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The Impact of Social Media as a Marketing Tool on Purchasing Decisions

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ABSTRACT

Social media is considered as one of the most recent and significant E-marketing tools in the current time. Social media provides accessibility to customers with the purpose of knowing their interests and needs as well as affecting their purchasing decisions. The best way to define social media is to break it down. Media is an instrument on communication, like a newspaper or a radio, so social media would be a social instrument of communication. Social media marketing (SMM) is a form of Internet marketing that utilizes social networking websites as a marketing tool. The goal of SMM is to produce content that users will share with their social network to help a company increase brand exposure and broaden customer reach. Networks and social networking communities are now “buzz words” blockbuster, where all non-governmental organizations, multinational institutions and governments wish to join and participate to reach online audience.

Introduction

Social media is considered as one of the most recent and significant E-marketing tools in the current time. Social media provides accessibility to customers with the purpose of knowing their interests and needs as well as affecting their purchasing decisions. Social media is defined as the websites that connect millions of users from different parts over the world who share same interests, point of view and hobbies. YouTube, Twitter and Facebook are the best examples on social media that is popular for a large proportion of consumers. So they are used for the exchange of ideas and reviews of a particular product, service or a certain brand to gather information and ideas formation as well as making the right purchasing decision. Therefore, social media are considered as one of the modern electronic marketing tools which are different from other means of traditional marketing, therefore marketing via social media

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nowadays is the broadest, fastest, cheapest and most effective marketing channel where the consumer can obtain information and features of interesting goods easily with the possibility of completing the purchasing & sale process without the buyer's need to go to goods and items place. Social media marketing has been defined as a form of internet marketing that utilizes social networking websites as a marketing tool. (www.whatis.techtarget.com)

It is clearly obvious that in the recent years the number of internet users is increasing where studies indicate that 49% of Jordanian households own a personal computer, 57% of households have internet subscriptions, 78% have internet access via mobile broadband (Jordan Department of Statistics) who started to use social media sites to communicate with friends, exchange views and information. There is no doubt that social media sites are growing and developing increasingly in a rapidly changing world. Also, statistics indicate that number of Facebook users in the Arab countries during the year 2013 became (54.5) million users and increased to (81.3) million users by 2014 as well as the number of users in Jordan during 2014 were (3.2) million users (study by the Governance and Innovation Program in Mohammad Bin Rashid College for Government Management). Despite of the tremendous development in social media websites and the increase of users number as well as using them as a marketing tool, still the economic feasibility of these social websites needs to be more studied and explored, thus, the purpose of this study is to examine the role of using social media marketing (Facebook, Twitter and YouTube) in consumer's purchasing decisions especially in electrical home appliances sector that is represented in this study by "SAMSUNG Company".

Social Media

The best way to define social media is to break it down. Media is an instrument on communication, like a newspaper or a radio, so social media would be a social instrument of communication. In Web 2.0 terms; this would be a website that doesn't just give you information, but interacts with you while giving you that information. This interaction can be as simple as asking for your comments or letting you vote on an article. Social Media sites are characterized by the inherent functionality that facilitates the sharing of information between users within a defined network. The nature of Social Media allows for the initiation of conversation by either party.

The size of the network is primarily a reflection of the active participation of the audience, as consumer-generated media represents that vast majority of all content. For consumers the true value of a network is measured by the frequency of engagement of the participants. For marketers, endorsement by consumers in the form of friending /following /subscribing validates their efforts and activates a viral distribution of their brand across channels. (Walker, 2009).

Social media as a term is often interchangeable with Web 2.0 and social software. (Dabbagh & kitsantas, 2011).

In general terms, social media enable users to share information and collaborate with each other to create web content and utilize it. It refers to users' activities, practices, and behaviors occurring through media via sharing information, knowledge, and opinions.

These technologies are internet-based and they facilitate creativity, information sharing, and collaboration among users indeed, social media puts great emphasis on sharing, participating, and collaborating processes and activities. Social media, social networks and social communities provide a new form of collaboration and communication for users.

Examples of social media websites are (Social Bookmarking. (Del.icio.us, Blinklist, Simpy)), Social News. (Digg, Propeller, Reddit), Social Networking. (Facebook, Hi5, Last.FM), Social Photo and Video Sharing. (YouTube, Flickr), Wikis. (Wikipedia, Wikia), and these websites are not the only social media websites. Any website that invites you to interact with the site and with other visitors falls into the definition of social media. (<http://webtrends.about.com/>)

Social Media Tools

Networks and social networking communities are now “buzz words” blockbuster, where all non-governmental organizations, multinational institutions and governments wish to join and participate to reach online audience. However, this wave does not represent cope with Vogue only, but it's considered an effective and successful field. Herewith, what is social media?

- **Regular media means:** is a one way Passage –in terms of reading a newspaper or listening to a TV report, however, considered as limited opportunities to present ideas and opinions.
- **Social media means:** in a way, it is a two-way path on the Internet given the opportunity to communicate and connect with people we know or who share some of your interests. Your cyber society doesn't considered only a place to find information, but also a place to organize events, express your opinion, share your photos, meet new people, promote your business, and participate in campaigns and many other activities.(www.enpi-info.eu).

There are differences between each type of social media (Facebook, twitter, YouTube, LinkedIn, Instagram, Google Plus, Hangouts, Circles,..) and used in different ways for that should decide which of them will be used based on your resources, your target audience, and what you want to achieve from through the means of social networks.

Social Media Marketing

Social media marketing (SMM) is a form of Internet marketing that utilizes social networking websites as a marketing tool. The goal of SMM is to produce content that users will share with their social network to help a company increase brand exposure and broaden customer reach.

SMM helps a company get direct feedback from customers (and potential customers) while making the company seem more personable. The interactive parts of social media give customers the opportunity to ask questions or voice complaints and feel they are being heard. This aspect of SMM is called social customer relationship management (social CRM). (whatis.techtarget.com)

Social media marketing is related to relationship marketing where the firms need to shift from “trying to sell” to making connection” with the consumers.

Companies also need to keep away from “big campaigns” and stick with “small act” since some small campaigns can easily reach lots of people and accomplish the objectives. (Eerdogmus, 2012).

Importance of Social Media Marketing for Business

Social media marketing is one of the most important types of online marketing where businesses are marketing their products/services and brands on social media websites like Facebook, Twitter, YouTube, LinkedIn, Google+, etc.

A new scientific study confirmed the importance of social media networks in marketing products and services of the small companies; it stated that 46% of today's internet users depend on social networks to take their purchasing decisions. A new released study by (Yes to Digital) site specialized in the digital content, emphasized that 71% of social media network users around the world buy products they detected through these platforms that attracted hundreds of millions of internet users around the world. [Need reference]

The estimated number of Facebook users in 2013 is almost 1.15 billion users, “YouTube” is used by one billion visitors monthly, while “Twitter” network estimated users are around half billion users. You can then imagine the proliferation and number of reaches that you can get to your product or service if you considered these networks in your digital marketing combination

That your company or institution uses. Therefore, **its importance comes from:** (www.oasis500.com)

- **Social media is effective and inexpensive**

Social media marketing is very important for small businesses because of its inexpensiveness and ability to reach large number of targeted audiences within less time and very little efforts

- **Branding can be done effectively on social media**

Social media marketing is the best tool for small businesses for branding. According to Social media today, 83% of customers prefer to connect to the brand on Facebook and 53% on Twitter.

- **Customer acquisition is easy on social media**

With more than half of the world's population registered with different social media platforms, the chances of acquiring customers are fairly high on social media websites. There are approximately 1.74 billion social media users according to eMarketer and social media websites play a crucial role in acquiring

customers to the businesses. In 2013, 36% of marketers acquired customers via Twitter, 52% via Facebook and 43% via LinkedIn.

- **Social media enables direct customer interaction**

Through social media, businesses can interact with customers directly. Small businesses can attract customers by engaging them with some interactive methods like Question and Answers, Polls, etc.

According to Socialmediatoday, 53% of marketers are using social media as a two-way conversation and engagement tool.

- **Social media marketing can generate more leads/sales**

Social media marketing plays an important role in generating leads and thus increasing sales to the businesses. A survey by Socialmediatoday revealed that 71% of social media users are more likely to purchase products from brands that they are connected on social media websites. A study by HubSpot revealed that social media produces almost double the marketing leads than any other marketing method and lead-to-close rate is 100% higher on social media.

