

## To Assess the Impact of Social Media Marketing on Consumer Perception

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**Abstract** As the fast growing adoption of social media technology, provide the different new ways of marketing a product. Now internet as well as social media has taken the status of backbone of every firm growth and this technology changed the way of doing businesses. It's essential for every firm to adopt this technology to advertise its products. In this research we assess the impact of social media marketing on consumer perception towards buying a product or making a decision to buy a product. With social media marketing we also assess the impact of promotion marketing and door to door marketing. In this study total 152 questionnaires were distributed among university students and got back response from 145 with 97% of response. The measuring scale used to check the response from students is 5 Likert scales and multiple linear regression analysis applied to check the impact of Social media marketing on consumer perception. The results of this analysis accepted our hypothesis as social media marketing has impact on consumer perception and the ANOVA table result predicts the significant positive relation of social media marketing with consumer perception. So, can say that social media has a measurable impact on consumer perception but Door to door marketing and promotional marketing also has impact on consumer perception.

**Key words** Social media marketing, consumer perception, door to door marketing, promotional marketing

DOI: 10.6007/IJARAFMS/v6-i3/2172

URL: <http://dx.doi.org/10.6007/IJARAFMS/v6-i3/2172>

### 1. Introduction

Buyers used to shop at physical stores like vast shopping centers and numerous others applying the comparable strategy however purchasing (Hsiao, 2009). Shopping on social networking can come in various names, for example, web shopping, web purchasing and Internet shopping, all allude to the same method of acquiring or purchasing items through Internet utilizing Social Media and distinctive web shopping sites (Li and Zhang, 2002). Online networking (SM) are electronic administrations which are otherwise called "Long range informal communication Sites" allude to network of connections and associations among disparate clients (gatherings or individuals) (Kempe *et al.*, 2003). Online networking have assumed essential part in spreading this marvel snappier (Hennig-Thurau *et al.*, 2010).

By the start of 21th century, the use of internet and social media has become a part of business strategies. Social media marketing is the modern tool for marketing in 21<sup>st</sup> century (Nanji, 2015). Almost many firms using social media marketing as the use of social media increased. With the revolution of internet/IT, the way of doing business has changed and it's necessary to firm to adopt the new technology. So, nowadays firms are using internet/IT to market their product and these tools used by researchers, practitioners and policy makers (Gohary, 2012). Now almost every person has the access on internet.

Through smart phones they stay connected with social networking sites (Facebook, tweeter, LinkedIn) on daily basis (Raad *et al.*, 2010). On social media user-generated content are produced on daily basis in the form of product reviews in customer (Mathwick *et al.*, 2008; Zhu and Zhang, 2010). Social networking sites take the central stage in the current environment of e marketing (Fue *et al.*, 2009). The

use of Social media for marketing enhanced the brand popularity (de Vries *et al.*, 2012). Social media provide the opportunity for consumer to consult with buyer instantly (Christodoulides and Jevons, 2011; Christodoulides, 2009) and express their perceptions with each other's. Other marketing tools like promotional marketing, TV advertisement and door to door selling is expensive for small firm due to small amount of budget which use on human resource and time constrains. So, social media marketing is less costly and time saving as compared to other marketing tools (Makesh, 2013).

A noticeable increase was seen in the use of social media as a marketing tool among Fortune 500 companies of the world. According to a study which is conducted by the University of Massachusetts Dartmouth in 2012, there are 73 percent of these companies have an official account on Twitter, while 66 percent have Facebook page (Barnes *et al.*, 2012). Now Social media marketing has become an important tool for marketing, so this topic has gained more attention of researchers. This topic will assess the impact social media on consumer perceptions.

### 1.1. Problem statement

In the recent years social media marketing has emerged as a new marketing tool. The aim of the organizations is to enhance the profitability by using the effective marketing strategies. Furthermore the main focus of every firm is to maximize the profitability and reduction of cost of production. Every firm use different social media for marketing like Facebook, twitter and other media. Internet is in the access of almost every person who is using a mobile phone as the introduction of 3G/4G services. So, this rapid growth of internet is a signal towards using internet as a marketing tool and its nice opportunity for any firm to change the consumer perception through social media marketing.

