

Impact Of E-Marketing on Social Network usage

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ABSTRACT

This study attempts to analyze the impact of e-marketing on social networking usage. A questionnaire was distributed for data collection among universities students, employing simple linear regression analysis. This paper concludes that there is a significant relationship between e-marketing, personalization and social networking usage, while personalization is unable to mediate the relationship between e-marketing and social networking usage. The managers of social network should consider e-marketing and personalization as a competitive policy to improve its usage. The drawback of this study is that the sample size was small due to time shortage.

Key words: *E-marketing, Personalization, Social networks.*

INTRODUCTION

This paper is about the relationship of e-marketing to that of social networking usage. Therefore this paper examines the impact of e-marketing on the social networking usage, which is one of the prevailing dilemmas that exists in today's world in the field of marketing, specifically e-marketing. The purpose of this study is quite simple, to analyze whether e-marketing plays a significant role in the usage of social networking sites specially Facebook. E-marketing is basically the application of Marketing principles and techniques via electronic media. The question exists that why to study the impact of e-marketing on social media usage, as it is crystal clear that social media is having a greater impact in promoting e-marketing? So the purpose of this paper is to fill that gap that exists in terms of the impact of e-marketing on its own determinant so called as social media. There is a question how this paper comes up with this gap, it is through brainstorming, and going through literature on both of the key terms with respect to each other, and the evidence were in favor of social media impact on the e-marketing. Like that a lot many work has done in finding of the impact of these social networks on e-marketing, in the form of ads etc. but did we ever notice when using the youtube.com and finding something interesting whatever it is, it could be educational video, it could be a trailer of the favorite movie, or it could be a favorite singer's new song etc. there we find a small tab below each video, named as "share" and pressing that can led us to share this video of interest on these particular websites so called as social networking sites. So we believe that our topic is important in a sense to get an evidence of the impact of e-marketing on social networking sites. Why particularly examining the social media? It is because no one denies the importance of social media in promotion and accelerating the performance of e-marketing in the past few years. and the reason behind this is the increasing rate of usage of this social media, in other words we can say that social media is the cry of the day and there are a lot many issues relates to it, regarding their privacy, their earning and their ability to retain customers etc. same is the case with the term "E-marketing" that we are now the residence of the global world, the middle man is now eliminated, the customer can contact directly with the manufacturer, the social networking user can now use the benefits of e-marketing. How

particularly and frequently they are using this facility and how much they are satisfied with the use of e-marketing? This is what this paper is actually dealing with.

The rest of paper is aligned in such a way that section 2, is about the related literature review, section 3 is about methodology and Data collection, section 4, is about Empirical analysis and discussion. And finally section 5, is about Implication, limitation and future directions and conclusion.

LITERATURE REVIEW

Social networks have been studied for a decade as the most influencing tool and source of advances in internet-marketing, simply called as e-marketing. A social network here means social networking website, such as Facebook. Social network is defined as a connected group of individual agents, who make production and consumption decision based on the actions (signals) of the other agents on the social network (Potts, Conninghum, Hartley & Ormerod. 2008).

Elison, Stainfield and lampe (2007) also defines the social networking sites , such as Facebook, that it allows individuals to present themselves, articulate their social networks and establish or maintain connections with others. According to Yang, Kim & Dhalwani (2008), Facebook is one of the social networking sites, initially developed for college and university students, but is now made available to anyone. This is one of the evidence in the increase of social networking usage.

These Social networks are examined in different papers and the interesting part of literature that exists on social networking with respect to e-marketing is that these networking sites are having a significant impact on promoting e-marketing, including that of Arabie and Wind (1994) in dealing the social networks for better marketing strategies. They suggest how to identify and manage social networks, and explain the future marketing practices, as discussed by (Iacobucci and hofkins 1992). Who presents statistical models for the analysis of the relationships as a potential in a wide variety of marketing applications.

According to Kinsella, Breslin, Passant and Decker (2008), the basic functions of social networking sites are profiles, friend's listings and commenting offer along with other features, such as private messaging, discussion forums, blogging and media uploading and sharing.

Different papers contribute to the knowledge on e-marketing, including Sarner (2007), his paper explains how e-marketing improves the customer's buying process, to him the online channel usage, as part or all the buying process, continues to grow and making the e-marketing a stronger influencer of purchase decision.

Ellison et al (2007) examine the social networking site Facebook discussing its benefits. In their article the focuses on Facebook that enables its users to present themselves in an online profile, accumulate "friends" who can post comments on each other's pages, and view each other's profiles.