The Characteristics of Social Media Marketing

- **Tone:** Social media is about honesty and being authentic. Marketers need to ensure that the message to the audience is credible and reliable
- **Conversation:** Social media marketing generates two ways conversation where the customer is an integral part of the marketing department. Customer opinions matter and impact on marketing strategy
- **Validation:** Buyer and consumer reviews are as influential as the marketer's claims of the brands features and benefits. This sets the stage for the brand to meet consumers expectations
- **Reach:** Social media marketing allows marketers to reach a wider audience with more dramatic results in far less time and at lower costs
- **Control:** Control is the single biggest challenge in social media marketing. The internet allows the entire world to report what they see as they see it (in real time). All testimonies, opinions, customer experiences (positive and negative) and customer messages are able to go live at any time. These messages are not always accurate nor are they in the control of the marketer and the challenge to the marketer is to respond to these messages in a professional manner.(monica,2011)

The Benefit of Social Media Marketing

1. Increased Brand Recognition

Every opportunity you have to syndicate your content and increase your visibility is valuable. Your social media networks are just new channels for

your brand's voice and content. This is important because it simultaneously makes you easier and more accessible for new customers, and makes you more familiar and recognizable for existing customers. For example, a frequent Twitter user could hear about your company for the first time only after stumbling upon it in a newsfeed. Or, an otherwise apathetic customer might become better acquainted with your brand after seeing your presence on multiple networks.

2. Improved Brand Loyalty

According to a report published by Texas Tech University, brands who engage on social media channels enjoy higher loyalty from their customers. The report concludes "Companies should take advantage of the tools social media gives them when it comes to connecting with their audience. A strategic and open social media plan could prove influential in morphing consumers into being brand loyal. Another study published by Convince & Convert found that 53% of Americans who follow brands in social are more loyal to those brands.

3. More Opportunities to Convert

Every post you make on a social media platform is an opportunity for customers to convert. When you build a following, you'll simultaneously have access to new customers, recent customers, and old customers, and you'll be able to interact with all of them. Every blog post, image, video, or comment you share is a chance for someone to react, and every reaction could lead to a site visit, and eventually a conversion. Not every interaction with your brand results in a conversion, but every positive interaction increases the likelihood of an eventual conversion. Even if your click-through rates are low, the sheer number of opportunities you have on social media is significant.

4. Higher Conversion Rates

Social media marketing results in higher conversion rates in a few distinct ways. Perhaps the most significant is its humanization element; the fact that brands become more humanized by interacting in social media channels. Social media is a place where brands can act like people do, and this is important because people like doing business with other people; not with companies. Additionally, studies have shown that social media has a 100% higher lead-to-close rate than outbound marketing, and a higher number of social media followers tends to improve trust and credibility in your brand, representing social proof. As such, simply building your audience in social media can improve conversion rates on your existing traffic.

5. Higher Brand Authority

Interacting with your customers regularly is a show of good faith for other customers. When people go to compliment or brag about a product or service, they turn to social media. And when they post your brand name, new audience members will want to follow you for updates. The more people that are talking

about you on social media, the more valuable and authoritative your brand will seem to new users. Not to mention, if you can interact with major influencers on Twitter or other social networks, your visible authority and reach will skyrocket.

6. Increased Inbound Traffic

Without social media, your inbound traffic is limited to people already familiar with your brand and individuals searching for keywords you currently rank for. Every social media profile you add is another path leading back to your site, and every piece of content you syndicate on those profiles is another opportunity for a new visitor. The more quality content you syndicate on social media, the more inbound traffic you'll generate, and more traffic means more leads and more conversions.

7. Decreased Marketing Costs

According to Hubspot, 84% of marketers found as little as six hours of effort per week was enough to generate increased traffic. Six hours is not a significant investment for a channel as large as social media. If you can lend just one hour a day to developing your content and syndication strategy, you could start seeing the results of your efforts. Even paid advertising through Facebook and Twitter is relatively cheap (depending on your goals, of course). Start small and you'll never have to worry about going over budget—once you get a better feel for what to expect, you can increase your budget and increase your conversions correspondingly.

8. Better Search Engine Rankings

SEO is the best way to capture relevant traffic from search engines, but the requirements for success are always changing. It's no longer enough to regularly update your blog, ensure optimized title tags and meta descriptions, and distribute links pointing back to your site. Google and other search engines may be calculating their rankings using social media presence as a significant factor, because of the fact that strong brands almost always use social media. As such, being active on social media could act as a "brand signal" to search engines that your brand is legitimate, credible, and trustworthy. That means, if you want to rank for a given set of keywords, having a strong social media presence could be almost mandatory.

9. Richer Customer Experiences

Social media, at its core, is a communication channel like email or phone calls. Every customer interaction you have on social media is an opportunity to publicly demonstrate your customer service level and enrich your relationship with your customers. For example, if a customer complains about your product on Twitter, you can immediately address the comment, apologize publicly, and take action to make it right. Or, if a customer compliments

you, you can thank them and recommend additional products. It's a personal experience that lets customers know you care about them.

10. Improved Customer Insights

Social media also gives you an opportunity to gain valuable information about what your customers are interested in and how they behave, via social listening. For example, you can monitor user comments to see what people think of your business directly. You can segment your content syndication lists based on topic and see which types of content generate the most interest – and then produce more of that type of content. You can measure conversions based on different promotions posted on various social media channels and eventually find a perfect combination to generate revenue. (www.forbes.com)

The Impact of Online Social Networks on Consumer Purchase Decision

Consumers belong or admire different online groups generally and those groups are able to change their purchasing decisions behavior. According to Evans, et al (2009) joint decision-making is defined as; consumers are taken their decisions within the environment around them such as environment of family, friends, and coworkers. In traditional way, consumers make their purchase decisions base on information that they received through mass media (e.g. advertising, newspaper, television comment), but nowadays, online social networks can have power to affect consumers' purchase decision (Solomon, et al, 2010).

Consumers are able to search for the information they need and share their own experiences about products or services with other consumers. This fact(sharing opinions with others regarding previous experiences with products or services) is one of the reasons why social media influences purchasing decisions Consumers are also buying based on recommendations from social media. (Leon, Sebastian, 2014)

Virtual communities that affect on consumer purchase decisions:

There are different forms of virtual communities that affect consumers' purchase decisions in different ways:

- **Multi-user dungeons (MUD):** where people have social relationship with each other in terms of game playing.
- **Rooms, rings, and lists:** rooms (chat rooms), rings (organizations that is related to the home pages), and lists (group of individuals that sharing information via email).
- **Board:** online communities, which can be related to music, movies, cars, even restaurants that allow individuals post messages.
- **Blogs:** weblogs or blogs are personal journals and are form of online communities that growing dramatically fast. Users of common interest can follow Blogs.

Online social networks have become more credible and relevant information source than direct information from companies, therefore consumers seek products and companies on online social networks. Since consumers enjoy the interaction and communication with each other and like to receive advice either positive or negative about different products or services, virtual communities have an impact on consumers' purchasing decision (Ayda.D& Wei Li, 2012)

Literatures Review

As per Ayda Darban, Wei Li, (2014) "The impact of Online Social Networks on Consumers' Purchasing Decision", The purpose of this study is to examine the impact of online social networks (Facebook), the authors are trying to find which steps do online social networks influence consumers' purchasing decision when it comes to food retailers; and why are these steps influenced by online social networks. First, the steps are promotions and offers, company/store information, activities and services. Second, the reasons behind online social network (Facebook) on consumers' purchase decision: long online time, comments and recommendations (Online Word-Of-Mouth) Individual's interaction between supermarket and other consumers and convenience of Facebook. So consumers' choices regarding food retailers can be influenced by the gathered information from different sources especially from online social networks. Consumers the most convenient way to compare between different food retailer. shops, products, or services is on Facebook because of its features. Consumers can express their satisfaction or dissatisfaction about their experience to companies, about products, or services, or share their knowledge and opinions on their online social network and share with others.

According to Bruno Schivinski, Dariusz D¹browski, (2013) "The Effect of Social Media Communication on Consumer Perceptions of Brands", In recent years, brand management has been confronting two opposite tendencies: the loss of brand authenticity and the increasing influence of empowered consumers on brand communications. The social Web is changing traditional marketing communications. Traditional brand communications that were previously controlled and administered by brand and marketing managers are gradually being shaped by consumers. This article aims to compare the effects of social media communication, as they differ significantly in terms of company control. Thus, we form two research objectives that are relevant for companies, brand managers, and scholars: to investigate the effects of firm-created and user-generated social media communication on brand equity, brand attitude, and brand purchase intentions. Juxtaposition concerning the effects of social media communication on brand equity, brand attitude, and brand purchase intentions in different industries. The first section in this study presents a literature review supporting the conceptual framework and the hypotheses of this study; the second section presents the research methodology used in this study. In the third section, we introduce the outline for the quantitative empirical analysis

that is used to verify the hypotheses; the final section provides a summary and discussion of the empirical findings with implications for managers and executives. This study makes a significant contribution to the social media communication literature, although this research is not without limitations. Finally, because a Central European sample was used in this study, it may be difficult to generalize the results to other cultures, so the social, economic, and cultural differences should be considered.