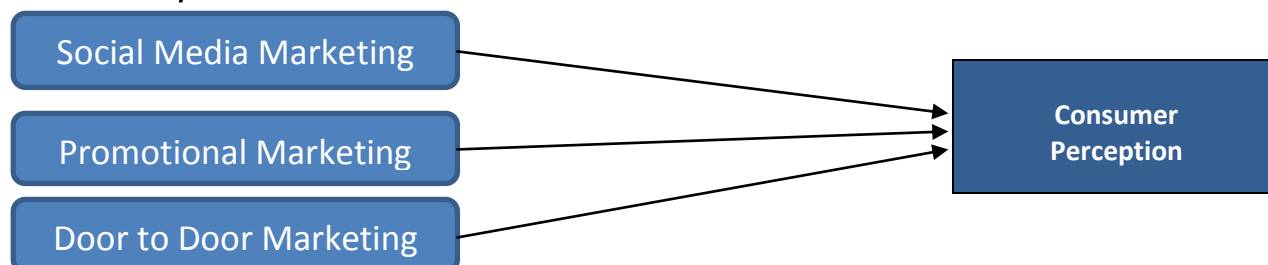
### 1.2. Rationale

The main objective to study this topic is that to check the social media impact on consumer perception. Now days basically the era of technology and almost every person of country has easily access of internet and social media websites. So, social media changes the perception of people throughout the country. Before the social media arrival firms used door to door selling and now days almost every firm used social media for increasing their selling and get maximum profit. Due to social media people have many alternatives of brands. In past people hardly know about few brands but now days people aware many choices of brands due to advertisement of brands on social media. So, social media has greater impact on consumer behavior as compared to other marketing tools thus the focus to study on this topic.

### 1.3. Objectives of the Study

1. To Assess the role of Social Media Marketing as an emerging marketing tool
2. To check the relationship between Social Media Marketing and consumer perception
3. To find the relationship between door to door Marketing and consumer perception

### 1.4. Conceptual Framework



## 2. Literature review

### 2.1. Social Media Marketing

The 21<sup>st</sup> century as the technology world, social networking sites have providing the place where different companies can increase their marketing campaigns and catch wide range of consumers. According to Hansen, Shneiderman, and Smith (2011), the technology of social media has created radically a new

ways of interacting the retailers and consumers. According to Harris (2009) there are indisputably hundreds of social media platforms (e.g. Social networking sites, discussion groups, blogs, wikis, podcasts, streaming videos). As Chi (2011), said that social media marketing described as a “connection between brands and consumers, while social media marketing is providing a way to consumers for social interaction and centered networking.” As Hesse *et al.* (2009) said that now consumers are expecting to gain 24-hour access to information by online applications and many other digital ways, they are also expecting 24-hour customer service as well as self-serve options through online sources. Now consumers want to leave the traditional system for getting information and want to utilize latest technology. As Chi (2011), said that social media marketing described as a “connection between brands and consumers, while social media marketing is providing a way to consumers for social interaction and centered networking.” Social media has gained the position as a primary source for choosing a product by the consumers (Cocktail Analysis, 2012; Fleishman-Hillard, 2012).

As (Kotler *et al.*, 2010; Armstrong and Kotler, 2011) said that the rapid development in the social media application has gained overwhelming majority in the Marketing practices. Companies market performance and the products of the companies influenced by the huge quantity of data and information which are generated by users on internet (Kietzmann *et al.*, 2011). By Social media analytics, companies gain competitive advantages by assessing the competitor’s strategies, suppliers performance and consumer behavior, Fan and Gordon (2014).

