Research Article

SOCIAL MEDIA AS A MARKETING TOOL - AN EMPIRICAL STUDY

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ARTICLE INFO	ABSTRACT
	Society transforms from brick and mortar traditional market to virtual markets through technological means. Social Media also plays a critical role in facilitating virtual market to their subscribers. The prime objective of the study is to ascertain the level of impact of social media on purchase decision process of Facebook subscribers in Chennai city using Structural Equation Modeling Approach. The present research followed descriptive research, which is intended to describe the impact of social media as a marketing tool on purchase decision of the subscribers. The sample size of the survey is 418 subscribers of Facebook. The primary data collected through google forms were codified and organized through IBM SPSS 23.0 software and analyzed through Structural Equation Modeling approach using IBM AMOS 23.0 software. The results of the research explores that social media marketing has a positive impact on Facebook subscribers' attitude formation and the purchase decision process of the subscribers.

INTRODUCTION

The present modern world facilitates various medium of communication among the people in the society through the advancement of technology. The term "Social Media" is a buzz word among all the age group of people irrespective of their demographic profile and economic level around the world. Every individual would like to share their happy moments, feelings, emotions, likes/dislikes, etc. to their counterparts in various parts of the world. The people in the social media are eager to find out the soulmates with similar attitudes, preferences, and lifestyles in the rest of the world. The term 'Social media' is the collection of online communications channels devoted to community-based input, interaction, content-sharing and collaboration. Websites and applications dedicated to forums, microblogging, social networking, social bookmarking, social curation, and wikis are among the different types of social media. The few popular examples for social media are Facebook, twitter, LinkedIn, Instagram, Google+, Wikipedia, Reddit, Pinterest, etc. Now-a-days social media becomes a part of the life of the people rather than just a communication tool. The people in the developing countries like India becomes the addictive to the social media tools, and spends considerable time. The lot of survey reports and researches confirmed the positive and negative impact of social media on the lifestyles of the people in the society. (Bhardwaj *et al.*, 2017)

In India, the first public communication device is the radio where the people used to get news and other information, then second broadcasting communication device is television channels where major portion of the people in the society used to watch it, so the advertisers and manufacturers used these communication medium for creating awareness about their products and services and attract the customers apart from the print media like newspaper. These communication mediums are having major limitation (i.e.) one-way communication from seller to the buyer, whereas the social media facilitates two-way communication, the buyer can respond to the advertisements in a positive or negative manner, they can review, rate and share their experience, which will be useful to the potential customers.

The term 'Market' is the place where seller and buyer meets exchanges the products and services against the money, here social media act as a virtual market, where billions of buyers are available hence sellers are interested to make use of the opportunity to sell their products and services at a comparatively lesser cost. The main aim of this study is to investigate the impact of social media as a marketing tool on purchase decision of the subscribers.

LITERATURE SURVEY

According to Philip Kotler (Father of Social marketing), the term 'Social marketing' refers to the design, implementation, and control of programs seeking to increase the acceptability of

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a social idea or practice in a target group. This is a planned process to influence change via communication and relationships. It is a conscious attempt to integrate strategic communication processes and tools to promote ideas, issues, and concerns, in much the same way that organizations traditionally have promoted products and services. The terms 'Social marketing' and 'Social Media marketing' may create the confusion among the common public. The term 'Social media marketing' refers to the usage of social networking platforms such as Facebook, Twitter and Pinterest to deliver a message which takes advantage of these channels' massive user bases, innate engagement opportunities, and potential for virility to connect to consumers directly and spread information rapidly, whereas the term 'Social marketing' can also make use of such tools to further its advocacy, but it is not limited to them. The term 'Social Marketing' was initially coined by Philip Kotler and Gerald Zaltman in their article titled "Social Marketing: An Approach to Planned Social Change", in Journal of Marketing in the 1970's. The researcher limits the research to 'Social Media Marketing' using Facebook.

Felix *et al* (2017) developed a new and holistic definition of social media marketing based on qualitative, theory-building approach which articulates four generic dimensions of strategic social media marketing. Godey *et al* (2016) in their study demonstrated the links between social media marketing efforts and their consequences (brand preference, price premium, and loyalty). The study measures brands' social media marketing efforts as a holistic concept that incorporates five aspects (entertainment, interaction, trendiness, customization, and word of mouth).

Hudson *et al* (2016) conducted three studies to explore how individual and national differences influence the relationship between social media use and customer brand relationships. The first study surveyed customers in France, the U.K. and U.S. and compared those who engage with their favorite brands via social media with those who do not. The findings indicated that social media use was positively related with brand relationship quality and the effect was more pronounced with high anthropomorphism perceptions (the extent to which consumers' associate human characteristics with brands).
Kima & EunjuKo (2012), in their research article identified attributes of Social Media Marketing (SMM) activities and examine the relationships among those perceived activities, value equity, relationship equity, brand equity, customer equity, and purchase intention through a structural equation model. The outcomes of their study indicates that these variables has significant positive effects on value equity, relationship equity, and brand equity.