As per Monica Ramsunder, “ The Impact of Social Media Marketing on Purchase Decisions in the Tyre Industry”

The research study which investigates impact of social media marketing on a consumer's purchase decision in the South African tyre industry addresses traditional marketing strategies, the consumer's purchase decision journey and Social media marketing strategy. The research instrument used in this study was a questionnaire which was designed specifically for the purpose of this research study. The questionnaire was based on the literature review and specifically addressed that the main purpose of social media is connectivity; the ability to meet new people, create new contacts and develop networks and create new customers and business associates. If managed and maintained appropriately, organizations can utilize the power of social media marketing to promote its brand, gain insight into the market and assess how consumers feel about its brands. As thousands of users visit social media platforms daily, social media marketing allows marketers to reach and talk to a mass audience at little or no cost.

Objectives of the Study

The aims of this paper is to identify the impact of using social media marketing on purchasing decision making for consumer through the following objectives:

- To identify the impact of using facebook, twitter and YouTube on a purchasing decision of LG product.
- To examine the extant of social media channels that helps consumer in purchasing decision making on LG product.
- To study the gap between consumer expectation from social media and its performance.
- To explore the relative importance how using social media channels: facebook ,twitter and YouTube help company's on improving quality of services in Jordan and other developing nations.
- To examine the application of a theoretical model through a large investigative empirical study involving field work to explain the social media channels facebook, twitter and YouTube that have a significant impact on purchasing decision making.
- To identify the impact of using social media marketing as a marketing tool in a business on purchasing decision making.

Problem & Questions of the Study

The lack and rareness of studies from the researcher's point of view that are targeting the impact of social media marketing in general and particularly its impact on consumer's purchasing decisions in Jordan led the researcher to address this issue due to its importance in affecting the ability of social media websites in attracting and encouraging consumers especially those who look for goods and services with less cost and time, also in terms of the companies that are not well aware to what extent the social media websites have the ability of supporting business contacts in effective ways, hence the problem of the study is

1. Is there any significant impact of **Facebook** social media as a marketing channel on consumer's purchasing decisions of home appliances sector?
2. Is there any significant impact of **Twitter** social media as a marketing channel on consumer's purchasing decisions of home appliances sector?
3. Is there any significant impact of **YouTube** social media as a marketing channel on consumer's purchasing decisions of home appliances sector?
4. What is the major channel of social media has a significant impact on consumer's purchasing decisions of home appliances sector?

The Importance of the Study

The importance of the study can be noticed through the stunning development of information technology and communications in the recent times as well as its ability of affecting the consumer's purchasing decisions through the features that are provided by these channels, in terms of time, cost and speed of access to information.

In addition, through addressing a number of variables related to using such websites in marketing, especially in the field of advertising and promotion via Facebook, Twitter and Youtube to various Jordanian businesses is necessary in order to identify and bring products to the customers, and know to what extent the client would accept this idea as well as how will the customer react and how to create the need through the influence of this marketing channel. Finally, this is study would help researchers, managers and marketers to consider the real value of social media when it's used as E-marketing channel.

Research Model and Hypotheses

This research aims to investigate the impact of Social Media as a Marketing Tool on Purchasing Decisions.

Because there is scarcity of the studies related to this study in our area, we start with an exploratory phase to gain an in depth understanding of phenomenon construct and formulate the research hypotheses.

Depending on semi-structured interviews and literature we posed the following model:

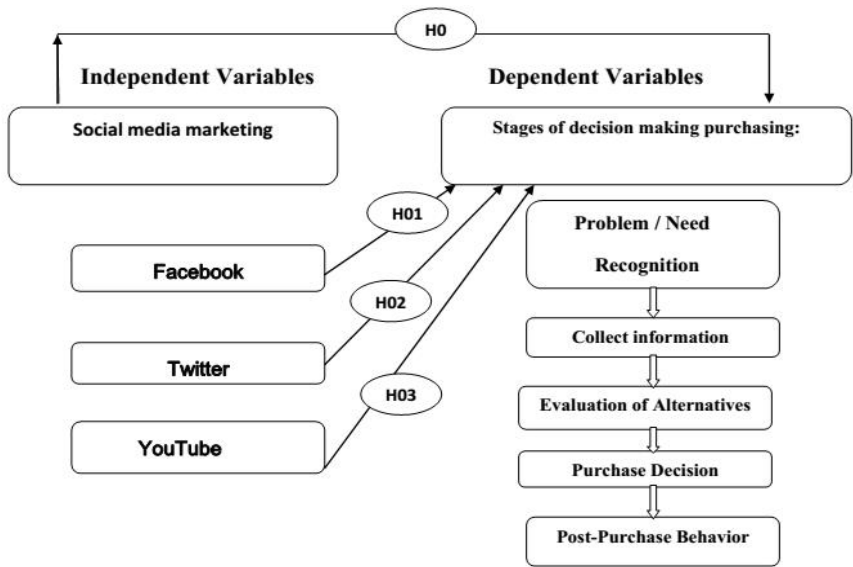


Fig. 1. Research model

To test the model we posed the following hypothesize:

H0: There is no significant impact of social media marketing (Facebook, Twitter and YouTube) on purchasing decision of LG Customer.

H01: There is no significant impact of social media marketing (Facebook) on stages of purchasing decisions (need recognition, collecting information, evaluation of alternatives, purchase decisions and post-purchase behavior) in LG Customer.

H02: There is no significant impact of social media marketing (Twitter) on stages of purchasing decisions (need recognition, collecting information, evaluation of alternatives, purchase decisions and post-purchase behavior) in LG Customer.

H03: There is no significant impact of social media marketing (YouTube) on stages of purchasing decisions (need recognition, collecting information, evaluation of alternatives, purchase decisions and post-purchase behavior) in LG Customer

Analysis Results and Hypotheses Test

According to the research study and research framework presented in the previous, this section describes the results of the statistical analysis of the data collection for research question and research hypothesis. The data analysis includes a description of the means and standard deviations for study questions.

Research Findings

First: Characteristics of Study Sample:

1. Gender

Table 1: Distributing Study Sample According to Gender

Gender	Frequency	Percent %
Male	37	39.8
Female	56	60.2
Total	93	100%

We can notice that 60.2% of the sample are females while 39.8% males.

2. Age

Table 2: Distributing Study Sample According to Age

Age	Frequency	Percent %
Less than 20 years old	17	18.3
20-39	58	62.4
40-60	15	16.1
More than 60 years old	3	3.2
Total	93	100%

We can notice that 62.4% of the samples are ages between 20-39 followed by 18.3% of ages are less than 20 years, and then 16.1% are ages between 40-60 while 3.2% are more than 60 years old.

3. Educational Level

Table 3: Distributing Study Sample According to Age

Level	Frequency	Percent %
Secondary School	11	11.8
Diploma	33	45.2
Bachelor	42	35.5
Graduate Studies	7	7.5
Total	93	100%

We notice that 45.2% of the sample educational levels are bachelor, then 35.5% diploma, 11.8% secondary school and then 7.5% graduate studies.

4. Hours of Internet Usage

The average of using the internet:

Table 4: Distributing Study Sample According to Number of Hours Using the Internet

Hours Number	Frequency	Percent %
<1	13	14.0
2-3	47	50.5
4-5	17	18.3
>5	16	17.2
Total	93	100%

We notice that 50.5% the average hour’s number of using the internet between 2-3 hours, then 18.3% between 4-5 hours, 17.2% more than 5 hours while 14% less than an hour.

10.2. Second: Stability Test

Cronbach Alpha test was used to measure stability of the measuring tool as a value of (a = 97.20%) which is an excellent rate as it is higher than the accepted one 60%.