### **2.2. Promotional marketing**

Many companies use some specific tools to take attention of people towards their product like price discounts, coupons, contests, etc. Sales promotion is a temporary action that uses to motivate the people for increasing the products and services purchase (HorĚák *et al.*, 2012). To the rapid growth in the product’s sales, price discounts are the most popular for the short term promotional marketing (Gendall *et al.*, 2006). The increase in the stores traffic is measured as a result of price discounts. Price discounts build the good relationship of retailers and manufactures, and it make sure product of that particular brand is good stocked and easily available on stores (Gendall *et al.*, 2006; Liu *et al.*, 2015). As Lu *et al.* (2013) said that due to the product characteristics difference the role of discounts on products may have different effects on consumer. Price and promotions has much influence on product sales especially short lives products (Chong and Ooi, 2008). In US almost 80 percent of people which use internet download brand coupons/offers before making any purchase (eMarketer, 2013). As Grewal *et al.* (2011) draw a link between promotional intermediaries and dimension of completion in market. Promotional flyers are the most important tool for the marketing of a product because these flayers effect the perception of customers and also the decisions of the customer about buying a product heavily rely on these flayers (Arnold *et al.*, 2001; Mimouni-Chaabane *et al.*, 2010). As Marshall and Leng (2002) said that Sales of a product increase on 10-50 percent discount offer instead of this there is no effect or little effect when a company offer discounts 60-70 percent on a product. It means that in advertising you use different techniques to introduce your product but in promotional tools you use different techniques to increase your product sales.

### **2.3. Door to door marketing**

Basically direct marketing is that which creates the direct relationship between the organization or company and customers (Bird, 2000). The main objective of direct marketing is to increase their customers (Baier, 2003). Many professionals says that direct marketing is more capable way to attain the marketing goals, gathering, examining and using information about actual and potential customers. One of the most current definition of direct marketing is “direct marketing is attractive system that a company use to measurable response and to achieve the deal in any position” (Lee and Johnson, 2005). Direct marketing companies basically focus on communication skills to attain the customer attention (Alturas, 2003).

### **2.4. Consumer perception**

The study of consumer perception is very important in present marketing scenario because consumers are “KINGS OF MARKETS” (Khan and Velayutham, 2013). As compare to consumer preferences for the distribution method or services perceived fit was found to be more important. Perceived fit means

for a specific product how appropriate a certain channel of distribution is? (Morrison and Roberts, 1998). The influence on consumer behavior towards purchasing a good also based on trust. Social media sites helps in building a trust by networking with consumers in e-commerce. On social networking sites E-vendors also encourage consumers to come online and build their trust by networking with then (McCole *et al.*, 2010). Members can become familiar with one another on different platforms where consumers socially interact, providing a possible source of trust (Lu *et al.*, 2010). This influences the users' intention to buy (Gefen, 2002). To gain batter consumer perception Social media marketing is highly effective because it is less costly as well as it also provides a larger number vendors that can increase the consumer convenience (Ab Hamid, 2008). Social media marketing play a vital role to build a good consumer perception about the products (Kim *et al.*, 2003). The quality of product also influences consumer's perception. The consumer will pay the price if its quality is good (Amal Pramanic, regional business director Oral-B). Packaging is also direct links with the consumer perception. A product with outstanding packaging design also draws the attention of the consumer (Deepak Manchandra, manager packaging development, Dabur). Concluding current literature, it can deducted that whatever the marketing method is one should keep in mind these factors which influences consumer perception (Chen, 2014).

### 2.5. Hypothesis

H<sub>1</sub>: Social Media Marketing has significant impact on Consumer Perception.

H<sub>2</sub>: Promotional Marketing has positive impact on Consumer Perception.

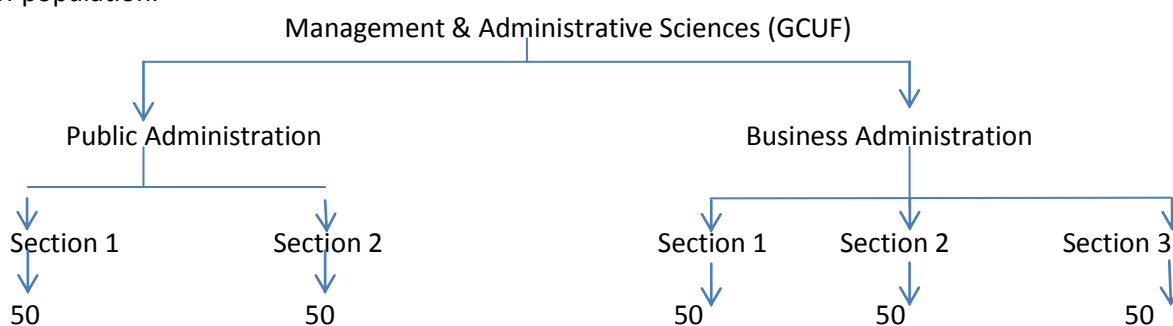
H<sub>3</sub>: Door to Door Marketing has positive impact on Consumer Perception.