Alalwan *et al* (2017), in their research paper systematically examined and reviewed around 144 articles related to social media and marketing, through which the researchers were able to provide an overview of the main themes and trends covered by the relevant literature such as the role of social media on advertising, the electronic word of mouth, customers' relationship management, and firms' brands and performance.
Eun-Ju & SeoJin-Woo Park, (2018) investigated how the social media marketing activities of airlines influence brand equity and customer response. The results showed that trendiness was the most important Social Media Marketing Activities (SMMA) component, and airline SMMAs had significant

effects on brand awareness and brand image. Iankova *et al* (2018), their research results indicated that B2B social media usage is distinct from B2C, Mixed and B2B2C business model approaches.

RESEARCH METHODS AND TOOLS

The present research followed descriptive research, which is intended to describe the impact of social media as a marketing tool on purchase decision of the subscribers. The universe of the population is indefinite and hence the target population of the study is limited to Facebook subscribers having active usage of weekly once for the period of at leastOne year. The survey was conducted through self-developed questionnaire and circulated as a google form through posting link in Facebook. The survey was restricted to the subscribers of Facebook residing at Chennai city. This research followed non-probability sampling technique (i.e. convenience sampling technique) to select the samples for the survey. The researcher was able to collect the responses from only 418 subscribers of Facebook over a period of two months.

The survey instrument has namely three sections, in which first sections consists of questions related to demographic profile of the respondents, whereas the second sections questions are related Social Media Marketing through 5 sub-sections namely Credibility, informative, hedonic/pleasure, materialism, and informational responses, and third sections includes the questions related to purchase decision-making process which has five sections such as Needs awareness, information search, evaluating alternatives, purchase decision and post-purchase behaviour The primary data collected through google forms were codified and organized through IBM SPSS 23.0 software and analyzed through Structural Equation Modeling approach using IBM AMOS 23.0 software.
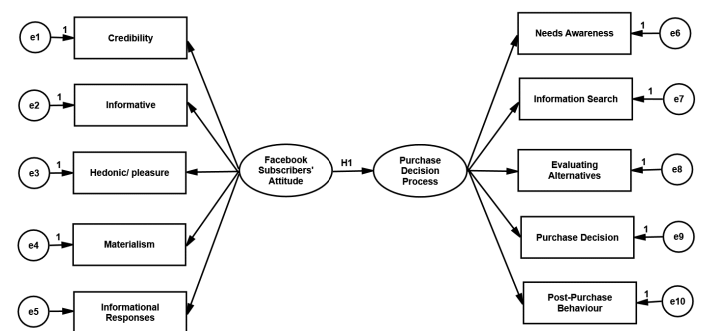

Figure 1 Conceptual Framework of the study

Figure 1 illustrates the conceptual framework of the study developed based on the literature review, which integrates the factors which leads to Facebook subscribers' attitude and purchase decision process based on Philip Kotler model.

The following hypothesis is formed based on the above-mentioned conceptual model.

H1: Facebook subscribers' attitude is having positive impact on purchase decision process through Facebook

The cause and effect relationship mentioned in the hypothesis is tested using Structural Equation Model approach using IBM AMOS software.

RESULTS AND DISCUSSION

The demographic profile of the sampled Facebook subscribers are summarized in the below-mentioned table 1.

Table 1 Demographic profile of the respondents

S. No	Particulars	Frequency	Percentage
1	**Gender**		
	Male	226	54.07
	Female	192	45.93
		418	100.00
2	**Age Group**		
	Up to 30 Years	184	44.02
	30 – 50 Years	163	39.00
	Above 50 Years	71	16.99
		418	100.00
3	**Marital status**		
	Single	172	41.15
	Married	246	58.85
		418	100
4	**Years of usage of Facebook**		
	1 - 3 Years	74	17.70
	3 – 6 Years	128	30.62
	6 – 9 Years	147	35.17
	Above 9 Years	69	16.51
		418	100
5	**Frequency of Usage of Facebook in a Week**		
	Rarely	37	8.85
	Sometimes	95	22.73
	Often	114	27.27
	Very Often	172	41.15
		418	100
6	**Occupation**		
	Student	117	27.99
	Housewife	53	12.68
	Private	126	30.14
	Government	83	19.86
	Self-employed / Business	39	9.33
		418	100
7	**Purpose of Usage of Facebook**		
	Chat with Friends	89	21.29
	To find new friends/ soulmates	73	17.46
	To know interesting general information, new products and services.	43	10.29
	To share personal events to the friends.	139	33.25
	Just for fun, entertainment, and time-pass.	74	17.70
		418	100
8	**Frequency of purchase through advertisements given in Facebook**		
	Never	7	1.67
	Rarely	19	4.55
	Sometimes	58	13.88
	Often	119	28.47
	Always	215	51.44
	Total	418	100