Table (4) explains Cronbach Alpha coefficient for variables in details

Table 5: Cronbach Alpha Coefficient for Variables

Variable	Variable type	Paragraphs number	Cronbach Alpha	Sample
Social Media	independent	15	%94.23	93
Social media Facebook	independent	5	%85.28	
Social media Twitter	independent	5	%88.1	
Social media Youtube	independent	5	87.61%	
Purchasing decision stages	dependent	25	96.09%	
Need recognition stage	dependent	5	87.26%	
Information search stage	dependent	5	88.17%	
Alternatives evaluation stage	dependent	5	85.06%	
Purchase decision Stage	dependent	5	90.24%	
Post-purchase behavior stage	dependent	5	89.04%	
Total index	-	40	97.20%	

10.3. Third: The Study Results

The mean, standard deviation total index were calculated to present the responses of the sample as it is shown below:

Table 6: Means, standard deviations and degree of relative importance

Question Number	Mean	Std. Deviation	Relative degree %
Independent Variables: Social Media			
First: Facebook			
1	3.9247	0.72587	78.5
2	4.0430	0.67428	80.9
3	3.9677	0.78646	79.4
4	3.9785	0.76583	79.6

5	4.0860	0.71712	81.7
Facebook Total index	4.000	0.5831	80.0
Second: Twitter			
6	4.0108	0.74447	80.2
7	3.9677	0.89018	79.4
8	3.7849	0.89503	75.7
9	4.1935	0.72619	83.9
10	4.1290	0.82391	82.6
Twitter Total index	4.017	0.6741	80.3
Third: Youtube			
11	4.1075	0.72924	82.2
12	4.0538	0.82575	81.1
13	3.9247	0.76948	78.5
14	3.9677	0.81363	79.4
15	3.6667	0.93638	73.3
Youtube Total index	3.944	0.6687	78.9

Dependent Variables: Stages of Purchasing Decisions

Walid Nabil Iblasi et al.

First: Need recognition

16	3,8925	0,92622	77.8
17	4,0000	0,73721	80.0
18	3,6667	0,90089	73.3
19	3,8172	0,83336	76.3
20	3,9355	0,81836	78.7
Total index of need recognition stage	3, 862	0, 6884	77.2

Second: Information search

21	3,8817	0,83209	77.6
22	4,1183	08,3207	82.4
23	4,1720	08,4215	83.4
24	3,9570	08,7121	79.1
25	3,6882	08,3378	73.8
Total index of information search	3,963	0,6940	79.3

Third: Alternatives evaluation

26	3,6129	0,93288	72.3
27	3,5591	0,99414	71.2
28	4,0323	08,0016	80.6
29	4,0215	0,89659	80.4
30	3,9677	0,86542	79.4
Total index of alternatives evaluation	3,838	0,7121	76.8

Forth: Purchase decision

31	3,9570	0,87121	79.1
32	3,8710	0,83700	77.4
33	3,7312	0,92242	74.6
34	3,8925	0,81377	77.8
35	3,7419	0,93138	74.8
Total index of purchase decision	3,838	0,7432	76.8

Fifth: Post-purchase behavior

36	3,6989	0,94161	74.0
37	4,4194	0,66468	88.4
38	4,1183	0,77809	82.4
39	3,9892	0,82745	79.8
40	4,0968	0,80844	81.9
Total index of post-purchase behavior	4,064	0,6744	81.3

We note that the sample trends are positive towards above paragraphs because their means are greater than the measurement average tool (3).

10.4. Forth: Hypotheses Testing

1. First Hypothesis

Ho: There is no significant impact of social media marketing (**Facebook, Twitter and Youtube**) on **purchasing decision stages for LG customer**.

Ha: There is a significant impact of social media marketing (**Facebook, Twitter and Youtube**) on **purchasing decision stages for LG customer**.

Table 7: Results of first hypothesis testing

F calculated	T tabulated	SIG F	R	R ²	The result of null hypothesis (Ho)
54.367	2.66	0.00	0.804	0.647	Reject

Multiple Linear Regression has been used and found that from the observation of the computer’s results in the previous table that the value of (F calculated = 54.367) is greater than its tabulated value, and since the decision rule is: accept the null hypothesis (Ho) if the calculated value is less than the tabulated one, and reject the null hypothesis (Ho) if the calculated value is greater than the tabulated one. Therefore, we reject the null hypothesis (Ho) and accept the alternative hypothesis (Ha) as well as the significance level is less than 0.05 which means that there is a significant impact of social media marketing (Facebook, Twitter and Youtube) on purchasing decision of LG customer.

2. Second Hypothesis

International Journal of Managerial Studies and Research (IJMSR)

The Impact of Social Media as a Marketing Tool on Purchasing Decisions (Case Study on SAMSUNG for Electrical Home Appliances)

Ho: There is no significant impact of social media marketing (**Facebook**) on **purchasing decision stages** (need recognition, information search, alternatives evaluation, purchase decision and post-purchase behavior) in LG Product.

Ha: There is a significant impact of social media marketing (**Facebook**) on **purchasing decision stages** (need recognition, information search, alternatives evaluation, purchase decision and post-purchase behavior) in LG Product.

Table 8. Results of Second Hypothesis Testing

T calculated	T tabulated	SIG T	R	R ²	The result of null hypothesis (Ho)
9.769	1.9861	0.00	0.715	0.512	Reject

Simple Linear Regression has been used and found that from the observation of the computer’s results in the previous table that the value of (T calculated = 9.769) is greater than its tabulated value, and since the decision rule is: accept the null hypothesis (Ho) if the calculated value is less than the tabulated one, and reject the null hypothesis (Ho) if the calculated value is greater than the tabulated one. Therefore, we reject the null hypothesis (Ho) and accept the alternative hypothesis (Ha) as well as the significance level is less than 0.05 which means that there is a significant impact of social media marketing (Facebook) on purchasing decision stages (need recognition, information search, alternatives evaluation, purchase decision and post-purchase behavior) in LG Company.

3. Third Hypothesis

Ho: There is no significant impact of social media marketing (**Twitter**) on **purchasing decision stages** (need recognition, information search, alternatives evaluation, purchase decision and post-purchase behavior) in LG Company.

Ha: There is a significant impact of social media marketing (**Twitter**) on **purchasing decision stages** (need recognition, information search, alternatives evaluation, purchase decision and post-purchase behavior) in LG Company.

Table 9. Results of Third hypothesis testing

T calculated	T tabulated	SIG T	R	R ²	The result of null hypothesis (Ho)
8.847	1.9861	0.00	0.680	0.462	Reject

Simple Linear Regression has been used and found that from the observation of the computer’s results in the previous table that the value of (T calculated = 8.847) is greater than its tabulated value, and since the decision rule is: accept the null hypothesis (Ho) if the calculated value is less than the tabulated one, and reject the null hypothesis (Ho) if the calculated value is greater than the tabulated one. Therefore, we reject the null hypothesis (Ho) and accept the alternative hypothesis (Ha) as well as the significance level is less than 0.05 which means that there is a significant impact of social media marketing (Twitter) on purchasing decision stages (need recognition, information search, alternatives evaluation, purchase decision and post-purchase behavior) in LG Company.

4. Forth Hypothesis

Ho: There is no significant impact of social media marketing (**Youtube**) on **purchasing decision stages** (need recognition, information search, alternatives evaluation, purchase decision and post-purchase behavior) in LG Company.

Ha: There is a significant impact of social media marketing (**Youtube**) on **purchasing decision stages** (need recognition, information search, alternatives evaluation, purchase decision and post-purchase behavior) in LG Company.

Table 10. Results of Forth hypothesis testing

T calculated	T tabulated	SIG T	R	R ²	The result of null hypothesis (Ho)
12.149	1.9861	0.00	0.787	0.619	Reject

Simple Linear Regression has been used and found that from the observation of the computer’s results in the previous table that the value of (T calculated = 12.149) is greater than its tabulated value, and since the decision rule is: accept the null hypothesis (Ho) if the calculated value is less than the tabulated one, and reject the null hypothesis (Ho) if the calculated value is greater than the tabulated one. Therefore, we reject the null hypothesis (Ho) and accept the alternative hypothesis (Ha) as well as the significance level is less than 0.05 which means that there is a significant impact of social media marketing (Youtube) on purchasing decision stages (need recognition, information search, alternatives evaluation, purchase decision and post-purchase behavior) in LG Company.

Conclusions

After obtaining the data analysis and tested the hypotheses, the major findings of this study are:

- The results indicate that all members of study sample spend hours with different percentages using social media websites, the highest rate of using these websites is 50.5% which ranges between 2-3 hours, then 18.3% ranges between 4-5 hours, while the lowest percentage is 14% which is less than 1 hour. This shows that these websites are considered a fertile place for E-marketing and for influencing the consumer’s purchasing decisions.
- The study proved that there is an impact of using social media websites as a marketing tool on the stages of purchasing decision (need recognition, information search, alternatives evaluation, purchase decision and post-purchase behavior) which encouraging going toward using the social media in E-marketing.
- The results indicate that social media websites (Facebook, Twitter and Youtube) have a significant impact on stages of purchasing decision; therefore, the firm has to consider these websites in its marketing plans.

