

The Usage of Social Network as a Marketing Tool: Malaysian Muslim Consumers' Perspective

Abdullah Sarwar

Department of Business Administration, International Islamic University Malaysia

Ahasanul Haque

Department of Business Administration, International Islamic University Malaysia

Farzana Yasmin

Faculty of Business Management and Professional Studies, Management Science University
Malaysia

Abstract

The purpose of this study was to explore the buyer's opinion of using social networks as a marketing tool towards purchasing goods through online in Malaysia. A total of 300 questionnaires were distributed to collect data. 278 valid questionnaires were received and used for further statistical analysis. This study revealed that the variables, interaction in social network (time spend on social networking sites) and perception of security in purchasing goods online play the most significant role on the purchasing preferences for Muslim consumers. The added value of this paper was to identify the link between theory and practice and identify the Muslim consumers' purchasing decision through social networks.

Keywords: Social Networking sites, Purchasing preferences, Muslim consumers, Online shopping.

Introduction

Online social network facilitate connection between people to communicate with individuals who are in their network using the web as their interface (Barnes & Ganim, 2011). As internet continues to evolve, new uses of digital communication tools have been explored. This new tool also contributes a lot in the business field. From business point of view, social networking enables the connection with new client and expanding business size as most sites allows customization of web page and provide links to personal website related with specific business (Carter, 2006). As social network usage has increased in recent times as a medium of communication, the use of social network seems to be an effective marketing tool (Baker, 2009).

The emergence of the internet has tremendously changed the consumers' lifestyle especially the young consumers in their shopping patterns. A number of studies had been conducted on the use of social networks as a marketing tool (Engel, Kollat & Blackwell, 1978; Fisher, 2009;

Harridge & Quinton, 2012; O'Connor, Shewchuk & Carney, 1994). However, most of these studies are western perspectives. Research in this field in Malaysia is still limited. Moreover, how Muslims view social network as a marketing tool has not been adequately measured. Even though, there are security issues, especially in buying the goods through social network, consumers still have some believe on online advertisement especially through social network as one of the alternative trend to shop. Thus, this study aimed to investigate the trend and pattern of buying preferences due to marketing in social network; to explore the influential factors that may affect consumers' choice to shop; and to investigate the impact of time spent by the consumers and how social network impact them as a marketing tool.

Literature Review

Measuring Social Marketing

The often-unanswerable prediction is whether online marketing campaigns will be effective in the short and long terms (Oracle, 2008). Online marketing is difficult to execute successfully and measure adequately (Ranaweera & Prabhu, 2003). The quest for reliable metrics means that some marketers will shy away from implementing online tactics that draw only short-term attention to tactics that actually allow for prospect identification and capture of behavioral data (Riegner, 2011). Based on Trusov, Bucklin and Pauwels (2009), much of what happens in social marketing are little more than experimental, or simply about "insights" rather than metrics. Many marketers feel the need to "tick" the social media box and demonstrate how cutting edge they are, while the primary drivers of their campaign remain embedded in traditional media (Guba & Lincoln, 1991). There is a need to affect a paradigm shift from a traditional "more is better" approach. While many social marketers fixate on volume metrics (website traffic, hit rates, click-throughs, time spent on-line, postings etc.), successful social marketing often depends more on qualitative metrics for desirable signs of the tone, quality and customer benefit of the interaction (Cronin, Brady & Hult, 2000; Fisher, 2009). Such metrics not only measure whether people are engaged, but how they are engaging (Keller & Berry, 2006). However, such metrics often need to be customized for individual campaigns and need to be considered in the pre-launch phase, ideally incorporated in message testing (Robey, 2011).

Consumer Behavior in Marketing Social Network

According to Baker (2009), consumers learn about brands through social media. Harridge and Quinton (2012) estimated that consumers generated more than 500 billion impressions about products and services through social media in 2011, approximately one-quarter of the number of impressions created through all forms of online advertising. Those earned media impressions help people learn about products. In a recent study, Riegner (2011) found that Facebook users are over 50% more likely to recall an ad when their friends are featured in it. For instance, the percentage of consumers who use ratings and reviews to inform their decisions about online purchases increased from 12% in 2009 to 57% in 2011 (Riegner, 2011). Consumers increasingly consult social media as they purchase.

H1: The interaction in social network has significant impact on consumer's mind as a marketing tool.

