

# Effects of Social Network Marketing (SNM) on Consumer Purchase Behavior through Customer Engagement

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**Abstract**—Social Network Marketing (SNM) has been among the most successful tools in advertising. Knowing how marketing tools can boost number of sales is every marketer's main goal since it can boost the profitability of a company substantially. This study is aimed to examine how SNM will influence the ultimate consumer purchase behavior among people who often use social networking websites and to investigate the predicted relationships among social network marketing activities, customer engagement and consumer purchase behavior. A quantitative survey was conducted among 50 respondents in the campus of National University of Malaysia (UKM). The results showed positive relationships between customer engagement of social networking and their purchase behaviors.

**Index Terms**—customer engagement, emotional bond, marketing, purchase behavior and social network

## I. INTRODUCTION

By passage of time and entering to the new era of business and in particular marketing, all individuals in every business field have believed that there have been some initiatives and new ways that have great positive impacts on their business. These new ways or new trends influence especially on financial aspect of the company which is the core purpose of launching business. Social Media Marketing (SMM) is one of the most famous marketing efforts where customers and stakeholders are participants rather than viewers and each participating customer becomes part of the marketing department. Social Network Marketing (SNM) is a subset of SMM and has been among the most successful tools in advertising [1] and many marketers use it to find more customers and to launch a bilateral relationship between company and existing customers or potential customers who may be friends of the existing users of that particular social network. Brands and customers are communicating with each other without any restriction in time, place, and medium so that old-fashioned one-way communication is changed to interactive two-way direct communication [2]. Therefore, it is imperative for companies to be a part of the social sphere to represent their company and interact

with their customers and companies who are not creating an online presence for themselves are losing the competition. Little researches have explored the way SNM influences consumer purchase behavior especially among people using social networks as a daily routine.

The purpose of this study is to examine the way SNM impacts on the interaction of a brand or firm with its customers through virtual world directly and indirectly attached with the emotional bond shaped between company and customer. Then, the result of this engagement relates to the purchase behavior of those customers through commitment and emotional evaluation of the customer accordingly.

## II. LITERATURE REVIEW AND CONCEPTUAL FRAMEWORK

### A. Definitions and Concepts

Social media refers to “online tools where content, opinions, perspectives, insights, and media can be shared [3]. With the advent of the Internet and new trends in all of businesses of the globe, it is not astonishing that a new phenomenon named Social Media (SM) in which all the audience can address each other is a prominent topic. The increasing rate of usage of SM is visible in almost every tiny part of the world and people from different nationalities with various backgrounds spend part of their daily time on SM. In addition, social media are useful for marketers and people working in advertising agencies since consumers self-select into lifestyle groups that make targeted marketing much easier [4].

Another concept is Social Network (SN) which refers to sites allowing users to create profiles on the site, to post information and share that information and communicate with other users of the site [5]. SN sites are becoming increasingly more popular among people due to its convenient access and the environment they have provided for the users. The way users can choose the appearance and arrangements of their profile is favorable for them. For example, the ability to turn chat on and off gives the user a kind of option and authority to be available for an instant chat while surfing on the site or not. There are numerous SN sites on the Internet which can be easily found by search engines. The numbers of users and their popularity plus the amount of time every

user spends on it all are crucial for companies which are targeting their customers in these sites. Examples are Facebook, LinkedIn, Google+, etc. Number of people who are using these websites is huge and is constantly increasing and every marketing manager would appreciate such an opportunity to expose the company's goods or services in front of eyes of thousands, millions and even billions of individuals who are engaged in these communities, forums, blogs or social networks.

There is an obvious willingness for businesspersons around the world to penetrate into places where density of individuals is greater whether it is a physical market like a bazaar or a virtual one like social networking sites. Marketers have utilized various means to maintain the brand loyalty of their customers, including brand elements, classical marketing mix variables, and new methods of marketing such as events, sponsorships, one-to-one marketing activities, Internet marketing and social media marketing [6]-[7] are becoming popular platforms for marketing products and services. As mentioned above, number of people who are using these websites is huge and is constantly increasing and companies would want to expose their company's goods or services in front of eyes of thousands and millions and even billions of individuals who are engaged in these communities, forums, blogs or social networks. These websites are effective for influencing and tracking consumer beliefs and attitudes related to products and brands [8].

Customer engagement is an intimate long-term relationship with the customer [9]-[10]-[11]-[12]. Consequently, customer engagement is something beneficial for companies and thereby pursued by many chief marketing officers in order to shape a bond between company and its customers.

### B. Hypotheses

Based on the studies and researches done, the eagerness of marketing managers to link above matters is high and is still increasing. Increasing interest in customer engagement has paralleled the continued evolution of the internet and the emergence of new digital technologies and tools that has been dubbed Web 2.0, especially social media like wikis, blogs, micro blogging sites like Twitter, bookmarking sites like del.icio.us, video sites like YouTube, virtual worlds like Second Life, and social networking sites like Facebook, MySpace, and LinkedIn (see, e.g. [13]). Among these social media, SN in this study is predicted to influence the emotional insights of consumers. This means the user and company interact virtually and the user occasionally views posts of the company and may give their opinions about new products and co-create the value.