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The Impact of Social Media as a Marketing Tool on Purchasing Decisions

*Dr. Sandhya Bindal**

ABSTRACT

Social media is considered as one of the most recent and significant E-marketing tools in the current time. Social media provides accessibility to customers with the purpose of knowing their interests and needs as well as affecting their purchasing decisions. Networks and social networking communities are now “buzz words” blockbuster, where all non-governmental organizations, multinational institutions and governments wish to join and participate to reach online audience. However, this wave does not represent cope with Vogue only, but it’s considered an effective and successful field. Social media marketing (SMM) is a form of Internet marketing that utilizes social networking websites as a marketing tool. The goal of SMM is to produce content that users will share with their social network to help a company increase brand exposure and broaden customer reach.

Introduction

Social media is considered as one of the most recent and significant E-marketing tools in the current time. Social media provides accessibility to customers with the purpose of knowing their interests and needs as well as affecting their purchasing decisions. Social media is defined as the websites that connect millions of users from different parts over the world who share same interests, point of view and hobbies. YouTube, Twitter and Facebook are the best examples on social media that is popular for a large proportion of consumers. So they are used for the exchange of ideas and reviews of a particular product, service or a certain brand to gather information and ideas formation as well as making the right purchasing decision. Therefore, social media are considered as one of the modern electronic marketing tools which are different from other means of traditional marketing, therefore marketing via social media nowadays is the broadest, fastest, cheapest and most effective marketing

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channel where the consumer can obtain information and features of interesting goods easily with the possibility of completing the purchasing & sale process without the buyer's need to go to goods and items place. Social media marketing has been defined as a form of internet marketing that utilizes social networking websites as a marketing tool. (www.whatis.techtarget.com)

It is clearly obvious that in the recent years the number of internet users is increasing where studies indicate that 49% of Jordanian households own a personal computer, 57% of households have internet subscriptions, 78% have internet access via mobile broadband (Jordan Department of Statistics) who started to use social media sites to communicate with friends, exchange views and information. There is no doubt that social media sites are growing and developing increasingly in a rapidly changing world. Also, statistics indicate that number of Facebook users in the Arab countries during the year 2013 became (54.5) million users and increased to (81.3) million users by 2014 as well as the number of users in Jordan during 2014 were (3.2) million users (study by the Governance and Innovation Program in Mohammad Bin Rashid College for Government Management). Despite of the tremendous development in social media websites and the increase of users number as well as using them as a marketing tool, still the economic feasibility of these social websites needs to be more studied and explored, thus, the purpose of this study is to examine the role of using social media marketing (Facebook, Twitter and YouTube) in consumer's purchasing decisions especially in electrical home appliances sector that is represented in this study by "SAMSUNG Company".

Social Media

The best way to define social media is to break it down. Media is an instrument on communication, like a newspaper or a radio, so social media would be a social instrument of communication. In Web 2.0 terms; this would be a website that doesn't just give you information, but interacts with you while giving you that information. This interaction can be as simple as asking for your comments or letting you vote on an article. Social Media sites are characterized by the inherent functionality that facilitates the sharing of information between users within a defined network. The nature of Social Media allows for the initiation of conversation by either party.

The size of the network is primarily a reflection of the active participation of the audience, as consumer-generated media represents that vast majority of all content. For consumers the true value of a network is measured by the frequency of engagement of the participants. For marketers, endorsement by consumers in the form of friending /following /subscribing validates their efforts and activates a viral distribution of their brand across channels. (Walker, 2009)

Social media as a term is often interchangeable with Web 2.0 and social software. (Dabbagh & kitsantas, 2011).

In general terms, social media enable users to share information and collaborate with each other to create web content and utilize it. It refers to users' activities, practices, and behaviors occurring through media via sharing information, knowledge, and opinions.

These technologies are internet-based and they facilitate creativity, information sharing, and collaboration among users indeed, social media puts great emphasis on sharing, participating, and collaborating processes and activities. Social media, social networks and social communities provide a new form of collaboration and communication for users.

Examples of social media websites are (Social Bookmarking. (Del.icio.us, Blinklist, Simpy)), Social News. (Digg, Propeller, Reddit), Social Networking. (Facebook, Hi5, Last.FM), Social Photo and Video Sharing. (YouTube, Flickr), Wikis. (Wikipedia, Wikia), and these websites are not the only social media websites. Any website that invites you to interact with the site and with other visitors falls into the definition of social media. (<http://webtrends.about.com/>)

Social Media Tools

Networks and social networking communities are now “buzz words” blockbuster, where all non-governmental organizations, multinational institutions and governments wish to join and participate to reach online audience. However, this wave does not represent cope with Vogue only, but it's considered an effective and successful field. Herewith, what is social media?

- **Regular media means:** is a one way Passage –in terms of reading a newspaper or listening to a TV report, however, considered as limited opportunities to present ideas and opinions.
- **Social media means:** in a way, it is a two-way path on the Internet given the opportunity to communicate and connect with people we know or who share some of your interests. Your cyber society doesn't considered only a place to find information, but also a place to organize events, express your opinion, share your photos, meet new people, promote your business, and participate in campaigns and many other activities.(www.enpi-info.eu).

There are differences between each type of social media (Facebook, twitter, YouTube, LinkedIn, Instagram, Google Plus, Hangouts, Circles,..) and used in different ways for that should decide which of them will be used based on your resources, your target audience, and what you want to achieve from through the means of social networks.

Social Media Marketing

Social media marketing (SMM) is a form of Internet marketing that utilizes social networking websites as a marketing tool. The goal of SMM is to produce content that users will share with their social network to help a company increase brand exposure and broaden customer reach.

SMM helps a company get direct feedback from customers (and potential customers) while making the company seem more personable. The interactive parts of social media give customers the opportunity to ask questions or voice complaints and feel they are being heard. This aspect of SMM is called social customer relationship management (social CRM). (whatis.techtarget.com)

Social media marketing is related to relationship marketing where the firms need to shift from “trying to sell” to making connection” with the consumers.

Companies also need to keep away from “big campaigns” and stick with “small act” since some small campaigns can easily reach lots of people and accomplish the objectives. (Eerdogmus, 2012).

Importance of Social Media Marketing for Business

Social media marketing is one of the most important types of online marketing where businesses are marketing their products/services and brands on social media websites like Facebook, Twitter, YouTube, LinkedIn, Google+, etc.

A new scientific study confirmed the importance of social media networks in marketing products and services of the small companies; it stated that 46% of today's internet users depend on social networks to take their purchasing decisions. A new released study by (Yes to Digital) site specialized in the digital content, emphasized that 71% of social media network users around the world buy products they detected through these platforms that attracted hundreds of millions of internet users around the world. [Need reference]

The estimated number of Facebook users in 2013 is almost 1.15 billion users, “YouTube” is used by one billion visitors monthly, while “Twitter” network estimated users are around half billion users. You can then imagine the proliferation and number of reaches that you can get to your product or service if you considered these networks in your digital marketing combination

That your company or institution uses. Therefore, **its importance comes from:** (www.oasis500.com)

- **Social media is effective and inexpensive**

Social media marketing is very important for small businesses because of its inexpensiveness and ability to reach large number of targeted audiences within less time and very little efforts

- **Branding can be done effectively on social media**

Social media marketing is the best tool for small businesses for branding. According to Social media today, 83% of customers prefer to connect to the brand on Facebook and 53% on Twitter.

- **Customer acquisition is easy on social media**

With more than half of the world's population registered with different social media platforms, the chances of acquiring customers are fairly high on social media websites. There are approximately 1.74 billion social media users according to eMarketer and social media websites play a crucial role in acquiring

customers to the businesses. In 2013, 36% of marketers acquired customers via Twitter, 52% via Facebook and 43% via LinkedIn.

- **Social media enables direct customer interaction**

Through social media, businesses can interact with customers directly. Small businesses can attract customers by engaging them with some interactive methods like Question and Answers, Polls, etc.

According to Socialmediatoday, 53% of marketers are using social media as a two-way conversation and engagement tool.

- **Social media marketing can generate more leads/sales**

Social media marketing plays an important role in generating leads and thus increasing sales to the businesses. A survey by Socialmediatoday revealed that 71% of social media users are more likely to purchase products from brands that they are connected on social media websites. A study by HubSpot revealed that social media produces almost double the marketing leads than any other marketing method and lead-to-close rate is 100% higher on social media.