### 3. Methodology of research

For getting better understanding of the impact of social media on consumer behavior, the nature of study is quantitative. The respondent of this study are the students. The study was conducted on the student of Management & Administrative Sciences in the Government college university Faisalabad, to assess the impacts of social media marketing on consumer perception.

#### 3.1. Population of Study

The respondent of this study was 250 from GC University Faisalabad. Following is the sampling frame of population.



#### 3.2. Sample Size

To calculate the sample size, we use Yamane (1964) sample size calculation method. Sample size was 145 students of respective departments.

#### 3.3. Sampling Technique

Simple random sampling was used to collect data from student of GC University Faisalabad.

#### 3.4. Research Instrument

The research instrument use in this study was structured questionnaire adopted from previous researches. Social media marketing measured from 6 items adopted from Smith, T. M. (2014). Promotional marketing measured from 4 items adopted from Shallu and Gupta S. (2013). Door to door marketing measured from 4 items adopted from a survey of Consumer Utilities advocacy center (2011). Consumer perception is measured from 3 items adopted from Chen, L. (2014).

### 3.5. Data collection

The data was collected through structured questionnaire. 155 questionnaires distributed among the students and received back 145 questionnaires which were properly filled. 145 questionnaires are fairly attempted with 94% response. Questions were asked on five point Likert scale stating “1” as Strongly Agree and “5” as strongly disagree. To test the proposed hypothesizes, correlation & Regression analysis was done using SPSS 21.0.

## 4. Results

### 4.1. Demographic Characteristics

Table 1. Demographic Characteristics

Demographic variables	F	%
<b>Gender</b>		
Male	76	52.4
Female	69	47.6
<b>Age</b>		
21-25	141	97.2
26-30	4	2.8
<b>Qualification</b>		
Intermediate	10	6.9
Graduation	60	41.4
Master	75	51.7

Frequency and percentage of demographic variables (N=145).

### 4.2. Reliability Test

Table 2. Reliability index

Scales	items	Alpha	Adopted
Social Media Marketing	6	.881	Smith, T. M. (2014)
Promotional Marketing	4	.806	Shallu and Gupta, S. (2013)
Door to Door Marketing	4	.859	Consumer Utilities advocacy center (2011)
Consumer Perception	3	.865	Chen, L. (2014)
Overall	17	.852	

### 4.3. Multiple linear regressions

The result of this regression shows the effect of Social media marketing, Promotional Marketing, Door to Door marketing and consumer perception among the University Students in Faisalabad (N=145).

To see the factors which influence consumer perception, multiple linear Regressions were implied and see that social media marketing is influencing on consumer perception. Predictor of research was Social Media Marketing, Promotional Marketing and Door to Door Marketing. The results indicated a significant regression model where  $p < .001$  and model summary explained that 37% variation by the predictors on measuring variable. Independent Variables that have shown statistically significant relation with Consumer Perception were: Social Media Marketing ( $p < .01$ ), Promotional Marketing ( $p < .01$ ) and Door to Door Marketing ( $p < .05$ ).