The greater part of revenues generated by these online social networking sites are due to advertisements on it and in return these advertising agencies has the unique feature due to the use of these internet-based technologies and data collection mechanisms to target and track specific individuals and to automate the buying and selling of advertising inventory. (Evans 2008).

Furthermore, Gross and Acquisti (2005), analyze the information revelation and its privacy issues in social networks, while studying the information disclose by their sample data, with regards to the usage of the site's privacy settings, they conclude that only a minimal percentage of users changes the highly permeable privacy preferences.

Slyke, Bilanger and Comunale (2004) discusses the role of trust in the web based shopping and provides empirical evidences with respect to the impact of trust in the electronic based economic transactions conducted between individual consumers and organizations.

Similarly, Golbeck and Hendler (2006) assign and examine the trust in web-based social nets and investigate how trust information can be mined and integrated into applications and introduces a definition of trust that “it is a commitment to an action based on a belief that the future actions of that person will lead to a good outcome”.

Furthermore, Fogel and Nehmad (2009) also investigates trust and privacy in examining social networking sites, comparing facebook with MySpace there findings were in favor of facebook users exhibiting greater trust as compare to MySpace.

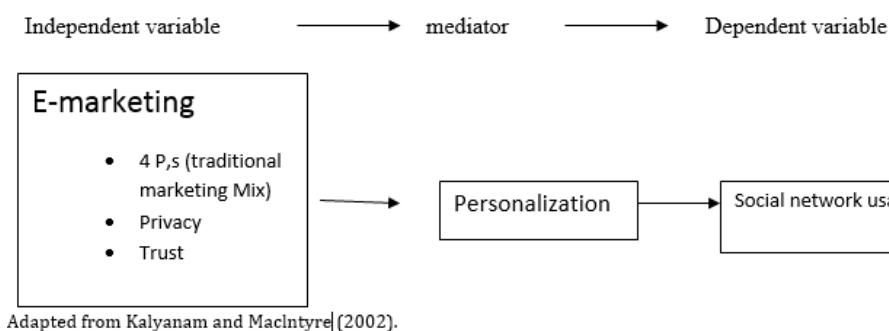
In addition to that Valenzuela, Park and Kee (2009), analyzes facebook as one of the most popular network site among college students and conclude a positive relationship between intensity of facebook usage and student’s social trust.

Along with that , there exists so many issues related to social networking usage, including personalization, which is explained by Golbeck (2005), in her doctoral thesis, that its one of the property of trust that users put on the applications they uses in social networking sites, and discusses its importance , which was overlook in the past by these social networks.

Tucker, C. (2011). Provide evidence of personalization, using data from a randomized field experiment, concluding that users were twice as likely on personalized ads and recommend that increase in effectiveness was larger for ads that used most unique personal information to personalize their message. For this analysis they also introduced the element of improved privacy control.

Kalyanam and MacIntyre (2002), in their article develops a single unifying and theoretically based taxonomy for e-marketing techniques based on the paradigms of exchange, relationships and digital interactions in networks.

THEORETICAL FRAMEWORK



On the basis of above literature and theoretical framework, the following hypothesis are drawn.

H1: personalization has significant impact on social networking usage.

H2: E-marketing has significant impact on social networking usage.

H3: Personalization mediates the relationship between e-marketing and social networking usage.

METHODOLOGY OF THE PAPER

This paper uses a convenience sampling technique, to examine the impact of e-marketing on social network usage. Eighty questionnaires were distributed among the students of different universities of Pakistan and fifty-six questionnaires were received back, with a response rate of 70%. Out of which Fifty-three questionnaires were valid and were used for regression analysis,

to examine the stated hypothesis. While three of them were not usable. The questionnaires that were distributed among the students were adapted from (Nyland 2007), (Orleao 2009) and (Anh, 2010).

Likert scale of 5 choices were used in this questionnaire, starting from left to right with Strongly disagree , disagree, neutral , agree and strongly agreed respectively.

EMPIRICAL ANALYSIS AND DISCUSSION

Demographic

The data collected from the students of different universities with the use of convenience sampling technique. The sample contain both male and female having different level of age and education. The respondents were advised to choose one social network among Facebook, Myspace and twitter. There were 42 respondents of Facebook user, comprising of 79.2% of the total collected questionnaires. Similarly, 7 and 4 respondents were of twitter and Myspace users, with a 13.2% and 7.5% of the total collected questionnaires respectively.

The questionnaire used in this paper was distributed after its pilot testing and confirm its reliability separately. The reliability of each variable is higher than the acceptance level. Social network usages have 0.706 alpha reliability. While the reliability of Personalization and e-marketing mix was 0.907, and 0.947 respectively. A sample of questionnaires is attached in Appendix 1 of the paper.

