

Published with Open Access at **Journal BiNET**

Vol. 01, Issue 02: 27-32

International Journal of Multidisciplinary Perspectives

Journal Home: <https://www.journalbinet.com/ijmp-journal.html>

Social media as a promotion and marketing strategy and its effect on the customers' satisfaction with business enterprises

Reymond L. Mallari and Sarah Mae C. Ibay

Department of Education, Schools Division of Pampanga, Sta. Maria High School, Philippines

✉ Corresponding author: reymond.mallari@deped.gov.ph (Mallari, RL) Contact no. 09558164820
Article Received: 29.10.20; Revised: 18.11.2020; First published online: 30 December, 2020.

ABSTRACT

Using social media as an advertising platform is among the most vital issues in a business enterprise's promotion and marketing strategy, although it is the most accessible medium for the customers. It is considered a challenging platform for the majority of surveyed Small and Medium-sized Enterprises (SMEs). Assessing social media usage as a promotion and marketing strategy and its effect on customer satisfaction is important in determining its effectiveness to a business enterprise. This study assessed and measured social media usage and effectiveness as a promotion and marketing strategy of the six Milk teashops and 42 random-sampling customers. An Ex Post Facto research design using validated researcher-constructed questionnaires was used in the study. The results of the study revealed that the use of social media as a promotion and marketing strategy and its effect on the customers' satisfaction of business enterprise was generally described as; useful on sales growth and marketing of Milk teashops ($M=3.38$); there is a moderate customers' satisfaction ($M=3.40$), and the null hypothesis that social media as a promotion and marketing strategy have a significant relationship to customers' satisfaction has been rejected ($p>0.05$). This study will be used to improve and enhance the business enterprises' advertising platforms for better promotion and marketing strategies.

Key Words: social media usage, promotion and marketing strategy, customers' satisfaction and business enterprises

Cite Article: Mallari, R. L. and Ibay, S. M. C. (2020). Social media as a promotion and marketing strategy and its effect to the customers' satisfaction with business enterprises. International Journal of Multidisciplinary Perspectives, 01(02), 27-32.

Crossref: <https://doi.org/10.18801/ijmp.010220.05>



Article distributed under terms of a Creative Common Attribution 4.0 International License.

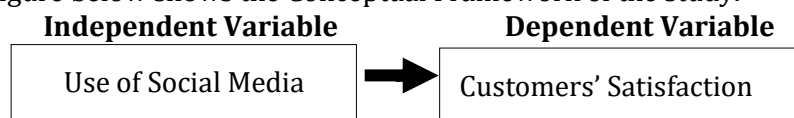
I. Introduction

Technology plays a vital role in today's world. It is utilized in any field, especially in the business world. [Basri and Siam \(2017\)](#) emphasize that social media came up as an exciting opportunity for businesses to use it as an advertising platform for their business promotions, educating masses about their products and their features, and developing brand awareness. [Cherotich \(2016\)](#) added that through social media, the sales revenue, the number of customers and employees increased. Indeed, promotion and marketing strategy became more effective because of technology, primarily social media.

Social media provides a big help to businesses on their brand awareness and brand trust, which implies a sturdy impact on customer acquisition and customer retention (Srinivasan et al., 2016). The same study found out a significant positive correlation between sales and the amount of time spent on social media. The use of social media as a marketing strategy has a positive effect on customer acquisition and retention and market share growth. However, the outcome from the study steered by Dirgiatmo (2015), showed that most surveyed Small and Medium-sized Enterprises (SMEs) do not believe that social networking is an effective medium in assisting business strategies and planning. This indicates that the result of the literature is inconsistent.

As reflected above, there are identified and generated conflicting results in the research literature. This indicates gap or "blind spot" on the current research findings concerning social media use as a promotion and marketing strategy and its effect on customer satisfaction. In light of the gap recognized, the current study examines the relationship of social media usage to customers' satisfaction. Furthermore, this study will provide a basis for awareness and a better understanding of how social media affects business enterprises' promotion and marketing strategies and its effect on the customers' satisfaction. The results of this study will primarily be utilized to improve and enhance the business enterprises' advertising platforms that can be used for better promotion and marketing strategies.

The study was theoretically anchored on the conceptual framework promulgated by Broekemier et al. (2015), in which, through the use of a survey, researchers identified the usage of social media in marketing strategies. It is mentioned that there are four primary purposes of utilizing social media. The first one is for the company's reputation, the second is for the increase of customer interest, the third is for a rise in customer awareness, and the business promotion to new customers. Indeed, by achieving these purposes in using social media, business enterprises' promotion and marketing strategy will upsurge. The study aimed to determine social media's use as a promotion and marketing strategy and its effect on customers' satisfaction with business enterprises. Social Media's use was considered the independent variable and the Customers' Satisfaction was the dependent variable of the research. The figure below shows the Conceptual Framework of the study.



The study's major problem is to identify the use of social media as a promotion and marketing strategy of business enterprises and its effect on the customers' satisfaction. Specifically, this study sought to answer the following question:

1. What is the level of social media usage of Business Enterprises in terms of (a) sales growth and (b) marketing
2. What is the level of the Customer's Satisfaction?
3. Does social media usage exert a significant effect on Customers' Satisfaction?