Social Media's Online Marketing Potential

Online marketing, also known as word-of-mouth (WOM) or "buzz marketing", is the tactic of creating a process where interested people can market to each other (Ramaswamy, 2008). While Web 2.0 media presents communications and sales opportunities for marketers, it brings with it a potential and worrying lack of control of marketing messages (Smith, 2009). Social media has provided consumers with their own voice, not as passive respondents as in their previous relationship with brands, but as active members of brand communities who have the confidence to come into the brand's "space" (Smith, 2001). Marketers working with leading brands in social media suggest one solution that may be "co-creation" where marketers encourage users to become actively involved with a brand or product (Murray, 1991). However, online relationship marketing requires the facilitation of the processes of interaction, communication, dialogue and value (Kotler, 2003). Emerging social media tools for marketing include real-time video training and webinars that can provide marketers with applications more consistent with the social nature of the selling relationship by opening the relationship to a dialogue (Oracle, 2008). Moreover, the technological bases of online communication often enables better targeting of potential customers as the databases driving sites such as Facebook are able to segment audiences by variables such as demographics and interests, and even to map the emergence of online communities as targets (Barnes & Ganim, 2011). However, the success of these media is contingent on considerable resources being allocated to their proper use and evaluation.

H2: The perception on the reliability of the online advertisement has great impact on the social network as marketing tools.

Research Methodology

This study has conducted an exploratory research since it tends to know about the perception on social network as marketing tools among the Muslim consumers in Malaysia. Exploratory research is undertaken to gain background information about the general nature of research problem. Survey method using structured questionnaire has been used in this research as a tool to collect the possible usable data in order to know about the Muslim consumers' perception toward their usage of social network and the relation with the social network as marketing tools. Without incurring higher cost and more time, primarily data for this study was collected by approaching the consumers in different shopping malls who were volunteer to participate in this study.

The survey questionnaire that was used to collect the primary data for this study has been developed based on the literature review in order to obtain all the objectives for this study. The questionnaire consisted of several parts that included demographic information and a five point Likert scale ranges from strongly disagree, disagree, neutral, agree and strongly agree.

The population involved in this study were the residents of Kuala Lumpur city who use social network for buying products. For the purpose of this study, a convenient sampling approach was chosen to avoid sampling error. Moreover, as the population for this study was the Muslim consumers, hence, researcher had the liberty to use non-probability sampling as using random sampling was impossible due to the multiethnic residents of Kuala Lumpur (Manaf, 2012; Kothari, 2004). Total 300 questionnaire were distributed out of which 278 received were usable for further data analysis. This is also sufficient for this study (Saunders, Lewis & Thornhill, 2003; Singh, 2006). Completed data obtained from the survey conducted were analyzed using SPSS (Statistical Package for Social Sciences).

Results and Discussion

Demographic Profile of the Respondents

Out of 278 respondents, there were 167 males and 111 were females. Moreover, majority of the respondents are aged between 26-35 years old (total 103) followed by 91 falls between 15 and 25, 55 falls between 36-45 and 29 falls in the 45 and above category. Total 163 respondents are having diploma, whereas, 62 respondents have SPM, 42 respondents have bachelor degree and 11 respondents have masters or above (see table I).

Table I: Demographic Profile of the Respondents

| Gender | | Education Qualification | |
|--------------|-----|-------------------------|-----|
| Male | 167 | SPM | 62 |
| Female | 111 | Diploma | 163 |
| | | Bachelor degree | 42 |
| | | Masters and higher | 11 |
| Age | | | |
| 15-25 | 91 | | |
| 26-35 | 103 | | |
| 36-45 | 55 | | |
| 46 and above | 29 | | |

Reliability

All the data obtained were analyzed to determine the reliability of the data for the study by using reliability analysis. This study has found Cronbach's alpha (α) of 0.791 (see table II) which is considered valid and reliable for the study (Neuman, 2007; Sekaran, 2000).

Table II: Reliability Analysis

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | No of Items |
|------------------|--|-------------|
| .791 | .734 | 16 |

Factor Analysis

To assess the dimensionality of the buyer's opinion of using social networks as a marketing tool towards purchasing goods through online in Malaysia, factor analysis were performed using the principal factor/component (PF) method, followed by the varimax rotation. Table III and IV show the results of the factor analysis test for the variables. The KMO value which is a measure of sampling adequacy was found to be 0.789, suggesting that the factor analysis had proceeded correctly and that sample was adequate. The results of the Bartlett's Test of Sphericity were also significant, is 0.000, meaning that factors that form the variable is adequate. For convergent validity, 0.40 was used as a factor loading cut-off point (Pallant, 2007).