Table 1: Correlation

	Mean	St deviation	E-marketing	Personalization	Social network usage
E-marketing	3.4308	.97700	(.947)		
Personalization	3.7547	1.07807	.566**	(.907)	
Social network usage	3.5134	.76318	.708**	.497**	(.706)

** Correlation is significant at the 0.01 level (2-tailed). Alpha values are given in parenthesis

Table1, represent the correlation. This table shows that there is a positively strong significant relationship between personalization and social network usage, and positively strong significant relationship between e-marketing and social network usage. The relationship of personalization and e-marketing is also positively strong significant. On the basis of above relationships regression analysis were performed to measure the stated hypothesis. Table 2.a, Table 2.b and Table 2.c shows the results of linear regression analysis.

Table 2.a: R Square change

Model	R	R Square	Adjusted R			
			Square	R Square Change	F Change	Sig. F Change
1	.497 ^a	.247	.232	.247	16.738	.000
2	.717 ^b	.515	.495	.268	27.582	.000

1. Predictors: (Constant), personalization

2. Predictors: (Constant), Personalization, e-marketing.

As mention in literature review, that Personalization is used as mediating variable. Table 2.a show the R² and change in R² after using personalization as a mediating variable. The value of

R^2 , which is coefficient of determination, is 0.515, which means that the model explains 51.5 % of the dependent variable (social networking usage); the value of adjusted R^2 is 0.495.

Table 2.b: ANOVA

Model		Mean Square	F	Sig.
1	Regression	12.265	16.738	.000 ^a
	Residual	.733		
2	Regression	12.775	26.522	.000 ^b
	Residual	.482		

A; Predictors: (Constant), personalization B; Predictors: (Constant), personalization, e-marketing mix C; Dependent Variable: social_network_usage

Table 2.b. Explains the analysis of ANOVA. ANOVA analysis shows the overall fitness of the model. The null hypothesis of ANOVA is that the model is not fit for prediction, the values of the ANOVA table shows significant value, rejecting the null hypothesis of the ANOVA. This means that the model is fit for prediction.

Table 2.c: Regression analysis

Model		Standardized Coefficients		
		Beta	T	Sig.
1	(Constant)		4.047	.000
	Personalization	.497	4.091	.000
2	(Constant)		.270	.789
	Personalization	.142	1.190	.240
	e-marketing	.627	5.252	.000

a. Dependent Variable: social network usage

Table 2.c shows regression analysis. Regression is performed, using personalization as a mediating variable; model 1 of table 2.c shows that the separate impact of personalization is significant on social network usage having the t-statistic 4.091 and significance value $0.000 < 0.05$ acceptance level of p-value. The beta value of individual personalization is 0.497, which means that one percent change in personalization will cause 0.497 percent change in social network usage. However, as a mediating variable the impact of personalization on social network usage is insignificant which is shown in table 2.c, model 2 having t-statistic 1.190 and significance value is $0.240 > 0.05$ acceptance level of p-value. The beta value of personalization as a mediating is 0.142, which means that one percent change in personalization, as a mediating will cause 0.142 percent change in social network usage. This is against of our expectation and hypothesis that personalization play a significant mediating role between e-marketing and social network usage.

E-marketing has significant impact on social network usage having t-statistic 5.252 and significance level $0.000 < 0.05$ acceptance level of p-value. Beta value of e-marketing is 0.627, which means that one percent change in e marketing will cause 0.627 percent change in social network usage, which is according to our expectation and hypothesis that e-marketing has

significant impact on social network usage. Arabie and Wind (1994) studied that social networks has significant impact on e-marketing strategies. Sarner (2007) suggests that e-marketing is a greater influence on consumer's online purchasing decision.

IMPLICATION OF THE STUDY

The implications of the study is that not only social network founders and revenue generators are contributing to the growth of online marketing alone, but also these online marketing activities have their strong influence on their operations and their worth is suggested not to be underestimated by these social media owners. Along with that, these owners of social networking sites are advised on the basis of above empirical evidence, to consider the e-marketing as a greater influence on their policies and their popularities among social network usage.

LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

This paper is just an attempt to discover another feature of relationship that exists between the e-marketing and social networking usage. Due to time shortage a very small sample size is collected, which is directed to be extended in further research, LISERAL and AMOS are statistical software, and are suggested to be used for future research on this particular relationship.

CONCLUSION

This paper presents the theoretical model for e-marketing to hypothesize and explain its relationship with social networking usage. On the basis of above analysis, this paper concludes that the e-marketing is playing a significant role in the social networking usage, hence adding to the existing literature that was totally based on the social networking usage's impact on the e-marketing.