Factors	Consumer Perception
Social Media Marketing	.135*
Promotional Marketing	.150*
Door to Door Marketing	.680**
R square	.379
Adj. R square	.357
Standard error	1.612

Note: \*Beta is significant at p value < 0.01

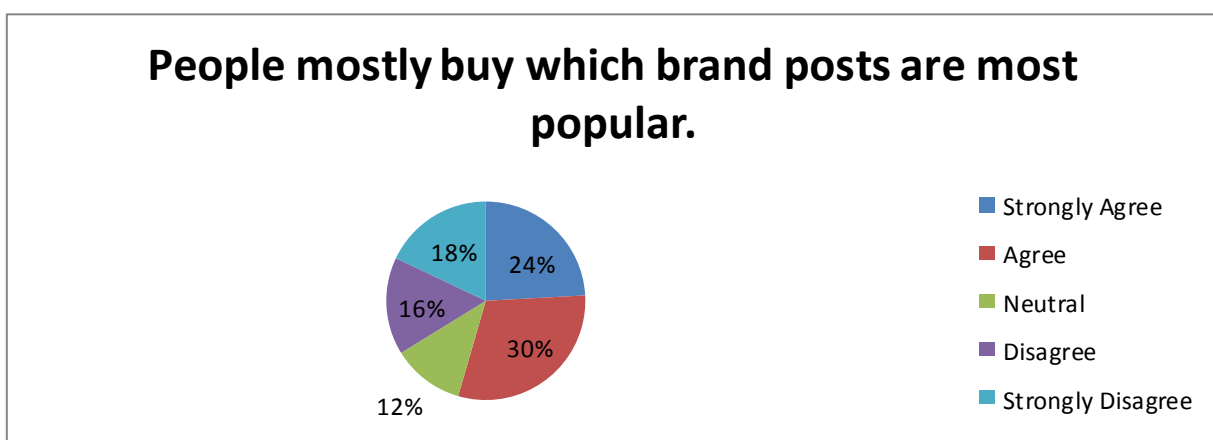
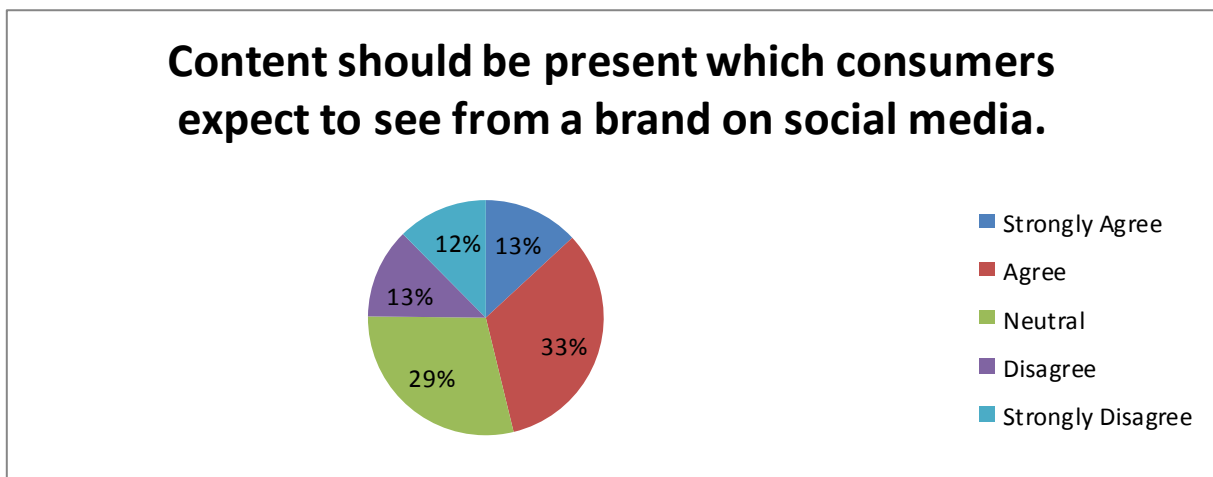
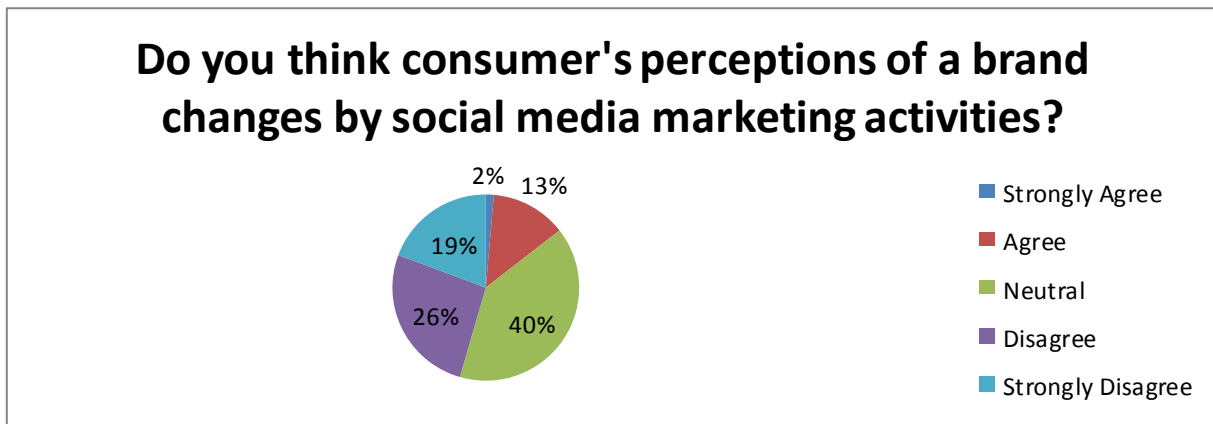
\*\*Beta is significant at p value < 0.05