The interaction of buyer and seller at this platform will create an engagement which not only is temporary, but also, if handled professionally can lead to an emotional and long-run one as Gallup does state that engaged "customers are not just "satisfied" or "loyal," they are emotionally attached to the organization's brands or services" [14]. Hence, according to the texts and materials offered above, the first hypothesis is proposed as follow:

H1: More social network's marketing will lead to more customer engagement.

Customers behave differently, some value price and some of them value quality of the good or service, but there are numbers of people, especially those using Internet and SN, who care about the way company communicate and respect its audience whether physically or virtually. "Traditional means of reaching consumers through mass media has become less effective in recent years" [15] and SNM is one of the newest methods predicted to have a deeper impact on customers than the traditional ways.

After the process of engaging customers via SNM where the emotional bonds exist between the company and the customer, there is a big opportunity for that business to fulfill the core goals of the relationship marketing by convincing the customer to purchase the good or service. At this stage, even occupying consumer's mind in a way that there is a company respecting its audience and gets aid for creating value can be a big forward step for the company since it can turn to the customer's purchase decision later. Although the percentage of people that share their experiences at a global level may be relatively small (many will do the same online but with their circle of friends only in social networks such as Facebook or Twitter), a much higher percentage of users do read such comments and take them into account when making purchase decisions [16]. It is likely to have a better purchase behavior from the engaged customer. In terms of effectiveness, research shows that the modern techniques are much more effective. If the customer engagement process is done appropriately and professionally, it seems that the customer purchasing behavior is deeply affected in a positive way.

Based on the previous research, it is anticipated that the consumer engagement turns to a positive purchase decision and brings pre and post commitment as well. So, the second hypothesis is developed as follows:

H2: Customer engagement has a positive relationship with consumer purchase behavior

### C. Theoretical Framework

To show relationships of elements in this study, the theoretical framework of above-mentioned hypotheses is drawn as follows:

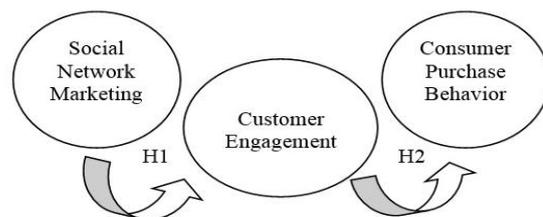


Figure 1. Theoretical framework

## III. METHODOLOGY

An empirical study was designed to test the research framework and the above-mentioned hypotheses. The data for this research were acquired by surveying people

studying or working at the National University of Malaysia (UKM), in a sample of 50 persons. Convenience method was used to distribute the questionnaires due to lack of time and respondents were offered a briefing about the study being done in return for participating in the surveys. After a given time, the questionnaires were collected from the respondents.

Some of the multi-item scales used within this research were developed and adapted from scales used in past survey research studies and the rest was designed by the author himself. The questions covered three main parts including Section A that is consisted of questions regarding the background and demographic information of respondents and statements measuring the respondents' Social Networking usage and their attitudes toward it. Section B consists of questions on customer engagement through Social Network and Section C measures the respondents' evaluation about the impact of consumer engagement on their purchasing behavior.

Multiple item scales were used to measure each construct in this study. In Sections B and C, in order to measure customer engagement and purchasing behaviors a five-point Likert-type scale ranging from "strongly disagree" (1) to "strongly agree" (5) was used and various scales were used to measure demographic profiles and background information of the respondents. Responses were then analyzed using mean frequency method. Frequency of variables, cross-tabs, T-test and were also used to analyze the findings.

IV. FINDINGS

The respondents were asked to report their demographic information including gender, age, nationality, occupation and income. Among the respondents, 62.0% of them were males and 38.0% were females and half of them were between 18 to 25 years old and the Chinese included the majority of the respondent. Students had a more share in terms of occupation with 68% compared to 32% of people working at the university in different positions. Detailed of the demographic data of the respondents are shown in Table I.

TABLE I: RESPONDENTS' PROFILES

Variables		Percent
Age	18-25	50.0
	26-35	28.0
	36-45	18.0
	46-55	4.0
Gender	Male	62.0
	Female	38.0
Nationality	Afghan	4.0
	Bruneian	2.0
	Chinese	24.0
	Dutch	6.0
	Indonesia	2.0
	Iranian	20.0
	Japanese	2.0
	Libyan	2.0
	Malaysia	34.0
	Singaporean	2.0
	Sri Lankan	2.0

Occupation	Student	68.0
	Staff	32.0
Income	Less than RM1000	26.0
	RM1000 to RM1499	16.0
	RM1500 to RM1999	10.0
	RM2000 to RM2999	22.0
	RM3000 to RM4999	16.0
	Above RM5000	10.0

As shown in Fig. 1, people were more eager to spend their time in Facebook.com. In addition, Google+ had the second highest score among the options. Fig. 2, on the other hand, represents number of hours respondents spent on the social networks on a daily basis.