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APPENDIX 1

Questionnaire for measuring “The Impact of E-marketing on social networking usage”

Dear Sir/Madam,

We are MS students of International Islamic University Islamabad. We are conducting a Research on Social networking usage. Data will be used only for Research Purposes and will be kept Confidential.

Please tick the relevant answers from this questionnaire.

Name (optional) _____

1. Gender Male Female
2. Age 16-20 21-25 26-30 31 and above
3. Education Inter Bachelor Master MS/M.Phil
4. Please kindly mention your network: _____
(e.g. facebook, twitter, myspace)

Listed below are statements to describe Marketing mix Please circle the number that best matches how much you agree or disagree with each statement. (Values range from 1, strongly disagree, to 5, strongly agree)	Level of Agreement Strongly disagree \longleftrightarrow Strongly agree				
1. The network I am evaluating is a good social networking site.	1	2	3	4	5
2. The network that I am evaluating is more effective in terms of cost.	1	2	3	4	5
3. I believe, that this network serves as a product of social interaction to me.	1	2	3	4	5
4. This network is of great value to me as a user.	1	2	3	4	5
5. The network I am evaluating is a good place for online market.	1	2	3	4	5
6. It's good to see the ads of other products on the site of the network I am evaluating	1	2	3	4	5
7. The network I am evaluating is a good place for advertisement.	1	2	3	4	5
8. The network I am evaluating is more effective in terms of time spent.	1	2	3	4	5
9. The network I am evaluating is more effective in terms of convenience	1	2	3	4	5
10. The network I am evaluating is having an effective marketing strategy.	1	2	3	4	5
Listed below are statements to describe Trust Please circle the number that best matches how much you agree or disagree with each statement. (Values range from 1, strongly disagree, to 5, strongly agree)	Level of Agreement Strongly disagree \longleftrightarrow Strongly agree				
1. This Social web site would do what it takes to make you happy in the future.	1	2	3	4	5
2. I would use the same social web site in the future	1	2	3	4	5
3. The Social web site would deal with you in a way that is in your best interests.	1	2	3	4	5
4. The Social web site can be trusted to do the right thing for you in the future	1	2	3	4	5
5. This social network is a trustworthy social network.	1	2	3	4	5

6. I can trust on this social network to protect my privacy.	1	2	3	4	5
7. I can trust this social network to protect customer information from unauthorized use.	1	2	3	4	5
8. This social network can be relied on to keep its promises.	1	2	3	4	5
9. I can trust the performance of this Social web site to be good	1	2	3	4	5
<p>Listed below are statements to describe Privacy Please circle the number that best matches how much you agree or disagree with each statement. (Values range from 1, strongly disagree, to 5, strongly agree)</p>	<p>Level of Agreement</p> <p>Strongly agree \longleftrightarrow Strongly disagree</p>				
1. This social network is concerned about user's privacy.	1	2	3	4	5
2. I am confident that I know how to control who is able to see my profile.	1	2	3	4	5
3. I have no privacy issue in using this social networking site.	1	2	3	4	5
4. This social network does not reveal User's personal data to other parties.	1	2	3	4	5
5. I feel safe about the privacy control of this social network.	1	2	3	4	5
<p>Listed below are statements to describe Personalization Please circle the number that best matches how much you agree or disagree with each statement. (Values range from 1, strongly disagree, to 5, strongly agree)</p>	<p>Level of Agreement</p> <p>Strongly disagree \longleftrightarrow Strongly agree</p>				
1. This network I am evaluating is interesting.	1	2	3	4	5
2. This network I am evaluating is easy.	1	2	3	4	5
3. I have the right of personalization in using this network.	1	2	3	4	5
4. This network has many familiar people, places, and things	1	2	3	4	5
<p>Listed below are statements to describe Social networking usage Please circle the number that best matches how much you agree or disagree with each statement. (Values range from 1, strongly disagree, to 5, strongly agree)</p>	<p>Level of Agreement</p> <p>Strongly disagree \longleftrightarrow Strongly agree</p>				
1. Social networks are part of my everyday activity.	1	2	3	4	5
2. I am proud to tell people that I am the user of this social network.	1	2	3	4	5
3. This Social network is a part of my daily routine.	1	2	3	4	5
4. I feel out of touch when I haven't logged onto this social networks for a while.	1	2	3	4	5
5. I feel I am part of the social networks community	1	2	3	4	5
6. I would be sorry if this social network shut down.	1	2	3	4	5