtube
   - Snapchat
   - Other ________________________
3. Do you follow brands on social media? *

- Yes
- No

4. Which of these social media channels you use to follow brand pages? (check all that apply) *

- Facebook
- Instagram
- Twitter
- Youtube
- Snapchat
- Other ________________________

5. What type of brands do you follow on social media? (check all that apply) *

- Fashion
- Travel
- Beauty
- Food
- Technology
- Employment
- Entertainment
- Gaming
- News
- Other (please specify) _______________________
6. What is your favorite brand to follow on social media? *

<table>
<thead>
<tr>
<th>What is the name of the brand? *</th>
</tr>
</thead>
<tbody>
<tr>
<td>On which social media platform? *</td>
</tr>
</tbody>
</table>

7. To what industry does that brand belong? *

- [ ] Fashion
- [ ] Travel
- [ ] Beauty
- [ ] Food
- [ ] Technology
- [ ] Employment
- [ ] Entertainment
- [ ] Gaming
- [ ] News
- [ ] Other __________________________
8. Now I would like you to consider your favorite brand:

Please answer all of the following propositions regarding the motives behind following this brand on social media.

1=Strongly disagree, 5=Strongly agree *

<table>
<thead>
<tr>
<th>Statement</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>I follow because I want to keep up with its new products.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I follow because I find it entertaining.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I follow because I want information about it.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I follow because I wish to purchase their products.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I follow because I have purchased from them previously.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I follow because my friends follow it.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

9. Again, consider your favorite brand: on

How do you engage with this brand on this social media platform? (check all that apply) *

Branded content in this context means content created by a brand, such as articles, videos, podcasts and other posts. It does not include traditional advertising, such as banners and commercials.

- [ ] I like 's posts
- [ ] I comment 's posts
- [ ] I share 's posts
- [ ] I post pictures about 's products
- [ ] I tag in my posts
- [ ] I write reviews about
- [ ] I discuss with my friends/followers on social media
- [ ] I interact with in other ways (please specify) _______________________
10. Continue to consider your favorite brand:

Please answer all of the following propositions regarding the motives behind spreading online word-of-mouth (eWOM), such as sharing posts, writing reviews and discussing the brand online.

1=Strongly disagree, 5=Strongly agree *

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>I engage with 's posts because I want to help others. *</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>I engage with 's posts because it makes me feel like part of a community. *</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>I engage with 's posts because it makes me feel good about myself. *</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>I engage with 's posts because I believe my friends find them interesting. *</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>I engage with 's posts because I believe it makes me look better in other people's eyes. *</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>I engage with 's posts because it's a way of expressing myself and my opinions. *</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>I engage with 's posts because I find them entertaining. *</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
<tr>
<td>I engage with 's posts because I wish to receive promotion or participate in competitions. *</td>
<td>○</td>
<td>○</td>
<td>○</td>
<td>○</td>
</tr>
</tbody>
</table>

11. Do you follow social media influencers (e.g. bloggers) who promote brands? *

○ Yes
○ No
12. On what platforms do you follow these influencers? (check all that apply) *

- □ Facebook
- □ Instagram
- □ Twitter
- □ Youtube
- □ Snapchat
- □ Other ______________________

13. Have you come across with advertisements (e.g. pop-up ads, banners) from brands on social media? *

- □ Yes
- □ No

14. Regarding these advertisements on your social media channels, please answer the following propositions.

1=Strongly disagree, 5=Strongly agree *

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>I find ads on social media interesting. *</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>I think there should be more ads on social media *</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>I get inspiration from ads on social media. *</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>I am more likely to purchase a product/service after seeing an ad on social media. *</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>I find ads on social media annoying. *</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>I often skip ads on social media if possible. *</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>I find ads on social media useful. *</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>I like to see ads on social media that are personalized to me (based on my previous online behavior). *</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>
15. What do you value in branded content and ads? (check all that apply) *

☐ Information
☐ Entertainment
☐ High quality visuals (e.g. pictures, videos)
☐ Influencers/celebrities
☐ Good message
☐ Competitions
☐ Promotions
☐ Personalized content
☐ Other (please specify) ____________________________

16. Gender *

☐ Male
☐ Female
☐ Other
☐ Prefer not to say

17. Nationality *

☐ Finland
☐ USA
☐ Other (please specify) ____________________________

18. Age *

[Blank field]