**4.4. Regression equation**

$$Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + E \tag{1}$$

$$\text{Consumer perception} = 10.346 + .390(\text{Social media marketing}) + .190(\text{Promotional marketing}) + .55(\text{Door to door Marketing}) + E$$

As we have to check the influence of social media marketing on consumer perception is either positive or negative? So, the question asked in questionnaire regarding to social media marketing has following results shown in pie charts.



**Social Media innovates the ways of advertising products or services in an efficient manner.**



**Social media outlets should be a brand utilize to engage with consumers.**



**Consumers perceive information posted by the other consumers on brand’s social media outlets to be trustworthy.**



**5. Conclusions**

According to the coefficient table which shows that all independent variables has impact on consumer perception. In table beta value of social media marketing is 0.135. This shows that there is weak but positive relationship between social media marketing and consumer perception. Promotional marketing beta value is 0.150 which also show that there is weak relationship between promotional marketing and consumer perception. Door to door marketing beta value is 0.680 which show that there is moderate relationship between door to door marketing and consumer perception. So door to door selling has greatest beta value this variable has more impact on consumer perception rather than social media and promotional tools. Results show that the hypothesis  $H_1$ ,  $H_2$  and  $H_3$  is accepted.

## 6. Recommendations and managerial implications

Consumer perception is the indicator that establish link between the consumer's interest and actual purchase of the consumer. This study identifies and incorporates various marketing tolls which influence the consumer perception. Although the promotional and door to door marketing influence more than social media but the positive results of social media also show that it will become more influential in coming days because it is more helpful and advance technique of marketing for any organization to promote and give brand awareness to the customers.

- Regarding to brand awareness companies should create groups and home pages on social media in order to target consumers and can easily influence consumer perception regarding to their products.
- Through social media marketing companies easily attract more consumers specially those real contributors and engaging them into discussions which helps to bring more innovation in products according to consumer demands.
- Social media marketing also helps in the long term as consumer establish more and more trust and perceived value and when consumers have needs, the companies has high likelihood of a consumer to purchase a product .
- Being active on social media helps to influence more consumer perception because thing which are new, distinctive and innovative are consider more by people.
- Social media in-built tools such as sending messages and regular newsletters to users containing the newest information regarding new products helps to promote and give awareness to consumer about new launched product.
- Consumer's needs should be easily satisfied by companies by communicating and listening to them, Providing care and services such as solving problems, taking suggestions, feedbacks and answering queries are effective ways to enhance the relationship between consumers and companies on social media.

## 7. Future Research

The nature of the study is exploratory, in this paper data is gather only from student. It may be possible that people from different fields have different response. It may analyze data from different fields. It may also possible preferences of people from one region or country to other region or country may different towards using of social media and buying online product after seeing advertisement on social media. The research conduct in different geographical area where social media is considered as more popular technology may also have chance of positive results.

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