Table III: KMO and Bartlett's Test of Sphericity

| | | |
|--|--------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .789 |
| Bartlett's Test of Sphericity | Approx. Chi-Square | 761.599 |
| | df | 78 |
| | Sig. | .000 |

Table IV: Output of Factor Analysis

| Items | Component | |
|--|------------------------------------|------------------------------------|
| | Interaction in social network (F1) | Reliability of the online ads (F2) |
| I have profile in in social networking site | 0.754 | |
| I love to use social networking site | 0.717 | |
| I use social networking site for promotional purpose | 0.710 | |
| It is relevant, active and interesting | 0.614 | |
| This will let me stay up-to-date with the news/update | 0.557 | |
| I believe this will help me get useful connections | 0.554 | |
| I do check social network for updates daily | 0.527 | |
| I'm a member of many groups | 0.517 | |
| I get information about certain product/services through social networking sites | | 0.761 |

| | |
|---|-------|
| The information I get from the sites persuades me to buy the product/service | 0.635 |
| I trust the promotion made on social network | 0.610 |
| I've been fraud through the social network | 0.502 |
| I'm satisfied with the service/product that I ordered through the social network | 0.455 |
| I agree that social network influence people nowadays in buying products/services | 0.775 |
| I join a group in social networking for various updates | 0.630 |
| I like to buy products through social networking sites | 0.613 |

Multiple Regressions

Multiple regression analysis has been performed for the purpose of hypothesis testing. It is meant to determine the factors that might significantly affected the use of social network as a marketing tool. The model summary in Table V indicates how much of the variance in the dependent variable (consumers' perception) is explained by the model. In this research, the value is .718 which explains 71.80% of the variance.

Table V: Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------|----------|-------------------|----------------------------|
| 1 | .889a | .718 | .672 | .559 |

a. Predictors: (Constant), Interaction in social network , Reliability of the online ads;

b. Dependent Variable: I like to buy products through social networking sites.

However, to assess the statistical significance of the result, it is necessary to look at the ANOVA Table (see table VI). This tests the null hypothesis. The model in this research reaches statistical significance (sig. = .000), which means $p < .0005$.

Table VI: ANOVA

| Model | Sum Squares | df | Mean Square | F | Sig. |
|--------------|-------------|----|-------------|-------|------|
| 1 Regression | 111.205 | 5 | 22.241 | 11.53 | .000 |
| Residual | 28.422 | 89 | .313 | | |
| Total | 140.682 | 94 | | | |

- a. Predictors: (Constant), Interaction in social network , Reliability of the online ads;
- b. Dependent Variable: I like to buy products through social networking sites.

From the Coefficients Matrix Table (see table VII), we found that the largest beta coefficient is .326, which is for reliability of the online ads. This means that this variable makes the significant or unique contribution to explaining the dependent variable, when the variance explained by all other variables in the model is controlled for. The beta value for Interaction in social network is .199 made less of a contribution.

Table VII: Coefficient Matrix

| Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. | Colinearity Statistics | |
|-------------------------------|-----------------------------|------------|---------------------------|-------|------|------------------------|-------|
| | B | Std. Error | Beta | | | Tolerance | VIF |
| 1(Constant) | 1.151 | .500 | | 2.30 | 0.23 | | |
| Interaction in social network | .323 | .061 | .199 | 5.256 | .031 | .588 | 1.701 |
| Reliability of the online ads | .423 | .047 | .326 | 7.820 | .001 | .728 | 1.373 |

- a. Predictors: (Constant), Interaction in social network, Reliability of the online ads;
- b. Dependent Variable: I like to buy products through social networking sites.

Hypothesis Testing

If the p value is less than .05, the variable at 95% confidence level is making a significant contribution to the prediction of the dependent variable. Therefore, we can accept our hypothesis.

Hypothesis 1: The interaction in social network has significant impact on consumer's mind as a marketing tool.

The p value for interaction in social network is .031 means $P < 0.05$. Thus H1 is accepted which means that, interaction through social media does have significant impact on consumers' purchase intension through social media.

Hypothesis 2: The perception on the reliability of the online advertisement has great impact on the social network as marketing tools.

The P value reliability of the online ads is also .001 means $P < 0.05$. Thus H2 is also accepted, which means that online ads through social media by the companies do have a significant impact on consumers' purchase intension.

Conclusion and Recommendation

Based on the results of the findings, we can conclude that Muslim consumers in Malaysia use social networking sites such as Facebook, Twitter and Myspace to interact with others. They also prefer to use social networking sites for purchasing goods online which is a reliable source to them. Moreover, most of the respondents persuaded to buy a product through the promotion made using this social network sites. Most of them believe that they might be safe while buying online from the promotion made in social network sites. For those who ordered the service/product, 70% of the respondents are satisfied with the service/product and a total of 54% of the respondent agree that social sites influence their users to buy products/services that they promoted.

Based from the results, despite of the respondents' view that social networking sites are successful in promoting products/services/events, this study believes that social networking sites need to implement more security measures to avoid fraud. This will increase the confidence in the users mind to buy or order products/services because of guarantee on the safety of the product/services. However, based from the results we can see that in the future social networking sites will be suitable for promotional purpose as the numbers of users using the social sites are increasing from time to time. Thus, researchers can conclude that, social networking sites are useful tools for marketers for promoting their products.