The Characteristics of Social Media Marketing

- **Tone:** Social media is about honesty and being authentic. Marketers need to ensure that the message to the audience is credible and reliable
- **Conversation:** Social media marketing generates two ways conversation where the customer is an integral part of the marketing department. Customer opinions matter and impact on marketing strategy
- **Validation:** Buyer and consumer reviews are as influential as the marketer's claims of the brands features and benefits. This sets the stage for the brand to meet consumers expectations
- **Reach:** Social media marketing allows marketers to reach a wider audience with more dramatic results in far less time and at lower costs
- **Control:** Control is the single biggest challenge in social media marketing. The internet allows the entire world to report what they see as they see it (in real time). All testimonies, opinions, customer experiences (positive and negative) and customer messages are able to go live at any time. These messages are not always accurate nor are they in the control of the marketer and the challenge to the marketer is to respond to these messages in a professional manner.(monica,2011)

The Benefit of Social Media Marketing

1. Increased Brand Recognition

Every opportunity you have to syndicate your content and increase your visibility is valuable. Your social media networks are just new channels for

your brand's voice and content. This is important because it simultaneously makes you easier and more accessible for new customers, and makes you more familiar and recognizable for existing customers. For example, a frequent Twitter user could hear about your company for the first time only after stumbling upon it in a newsfeed. Or, an otherwise apathetic customer might become better acquainted with your brand after seeing your presence on multiple networks.

2. Improved Brand Loyalty

According to a report published by Texas Tech University, brands who engage on social media channels enjoy higher loyalty from their customers. The report concludes "Companies should take advantage of the tools social media gives them when it comes to connecting with their audience. A strategic and open social media plan could prove influential in morphing consumers into being brand loyal. Another study published by Convince & Convert found that 53% of Americans who follow brands in social are more loyal to those brands.

3. More Opportunities to Convert

Every post you make on a social media platform is an opportunity for customers to convert. When you build a following, you'll simultaneously have access to new customers, recent customers, and old customers, and you'll be able to interact with all of them. Every blog post, image, video, or comment you share is a chance for someone to react, and every reaction could lead to a site visit, and eventually a conversion. Not every interaction with your brand results in a conversion, but every positive interaction increases the likelihood of an eventual conversion. Even if your click-through rates are low, the sheer number of opportunities you have on social media is significant.

4. Higher Conversion Rates

Social media marketing results in higher conversion rates in a few distinct ways. Perhaps the most significant is its humanization element; the fact that brands become more humanized by interacting in social media channels. Social media is a place where brands can act like people do, and this is important because people like doing business with other people; not with companies. Additionally, studies have shown that social media has a 100% higher lead-to-close rate than outbound marketing, and a higher number of social media followers tends to improve trust and credibility in your brand, representing social proof. As such, simply building your audience in social media can improve conversion rates on your existing traffic.

5. Higher Brand Authority

Interacting with your customers regularly is a show of good faith for other customers. When people go to compliment or brag about a product or service, they turn to social media. And when they post your brand name, new audience members will want to follow you for updates. The more people that are talking about you on social media, the more valuable and authoritative your brand will seem to new users. Not to mention, if you can interact with major

influencers on Twitter or other social networks, your visible authority and reach will skyrocket.

6. Increased Inbound Traffic

Without social media, your inbound traffic is limited to people already familiar with your brand and individuals searching for keywords you currently rank for. Every social media profile you add is another path leading back to your site, and every piece of content you syndicate on those profiles is another opportunity for a new visitor. The more quality content you syndicate on social media, the more inbound traffic you'll generate, and more traffic means more leads and more conversions.

7. Decreased Marketing Costs

According to Hubspot, 84% of marketers found as little as six hours of effort per week was enough to generate increased traffic. Six hours is not a significant investment for a channel as large as social media. If you can lend just one hour a day to developing your content and syndication strategy, you could start seeing the results of your efforts. Even paid advertising through Facebook and Twitter is relatively cheap (depending on your goals, of course). Start small and you'll never have to worry about going over budget—once you get a better feel for what to expect, you can increase your budget and increase your conversions correspondingly.

8. Better Search Engine Rankings

SEO is the best way to capture relevant traffic from search engines, but the requirements for success are always changing. It's no longer enough to regularly update your blog, ensure optimized title tags and meta descriptions, and distribute links pointing back to your site. Google and other search engines may be calculating their rankings using social media presence as a significant factor, because of the fact that strong brands almost always use social media. As such, being active on social media could act as a "brand signal" to search engines that your brand is legitimate, credible, and trustworthy. That means, if you want to rank for a given set of keywords, having a strong social media presence could be almost mandatory.

9. Richer Customer Experiences

Social media, at its core, is a communication channel like email or phone calls. Every customer interaction you have on social media is an opportunity to publicly demonstrate your customer service level and enrich your relationship with your customers. For example, if a customer complains about your product on Twitter, you can immediately address the comment, apologize publicly, and take action to make it right. Or, if a customer compliments you, you can thank them and recommend additional products. It's a personal experience that lets customers know you care about them.

10. Improved Customer Insights

Social media also gives you an opportunity to gain valuable information about what your customers are interested in and how they behave, via social listening.

For example, you can monitor user comments to see what people think of your business directly. You can segment your content syndication lists based on topic and see which types of content generate the most interest—and then produce more of that type of content. You can measure conversions based on different promotions posted on various social media channels and eventually find a perfect combination to generate revenue. (www.forbes.com)

The Impact of Online Social Networks on Consumer Purchase Decision

Consumers belong or admire different online groups generally and those groups are able to change their purchasing decisions behavior. According to Evans, et al (2009) joint decision-making is defined as; consumers are taken their decisions within the environment around them such as environment of family, friends, and coworkers. In traditional way, consumers make their purchase decisions base on information that they received through mass media (e.g. advertising, newspaper, television comment), but nowadays, online social networks can have power to affect consumers' purchase decision (Solomon, et al, 2010).

Consumers are able to search for the information they need and share their own experiences about products or services with other consumers. This fact(sharing opinions with others regarding previous experiences with products or services) is one of the reasons why social media influences purchasing decisions Consumers are also buying based on recommendations from social media. (Leon, Sebastian, 2014)

Virtual communities that affect on consumer purchase decisions:

There are different forms of virtual communities that affect consumers' purchase decisions in different ways:

- **Multi-user dungeons (MUD):** where people have social relationship with each other in terms of game playing.
- **Rooms, rings, and lists:** rooms (chat rooms), rings (organizations that is related to the home pages), and lists (group of individuals that sharing information via email).
- **Board:** online communities, which can be related to music, movies, cars, even restaurants that allow individuals post messages.
- **Blogs:** weblogs or blogs are personal journals and are form of online communities that growing dramatically fast. Users of common interest can follow Blogs.

Online social networks have become more credible and relevant information source than direct information from companies, therefore consumers seek products and companies on online social networks .Since consumers enjoy the interaction and communication with each other and like to receive advice either positive or negative about different products or services, virtual communities have an impact on consumers' purchasing decision (Ayda.D& Wei Li, 2012).

Conclusion

It is a known fact that marketing is a loop that starts with customer and ends with customer. Now a day's companies are moving towards electronic marketing as customers are well aware of internet usage despite their education. Even the rural people are also using mobile apps to purchase products or services. Therefore in this digital world, marketers have to pay attention toward electronic marketing through social media, online media and various digital flat forms to attract and influence the customers to buy the products or services.

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3

Effectiveness of Digital Marketing

Dr. Ajay Kumar*

ABSTRACT

Marketers are faced with new challenges and opportunities within this digital age. Digital marketing is the utilization of electronic media by the marketers to promote the products or services into the market. The main objective of digital marketing is attracting customers and allowing them to interact with the brand through digital media. This article focuses on the importance of digital marketing for both marketers and consumers. We examine the effect of digital marketing on the firms' sales. Additionally the differences between traditional marketing and digital marketing in this paper are presented. This study has described various forms of digital marketing, effectiveness of it and the impact it has on firm's sales. The examined sample consists of one hundred fifty firms and fifty executives which have been randomly selected to prove the effectiveness of digital marketing. Collected data has been analyzed with the help of various statistical tools and techniques.

Keywords: Digital Marketing, Promotion, Effectiveness, Customer Reach.

Introduction

Digital marketing is one type of marketing being widely used to promote products or services and to reach consumers using digital channels. Digital marketing extends beyond internet marketing including channels that do not require the use of Internet. It includes mobile phones (both SMS and MMS), social media marketing, display advertising, search engine marketing and many other forms of digital media.