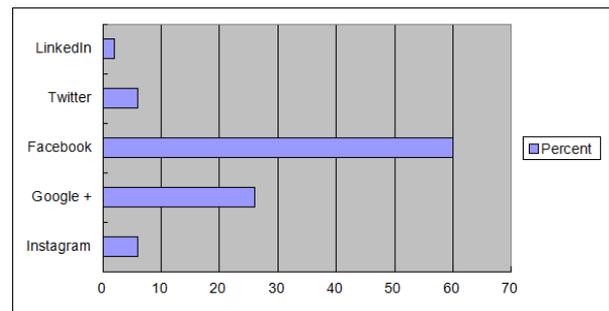


Figure 2. The most used social networks

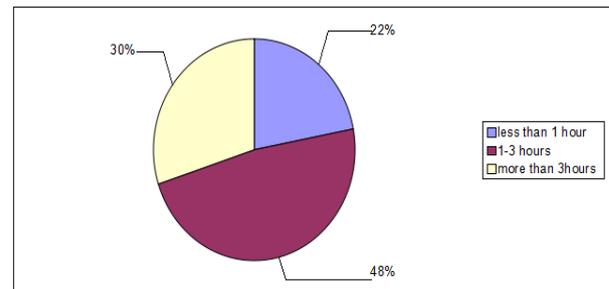


Figure 3. Daily hours spent for social networks

Based on the findings, respondents are influenced more by the people's idea and feedbacks rather than seeing an advertisement directly. As shown in Table II, T-test technique proved that women tended to be more emotionally engaged after being involved in social network marketing activities.

TABLE II: MALE AND FEMALE ENGAGEMENT IN SNM

Gender	N	Mean	Std. Deviation	Std. Error Mean
Female	19	3.4067	.60025	.1371
Male	31	3.2727	.65303	.1179

Based on ANOVA, people with different level of incomes are expected to be effected similarly in terms of consumer purchase behavior.

A. SNM and Customer Engagement

By using mean frequency, it can be concluded the impacts social network marketing has on shaping an

engagement. In this study, the impact is supposed to be emotional whether it has been a direct or indirect engagement. So, the first hypothesis (H1) is proven and more social network marketing will bring more emotional engagement of social networking sites' users, and according to the mean there is a positive but not so strong relationship between them. As noted by Sashi (2012), social media improves social engagement and create better buyer-seller relationships [17].

TABLE III: COMPARING INCOME LEVEL AND PURCHASING BEHAVIOR

	Sum of Squares	df	Mean Square	F	Sig
Between Groups	52.82	17	3.11	1.06	.43
Within Groups	93.91	32	2.94		
Total	146.721	49			

### B. Customer Engagement and Purchase Behavior

The calculated mean frequency demonstrates that the emotional engagement shaped between customers and company will lead to a positive purchasing behavior from customers. So, the second hypothesis (H2) is also confirmed. Customer engagement is important in understanding customers' reaction to a particular product or brand. Getting better customer participation is beneficial for the firms in encouraging customer to make decisions [18].

## V. CONCLUSION

The research was done using a theoretical framework developed based on previous studies. In conclusion, this paper has suggested what is possible, practical, and can be done by marketing managers to increase their advertisements' effectiveness through social media by knowing the type of engagement shaped in audience, the shape of their emotional bond shapes and the effects on consumer's purchase behavior.

In addition, the study shows that based on the mean analysis used in previous section, there's a significant and positive but weak correlation between social network marketing activities and customer engagement. The results were consistent with [19] which showed that individuals scoring higher on emotional attachment to social media (EASM) spend significantly more time on social media platforms, are more likely to engage with companies and brands through social media, and are more likely to have positive attitudes about companies and brands that use social media platforms to engage consumers.

The study also indicated that there is a positive correlation between customer engagement and consumer purchase behavior. The engagement which was mainly based on an emotional bond is directed to a better consumer's purchase behavior. This finding is backed by [20] in which 68% of high-emotion people and 44% of low-emotion felt very satisfied after interacting with their

favorite brand online. In this study, it was also visible that the engagement shaped by emotional attachment had led to higher customer loyalty in terms of recommending the company to other users in the internet world. The results were consistent with study of [21] on key factors affecting consumer purchase behavior in an online shopping context. Based on the analyses done, both hypotheses are confirmed.

Furthermore, useful findings had emerged from this study that is noteworthy. Results show that people with various income levels are influenced similarly in terms of consumer purchasing power and more importantly an analysis also was done to test whether users are influenced in social network marketing processes through direct or indirect way and results represented that users are more influenced through indirect ways such as looking at other users' buying behavior which is a kind of word-of-mouth. In other words, users are influenced by their contacts on social networking sites more intensive than a simple and direct advertisement blinking on their home page. Done well, all marketing tactics stimulate word-of-mouth offline, online, or both and the measurement of no single path captures the story adequately [22].

## ACKNOWLEDGMENT

Nima Barhemmati would like to extend his sincere and thanks to individuals who helped accomplish this study and those whose contributions made this possible. First and foremost, very great gratitude is extended to Associate Professor Dr. Azhar Ahmad, the research supervisor, for his valuable and constructive suggestions for this study and his assistance, support and guidance. Besides, gratitude is extended to his parents and sister for their support, encouragement and patience.

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