However, this study has also some limitations. Due to limited time, this study had collected only 278 data which needs to be increased in the future studies to get more accurate and valid results. Furthermore, this study also suggests that, in future studies, online survey should be used for such online marketing tools which will be much accepted method for data collect for this type of studies.

Acknowledgement

This research project was funded by the Research Management Centre, International Islamic University Malaysia (Project ID: EDW B11-094-0572).

References

- Baker, B. (2009). *Your customer is talking - to everyone: Social media is the new channel for Customer connection*. New York: Information management.
- Barnes, D., & Ganim, N. (2011). Society for new communications research study: Exploring the link between customer care and Brand reputation in the age of social media. *Journal of New Communication and Research*, 5(7), 23-37.
- Carter, B. (2006). *Advertisers dip toe into virtual world*. Retrieved from www.deakin.edu.au/arts-ed/apprij/articles/11-miller-lammas.pdf.
- Cronin, J. J., Brady, M. K., & Hult, G. T. M. (2000). Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environment. *Journal of Retailing*, 76(2), 193-218.
- Engel, J. F., Kollat, D. T., & Blackwell, R. D. (1978). *Consumer Behavior*. New York: Dryden Press.
- Fisher, T. (2009). ROI in social media: A look at the arguments. *Database Marketing & Customer Strategy Management*, 16(3), 189-195.
- Guba, E. G., & Lincoln, Y. S. (1991). *What is the constructivist paradigm? Knowledge for Policy: Improving Education through Research*. London: Falmer Press.
- Harridge, M., & Quinton, S. (2012). Virtual snakes and ladders: social networks and the relationship marketing loyalty ladder. *The marketing review*, 3, 87-102.
- Keller, E., & Berry, J. (2006). *Word-of-mouth: the real action is offline*. Retrieved from <http://www.kellerfay.com/news/>.
- Kothari, C. R. (2004). *Research Methodology: Methods and Techniques* (2nd edn.). New Delhi: New Age International Publishers.
- Kotler, P. (2003). *Marketing Management: The Millennium Edition* (10th edn.). New Jersey: Upper Saddle River, pp. 280-272.
- Manaf, N. H. A. (2012). Inpatient satisfaction: an analysis of Malaysian public hospitals. *International Journal of Public Sector Management*, 25(1), 6-16.
- Murray, K. B. (1991). A Test of Services Marketing Theory: Consumer Information Acquisition Activities. *Journal of Marketing*, 55, 10-25.
- Neuman, W. L. (2007). *Basic of Social Research: Qualitative and Quantitative Approaches* (2nd edn.). New York: Pearson Education, Inc.
- O'Connor, S. J., Shewchuk, R. M., & Carney, L. W. (1994). The great gap. *Journal of Health Care Marketing*, 14(2), 32-9.
- Oracle. (2008). *It's All About the Salesperson: Taking Advantage of the Web 2.0*. An Oracle White Paper, August 2008.
- Pallant, J. (2007). *SPSS Survival Manual: A Step by Step Guide to Data Analysis using SPSS for Windows* (3rd edn). Berkshire: Open University Press, McGraw-Hill.

- Ramaswamy, V. (2008). Co-creating value through customers' experiences: the Nike Case. *Strategy & Leadership*, 36(5), 9-14.
- Ranaweera, C., & Prabhu, J. (2003). On the Relative Importance of Customer Satisfaction and Trust as Determinants of Customer Retention and Positive Word of Mouth. *Journal of Targeting, Measurement and Analysis for Marketing*, 12(1), 82-90.
- Riegner, C. (2011). Word of Mouth on the Web: The Impact of Web 2.0 on Consumer Purchase Decisions. *Journal of Advertising Research*, 12, 436-447.
- Robey, P. A. (2011). Reality Therapy and Choice Theory: An Interview with Robert Wubbolding. *The Family Journal*, 19(2), 231-237.
- Saunders, M., Lewis, P., & Thornhill, A. (2003). *Research Methods for Business Students* (3rd edn.). Harlow: Pearson Education.
- Sekaran, U. (2000). *Research Methods for Business: A Skill Building Approach* (3rd Ed). New York: John Wiley & Sons.
- Singh, Y. K. (2006). *Fundamental of Research Methodology and Statistics*. New Delhi: New Age International (P) Ltd., Publishers.
- Smith, T. (2009). The social media revolution. *International journal of market research*, 13(1), 65-78.
- Smith, P. R. (2001). *Marketing Communications: An Integrated Approach* (3rd edn.). London: Kogan Page.
- Trusov, M., Bucklin, R. E., & Pauwels, K. (2009). Effects of word-of-mouth versus traditional marketing: findings from an Internet social networking site. *Journal of marketing*, 17(2), 11-23.