Through digital media, consumers can access information any time and any place where they want. With the presence of digital media, consumers do not just rely on what the company says about their brand but also they can follow what the media, friends, associations, peers, etc., are saying as well. Digital marketing is a broad term that refers to various promotional techniques deployed to reach customers via digital technologies. Digital marketing

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embodies an extensive selection of service, product and brand marketing tactics which mainly use Internet as a core promotional medium in addition to mobile and traditional TV and radio. Canon iMage Gateway helps consumers share their digital photos with friends online. L'Oréal's brand Lancôme uses email newsletters to keep in touch with customers and hence tries to strengthen customer brand loyalty (Merisavo et al., 2004). Magazine publishers can activate and drive their customers into Internet with e-mails and SMS messages to improve re-subscription rate (Merisavo et al., 2004).

Marketers increasingly bring brands closer to consumers' everyday life. The changing role of customers as co-producers of value is becoming increasingly important (Prahalad and Ramaswamy, 2004). Khan and Mahapatra (2009) remarked that technology plays a vital role in improving the quality of services provided by the business units. According to Hoge (1993), electronic marketing (EM) is a transfer of goods or services from seller to buyer involving one or more electronic methods or media. E-Marketing began with the use of telegraphs in the nineteenth century. With the invention and mass acceptance of the telephone, radio, television, and then cable television, electronic media has become the dominant marketing force. McDonald's uses online channel to reinforce brand messages and relationships. They have built online communities for children, such as the Happy Meal website with educative and entertaining games to keep customers always close to themselves (Rowley 2004). Reinartz and Kumar (2003) found that the number of mailing efforts by the company is positively linked with company profitability over time. The primary advantages of social media marketing is reducing costs and enhancing the reach. The cost of a social media platform is typically lower than other marketing platforms such as face-to-face sales or sales with a help of middlemen or distributors. In addition, social media marketing allows firms to reach customers that may not be accessible due to temporal and locational limitations of existing distribution channels. Generally, main advantage of social media is that it can enable companies to increase reach and reduce costs (Watson et al. 2002; Sheth & Sharma 2005).

According to Chaffey (2011), social media marketing involves "encouraging customer communications on company's own website or through its social presence". Social media marketing is one important technique in digital marketing as companies can use social media form to distribute their messages to their target audience without paying for the publishers or distributor that is characteristic for traditional marketing. Digital marketing, electronic marketing, e-marketing and Internet marketing are all similar terms which, simply put, refer to "marketing online whether via websites, online ads, opt-in emails, interactive kiosks, interactive TV or mobiles" (Chaffey & Smith, 2008). Giese and Gote (2000) finds that customer information satisfaction (CIS) for digital marketing can be conceptualized as a sum of affective response of varying intensity that follows consumption and is stimulated by focal aspects of sales activities, information systems (websites), digital products/services, customer support, after-sales service and company culture.

Waghmare (2012) pointed out that many countries in Asia are taking advantage of e-commerce through opening up, which is essential for promoting competition and diffusion of Internet technologies. Zia and Manish (2012) found that currently, shoppers in metropolitan India are being driven by e-commerce: these consumers are booking travels, buying consumer electronics and books online. Although spending per online buyer remains low, some 59% of online consumers in metropolitan India already make purchases online at least once in a month. Dave Chaffey (2002) defines e-marketing as “application of digital technologies - online channels (web, e-mail, databases, plus mobile/wireless & digital TV) to contribute to marketing activities aimed at achieving profit acquisition and customers retention (within a multi-channel buying process and customer lifecycle) by improving customer knowledge (of their profiles, behavior, value and loyalty drivers) and further delivering integrated communications and online services that match customers’ individual needs. Chaffey’s definition reflects the relationship marketing concept; it emphasizes that it should not be technology that drives e-marketing, but the business model. All types of social media provide an opportunity to present company itself or its products to dynamic communities and individuals that may show interest (Roberts & Kraynak, 2008). According to Gurau (2008), online marketing environment raises a series of opportunities and also challenges for social media marketing practitioners.

The main objective of this paper is to identify the effectiveness of digital marketing in the competitive market. The supportive objectives are following:

- To show the various elements of digital marketing;
- To focus on the basic comparison between traditional and digital marketing;
- To discuss the effects of various forms of digital marketing on the firm’s sales and other activities;
- To show the various advantages of digital marketing to the customers.

Theoretical and Conceptual Framework

Traditional Marketing versus Digital Marketing

Traditional marketing is the most recognizable form of marketing. Traditional marketing is non-digital way used to promote the product or services of business entity. On the other hand, digital marketing is the marketing of products or services using digital channels to reach consumers. Some comparisons are presented below:

Table 2.1: Traditional marketing and digital marketing comparison

Traditional Marketing	Digital Marketing
Traditional marketing includes print, broadcast, direct mail, and telephone	Digital marketing includes online advertising, email marketing, social media, text messaging, affiliate marketing, search engine optimization, pay per click
No interaction with the audience	Interaction with the audience
Results are easy to measure	Results are to a great extent easy to measure
Advertising campaigns are planned over a long period of time	Advertising campaigns are planned over short period of time
Expensive and time-consuming process	Reasonably cheap and rapid way to promote the products or services
Success of traditional marketing strategies can be celebrated if the firm can reach large local audience	Success of digital marketing strategies can be celebrated if the firm can reach some specific number of local audience
One campaign prevails for a long time	Campaigns can be easily changed with ease and innovations can be introduced within any campaign
Limited reach to the customer due to limited number of customer technology	Wider reach to the customer because of the use of various customers technology
24/7 year-round exposure is not possible	24/7 year-round exposure is possible
No ability to go viral	Ability to go viral
One way conversation	Two ways conversation
Responses can only occur during work hours	Response or feedback can occur anytime

Advertising mediums that might be used as part of digital marketing strategy of a business could include promotional efforts made via Internet, social media, mobile phones, electronic billboards, as well as via digital television and radio channels. Digital marketing is a sub branch of traditional marketing and uses modern digital channels for the placement of products e.g. downloadable music, primarily for communicating with stakeholders e.g. customers and investors about brand, products and business progress.

2.2 Various Elements of Digital Marketing

There are various elements by which digital marketing is formed. All forms operate through electronic devices. The most important elements of digital marketing are given below:

(i) Online Advertising

Online advertising is a very important part of digital marketing. It is also called internet advertising through which company can deliver the message about the products or services. Internet-based advertising provides the content and ads that best matches to consumer interests. Publishers put about their

products or services on their websites so that consumers or users get free information. Advertisers should place more effective and relevant ads online. Through online advertising, company well controls its budget and it has full control on time.

(ii) Email Marketing

When message about the products or services is sent through email to the existing or potential consumer, it is defined as email marketing. Direct digital marketing is used to send ads, to build brand and customer loyalty, to build customer trust and to make brand awareness. Company can promote its products and services by using this element of digital marketing easily. It is relatively low cost comparing to advertising or other forms of media exposure. Company can bring complete attention of the customer by creating attractive mix of graphics, text and links on the products and services.

(iii) Social Media

Today, social media marketing is one of the most important digital marketing channels. It is a computer-based tool that allows people to create, exchange ideas, information and pictures about the company's product or services. According to Nielsen, internet users continue to spend more time with social media sites than any other type. Social media marketing networks include Facebook, Twitter, LinkedIn and Google+. Through Facebook, company can promote events concerning product and services, run promotions that comply with the Facebook guidelines and explore new opportunities. Through Twitter, company can increase the awareness and visibility of their brand. It is the best tool for the promotion of company's products and services. In LinkedIn, professionals write their profile and share information with others. Company can develop their profile in LinkedIn so that the professionals can view and can get more information about the company's product and services. Google+ is also social media network that is more effective than other social media like Facebook, Twitter. It is not only simple social media network but also it is an authorship tool that links web-content directly with its owner.

(iv) Text Messaging

It is a way to send information about the products and services from cellular and smart phone devices. By using phone devices, company can send information in the form of text (SMS), pictures, video or audio (MMS). Marketing through cellphone SMS (Short Message Service) became increasingly popular in the early 2000s in Europe and some parts of Asia. One can send order confirmations, shipping alerts using text message. Using SMS for campaigns get faster and more substantial results. Under this technique, companies can send marketing messages to their customers in real-time, any time and can be confident that the message will be seen. Company can create a questionnaire and obtain valuable customer feedback essential to develop their products or services in future.

(v) Affiliate Marketing

Affiliate marketing is a type of performance-based marketing. In this type of marketing, a company rewards affiliates for each visitor or customer they bring by marketing efforts they create on behalf of company. Industry has four core players: the merchant (also known as “retailer” or “brand”), the network, the publisher (also known as “the affiliate”) and the customer. The market has grown in such complexity resulting in the emergence of a secondary tier of players including affiliate management agencies, super-affiliates and specialized third party vendors. There are two ways to approach affiliate marketing: Company can offer an affiliate program to others or it can sign up to be another business’s affiliate. If company wants to drive an affiliate program, then, the company owner has to pay affiliates a commission fee for every lead or sale they drive to company’s website. Company’s main goal here is to find affiliates who can reach untapped markets. For example, a company with an e-zine may become a good affiliate because its subscribers are hungry for resources. So, introducing one’s offer through “trusted” company can grab the attention of prospects which might not have otherwise reached.