(Source: Primary Data)

Table 1 summarizes the demographic profile of the sampled Facebook subscribers. Majority (54%) of the respondents are male and rest of them are female. 44% of them are belongs to the age group of up to 30 years, 39% of them are falls under the category of 30-50 years and around 17% of sampled Facebook subscribers are aged above 50 years. This survey includes around 60% married respondents and rest (40%) of them are single. About one-third (35%) of them are actively using the Facebook more than 6-9 years, and about 17% of them only using Facebook more than 9 years. 41% of the sampled Facebook subscribers are using Facebook very often in a week,

whereas about 30% of them opined that they use often, 23% responded sometimes and only 9% said that they rarely use Facebook in a week time, but none of them responded never. About 30% of the sampled respondents are working in private firms, around 28% of them students pursuing education in schools / colleges, one-fifth of them are working in government firms/departments, 13% of them are housewife, and very few (9%) are of self-employed / business professionals.

One-third (33%) of them are using Facebook to share their personal events/ moments to their friends, slightly higher than one-fifth (21%) are chatting with their friends through Facebook, around 18% of them are looking for new friends/ soulmates through Facebook, whereas one-tenth (10%) of them are interested in knowing general information, new products and services, etc., and rest (17%) of them are using Facebook for fun, entertainment, and time-pass.
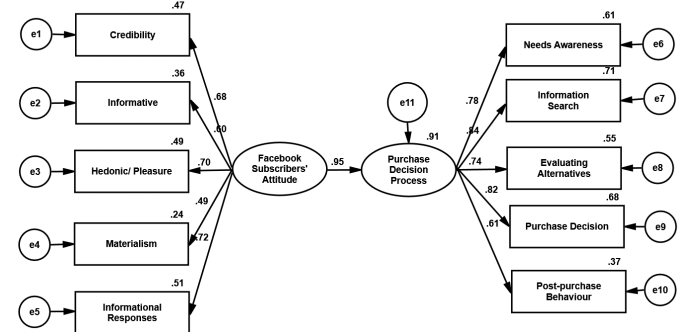
Structural Equation Modelling (SEM)

Structural Equation Model for social media as a marketing tool in Subscribers' attitude formation and its impact on purchase decision process

The prime objective of the study is to ascertain the level of impact of social media on purchase decision process of Facebook subscribers in Chennai city using Structural Equation Modeling Approach. Structural Equation Modeling is used to test and eliminate causal relationship using a combination of statistical data and qualitative caused assumptions. Here the latent variable, 'subscribers' attitude' was assessed through five-factors approach such as credibility, informative, hedonic/ pleasure, materialism, and informational responses, whereas the another latent variable purchase decision process is assessed through needs awareness, information search, evaluating alternatives, purchase decision, and post-purchase behavior.
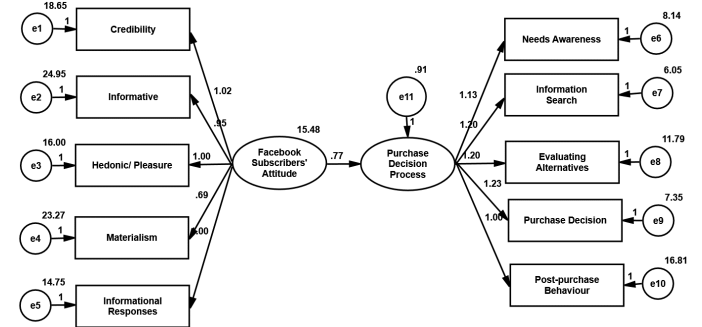
(a) SEM Model based on Unstandardised co-efficents

(b) SEM Model based on Standardised co-efficents
Figure 2 Structural Equation Model for impact of Facebook subscribers' attitude on purchase decision process

The below-mentioned SEM model has totally 23 variables, in which 10 are observed variables, 13 are unobserved variables, 12 are exogenous variables, and 11 are endogenous variables. The figure 2 (a) and (b) represents the SEM model for impact of subscribers' attitude on purchase decision process of Facebook subscribers based on unstandardized and standardized coefficients respectively.

On the other hand, the factors of purchase decision process through Facebook such as Needs awareness, information search, evaluating alternatives, purchase decision, and post purchase behavior are having partial positive impact on purchase decision process with the coefficients of 0.78, 0.84, 0.74, 0.82, and 0.61 respectively at 1% level significance.