(vi) Search Engine Optimization (SEO)

Search engine optimization (SEO) is the process of affecting the visibility of a website or a web page in a search engine’s “natural” or un-paid (“organic”) search results. In general, the earlier (or higher ranked on the search results page), and more frequently a website appears in the search result list, the more visitors it will receive from the search engine users. SEO may target different kinds of search including image search, local search, video search, academic search, news search and industry-specific vertical search engines.

(vii) Pay Per Click (PPC)

Pay-per-click marketing is a way of using search engine advertising to generate clicks to your website rather than “earning” those clicks organically. Pay per click is good for searchers and advertisers. It is the best way for company’s ads since it brings low cost and greater engagement with the products and services.

Advantages Digital Marketing Brings to Customers

With rapid technological developments, digital marketing has changed customers buying behavior. It has brought various advantages to the consumers as given below:

(i) Stay Updated with Products or Services

Digital marketing technologies allow the consumers to stay with the company information updated. Nowadays a lot of consumer can access internet any place anytime and companies are continuously updating information about their products or services.

(ii) Greater Engagement

With digital marketing, consumers can engage with the company's various activities. Consumers can visit company's website, read information about the products or services and make purchases online and provide feedback.

(iii) Clear Information about the Products or Services

Through digital marketing, consumers get clear information about the products or services. There is a little chance of misinterpretation of the information taken from sales person in a retail store. However, Internet provides comprehensive product information which customers can rely on and make purchase decision.

(iv) Easy comparison with others

Since many companies are trying to promote their products or services using digital marketing, it is becoming the greatest advantage for the customer in terms that customers can make comparison among products or services by different suppliers in cost and time friendly way. Customers don't need to visit a number of different retail outlets in order to gain knowledge about the products or services.

(v) 24/7 Shopping

Since internet is available all day long, there is no time restriction for when customer wants to buy a product online.

(vi) Share content of the products or services

Digital marketing gives viewers a chance to share the content of the product or services to others. Using digital media, one can easily transfer and get information about the characteristics of the product or services to others.

(vii) Apparent Pricing

Company shows the prices of products or services through digital marketing channel and this makes prices very clear and transparent for the customers. Company may regularly changes the prices or gives special offers on their products or services and customers are always in advantages by getting informed instantly by just looking at any one mean of digital marketing.

(viii) Enables instant purchase

With traditional marketing, customers first watch the advertisement and then find relevant physical store to purchase the products or services. However, with digital marketing, customers can purchase the products or services instantly.

Research Methodology

Methodology comes from systematic and theoretical analysis of the methods to evaluate suitability of one specific method to apply to a field of study. It typically encompasses concepts such as paradigm, theoretical model, phases and quantitative or qualitative techniques. This study is conducted based on both primary and secondary data sources.

Primary Sources

Primary source is a source from where we collect first-hand information or original data on a topic. Interview technique was used with structured questionnaire for the collection of primary data.

Secondary Sources

Secondary source is a source from where we collect data that has already been collected by someone. We have collected secondary data from the published financial statements of the firms, newspaper and articles. For the purpose of this study, we have selected one hundred fifty firms randomly which are using digital marketing system to sell their products to customers. Additionally, we also collected data from 50 executives from sample and other different firms to know their opinion on the effectiveness of digital marketing.

Collected data and information has been organized, explained and analyzed by using different statistical tools and techniques. This study shows results both in descriptive and analytical way.

Data Analysis

To show the correlation between the various elements of digital marketing and increased sales, we have collected data from one hundred fifty firms who are taking the various techniques or elements of digital marketing. Results are given below:

Table 1: Correlations

		Increased Sales	Online Advertising	Email Marketing	Social Media	Text Messaging	Affiliate Marketing	Search Engine Optimization (SEO)	Pay Per Click (PPC)
Increased Sales	Pearson Correlation(<i>r</i>)	1	.869	.873	.840	.667	.560	.840	.560
	Sig. (2-tailed)		.056	.053	.075	.219	.326	.075	.326
	N	150	150	150	150	150	150	150	150

From the above table, we can conclude that the every element of digital marketing is positively related to sales increase. It indicates that all elements of digital marketing show positive effect on firm’s sales. Online advertising, email marketing, social media and search engine optimization (SEO) are highly positively correlated with sales increase since showing value of r to be .869, .873, .840 and .840 respectively. The value of r of text messaging, affiliate marketing and pay per click (PPC) are .667, .560 and .560 which also shows low positive correlation with sales increase.

Analysis of digital marketing

Digital media is so pervasive that consumers have access to information any time and any place they want. It was long ago when the messages people got about specific products or services consisted of only what a company wanted them to know.

Table 2: Model Summary

Model	R square	F
Stay updated with products or services	.718	122.117
Greater engagement	.516	51.276
Clear information about the products or services	.629	81.254
Easy comparison with others	.639	85.141
24/7 Shopping	.749	142.868
Share content of the products or services	.656	91.498
Apparent Pricing	.636	83.962
Enables instant purchase	.667	96.028

From the above table, we can conclude that almost all the variables having weight explaining with great extent its relationship with digital marketing. For example, stay updated with products or services is explained by 71.80% of digital marketing and the remaining 28.20% is explained by other factor. Greater engagement is explained by 51.60% of digital marketing and the remaining 48.40% is explained by other factor. Clear Information about the products or services is explained by 62.90% of digital marketing and theremaining 37.10% is explained by other factor. We can also see from the above table that F value is bigger more than 80 indicating the strength of the model.

Coefficient of Different Variables

The coefficient of different variables in relation with independent variables will be discussed below:

	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta (β)	t	Sig.
Constant	1.000	.215		4.649	.000
Digital Marketing	2.882	.261	.847	11.051	.000
Dependent Variable: Stay updated with products or services					
Constant	1.000	.254		3.937	.000
Digital Marketing	2.206	.308	.719	7.161	.000
Dependent Variable: Greater engagement					
Constant	1.000	.248		4.040	.000
Digital Marketing	2.706	.300	.793	9.014	.000
Dependent Variable: Clear Information about the products or services					
Constant	1.000	.234		4.275	.000
Digital Marketing	2.618	.284	.800	9.227	.000
Dependent Variable: Easy compare with others					
Constant	1.000	.215		4.649	.000
Digital Marketing	3.118	.261	.865	11.953	.000
Dependent Variable: 24/7 Shopping					
Constant	1.000	.223		4.482	.000
Digital Marketing	2.588	.271	.810	9.565	.000
Dependent Variable: Share content of the products or services					
Constant	1.000	.262		3.816	.000
Digital Marketing	2.912	.318	.798	9.163	.000
Dependent Variable: Apparent Pricing					
Constant	1.000	.240		4.165	.000
Digital Marketing	2.853	.291	.817	9.799	.000

Coefficients

Table 4-3: Coefficients Analysis for Dependent Variable -Stay updated with products or services

	Unstandardized Coefficients		Standardized Coefficients		
Model	B	Std. Error	Beta (β)	t	Sig.
Constant	1.000	.215		4.649	.000
Digital Marketing	2.882	.261	.847	11.051	.000
Dependent Variable: Enables instant purchase					

Unstandardized Coefficients (B) indicates that if independent variable is zero (0) then what is the impact on dependent variable? Here if we don't use digital marketing then stay updated with products or services will be 2.882. Standardized Coefficients (â) indicates that if independent variable is increase by 1% then what will be the impact on dependent variable. Here if the usage rate digital marketing is 1% then 84.70% stay updated with products or services will be happened.

Concluding Remarks and Proposal

Digital channel in marketing has become essential part of strategy of many companies. Nowadays, even for small business owner there is a very cheap and efficient way to market his/her products or services. Digital marketing has no boundaries. Company can use any devices such as smartphones, tablets, laptops, televisions, game consoles, digital billboards, and media such as social media, SEO (search engine optimization), videos, content, e-mail and lot more to promote company itself and its products and services. Digital marketing may succeed more if it considers user needs as a top priority. Just like "Rome was not built in a day," so, digital marketing results won't also come without attempt, without trial (and error). The watchwords "test, learn and evolve" should be at the heart of all digital marketing initiatives. Companies should create innovative customer experiences and specific strategies for media to identify the best path for driving up digital marketing performance.

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