Table 2 Regression weights for impact of Facebook Subscribers' attitude on purchase decision process

Measured Variable		Latent Variable	Unstandardized Estimate	S.E.	Standardized Estimate	C.R.	P
Consumer Buying Process	<---	Facebook Subscribers' Attitude	0.769	0.068	0.953	11.271	<0.001**
Credibility	<---	Facebook Subscribers' Attitude	1.024	0.078	0.682	13.042	<0.001**
Informational Responses	<---	Facebook Subscribers' Attitude	1.000	--	0.716	--	--
Materialism	<---	Facebook Subscribers' Attitude	0.690	0.073	0.491	9.416	<0.001**
Informative	<---	Facebook Subscribers' Attitude	0.951	0.083	0.599	11.486	<0.001**
Hedonic / Pleasure	<---	Facebook Subscribers' Attitude	1.000	0.075	0.701	13.402	<0.001**
Need Awareness	<---	Purchase Decision Process	1.135	0.089	0.784	12.745	<0.001**
Post Purchase Behaviour	<---	Purchase Decision Process	1.000	--	0.612	--	--
Information Search	<---	Purchase Decision Process	1.199	0.090	0.840	13.341	<0.001**
Purchase Decision	<---	Purchase Decision Process	1.233	0.094	0.822	13.158	<0.001**
Evaluating Awareness	<---	Purchase Decision Process	1.196	0.098	0.741	12.261	<0.001**

Note: ** Denotes significant at 1% level

Table 2 encapsulates the unstandardized and standardized regression weights of the SEM model. From the above table it is confirmed that all the factors of Facebook subscribers' attitude are having good factor loading on the latent variable with regression coefficients 0.5 and above, similarly factors of purchase decision process is also having regression coefficients more than 0.5, which confirms the convergent validity of the scale. For example, it is identified that the coefficient value of credibility is 0.68, which represents partial effect over Facebook subscribers; attitude holding the other variables as constant. The positive sign of the estimate implies that one unit increase in credibility of the advertisement given in Facebook would increase by 0.68 unit increase in Facebook subscribers' attitude and this is significant at 1% level. Similarly the various other characteristics of Facebook advertisements such as informative, hedonic/pleasure, materialism, informational responses are also having partial positive impact on Facebook subscribers' attitude with the coefficients of 0.60, 0.70, 0.49, and 0.72 respectively.

The above-mentioned SEM model also explored that Facebook subscribers' attitude formed through the advertisements given on Facebook has positive impact on purchase decision process with the regression coefficient of 0.95, which indicates robust cause and effect relationship among the chosen variables at 1% level of significance, hence alternative hypothesis is accepted and null hypothesis is rejected.

Table 3 Model Fit Summary

S. No	Test Factor	Value	Suggested Value	Result
1.	Chi-square / DF	1.424	2 to 5 (Marsh and Hocevar, 1985)	Good fit.
2.	P Value	0.246	P > 0.05 (Wheaton *et al*, 1977)	Good fit.
3.	GFI	0.916	>0.90 (Hair *et al* 2006)	Absolute fit.
4.	AGFI	0.910	>0.90 (Daire et a. 2008)	Absolute fit.
5.	CFI	0.942	> 0.90 (Hu and Bentler, 1990)	Good fit.
6.	RMR	0.026	<0.08 (Hair *et al* 2006)	Good fit.
7.	RMSEA	0.042	<0.08 (Hair *et al* 2010)	Good fit.

Table 3 tabulates the model fitness indices of the given Structural Equation Model, which indicates that the Chi-square / DF value is 1.424, which lies between 2 to 5 (Marsh and Hocevar, 1985), hence it is good fit. Calculated P value is

0.246, which is greater than 0.05(Wheaton *et al*, 1977) which indicates perfect fit. Here GFI (Goodness of Fit Index) value (Hair *et al* 2006) and AGFI(Adjusted Goodness of Fit Index) (Daire *et. al.* 2008) value are greater than 0.9 (i.e. 0.916, and 0.910) which indicates good fit. The computed CFI (Comparative Fit Index) value is 0.942(Hu and Bentler, 1990) which indicates that it is a perfect fit and also it is establised that RMR (Root Mean Square Residuals) value is 0.026(Hair *et al* 2006) and RMSEA (Root Mean Square Error of Approximation) value is 0.042(Hair *et al* 2006) which is less than 0.08 specifies decent fit.

CONCLUSION

Around the world transforms happens through technology. The technology supports, simplifies, comforts human life in many ways. It reduces distances through facilitating personal and marketing communications among the people in the society at affordable cost and less effort. Social Media is the top most preferred media in the world which encompasses the billions of people of different demographic profile from various parts of the world. This study also another foot print which records the success of Social Media as an effective marketing tool in the society, which can be effectively used by the marketers to sell their products and services.

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