II. Materials and Methods

The Ex Post Facto method of research is utilized to determine the effect of social media business enterprises' customers' satisfaction. Ex post facto study or after-the-fact research is a research design category in which the investigation starts after the fact has occurred without interference from the researcher. It can be used when identifying the effect of the independent variable to the dependent variable. The study used a quantitative research approach in analyzing and understanding the predictor and criterion variables. Researcher-constructed questionnaires on sales growth, marketing, and customer's satisfaction were used as primary data gathering tools.

The study respondents are the six Milk teashops and 42 random-sampling customers in one of the Municipalities in Pampanga in the year 2020. The researchers included the 3/4 of milk teashops in the municipality to make their research more accurate and reliable; they did not include 1/4 of it because of ethical consideration. They were focused on getting information from the managers or main employees of the enterprises.

This study used researcher-constructed questionnaires to quantify the use of social media in the promotion and marketing strategy of the respondent's company. The instrument is a 14-point Likert type questionnaire that ranges from 1 (strongly disagree) to 4 (strongly agree). The device measured the managers' perception of social media's effectiveness in sales growth (items 1-4), marketing (items 5-8). Another questionnaire for the customers is measured by customer's satisfaction (items 1-6). It is reliable because the questionnaires are validated by a professional licensed teacher major in business.

The data collected were tabulated and processed using the Stata Program. The sales growth, marketing and customer's satisfaction were quantified using the following scale:

Rating scale	Range	Descriptive evaluation
4	3.50-4.00	Strongly Agree/High
3	2.50-3.49	Agree/Moderate
2	1.50-2.49	Disagree/ Low
1	1.00-1.49	Strongly Disagree/ Very Low

The impact of social media usage on the promotional and marketing strategy of business enterprises and its effect to customers' satisfaction were explored using correlation and regression analyses.

III. Results and Discussion

This study focused on determining the use of social media as a promotion and marketing strategy in terms of the 3 facets/factors (level of social media usage of business enterprises, level of the customers' satisfaction, and use of social media as a promotion and marketing strategy and its effect to customers' satisfaction). The findings of the study were presented in tables together with verbal description and interpretations.

Level of social media usage of business enterprises

Social Media can be considered a powerful tool for human needs. It can also be used in business enterprise. Since social media can be a big help, business enterprises should take it to aim for their sales growth and marketing. Effective advertisements rely on the tactics and techniques that every business enterprise thought of. One of these tactics is social media usage. [Srinivasan et al. \(2016\)](#) found out that if a business enterprise increased their time spent using social media platforms, the market share would also increase. Giving some efforts is a must to gain a brand trust for business enterprises' sales growth and marketing.

Sales growth: As can be gleaned from the analysis of data in [Table 01](#), there is an increase in sales growth because of social media usage; it was strongly agreed as evidenced by the average of 3.54. Business enterprises agree that social media can be used for resolving problems and work for improvement (3), it is strongly agree that social media can give a contribution in sales growth by their marketing and promotional strategies (4), an effective platform for advertisement (3.67), and in creating an opportunity for promotions in business, educating masses about products and features, and developing brand awareness (3.5).

Table 01. Use of social media in terms of sales growth

Indicators	Mean	Interpretation
Engaging in social media for marketing and promotional strategies gives a contribution in sales growth.	4	Strongly agree
Social media is an effective platform for advertisement.	3.67	Strongly agree
Social media creates an opportunity in advertising platform for our promotions in business, educating masses about our products and features, and developing brand awareness.	3.5	Strongly agree
Social media helps us to resolve problems and work to improve future brand performance quickly.	3	Agree
Average	3.54	Strongly agree

Marketing: [Table 02](#) suggests for business enterprises, it is agreed that social media can be used in terms of Marketing as evidenced by the average score of 3.21. "Agree" in the usage of social media

observed by seeing it as an effective medium for marketing strategies (3.33), it helps marketing managers in data analysis and decision making process (3), in preferring using social media for promotion than using traditional method to generate new ideas about marketing strategies (3). Moreover, Social media helps business enterprises strongly agree that it contributes when generating new ideas about marketing strategies (3.5).

Table 02. Use of social media in terms of marketing

Indicators	Mean	Interpretation
Social media is an effective medium for our marketing strategies.	3.33	Agree
Social media helps marketing managers in data analysis and decision-making process.	3	Agree
Social media helps me to generate new ideas about our marketing strategies.	3.5	Strongly agree
We preferred using social media for our promotion than using traditional method.	3	Agree
Average	3.21	Agree

As can be observed in the summary of Level of Social Media usage of Business Enterprises' average mean scores of 3.38 in [Table 03](#), Sales Growth recorded the highest average of 3.54. This suggests that social media has more impact or is more useful to Sales Growth than to Marketing. It is in contrary on the study steered by [Herman \(2011\)](#) as cited by [Herman \(2015\)](#), believing that social media, specifically Facebook is a more effective marketing communication media that can expand the market reach and can be used as an affordable promotional media.

Table 03. Summary of the average mean scores of level of social media usage of business enterprises

Level of social media usage of business enterprises	Average	Interpretation	Rank
Sales Growth	3.54	Strongly agree	1 st
Marketing	3.21	Agree	2 nd
General Average	3.38	Agree	

Level of the customers' satisfaction

In every business enterprise's promotion and marketing strategies, it can be considered an effective strategy by testing the customers' satisfaction. Promotion and marketing satisfaction depend on how business enterprises take every opportunity coming or even create their own opportunities for improvement and advancement. Using social media as a promotion and marketing strategy is one of the opportunities for business enterprises. By seeing reviews of every customer online and on how satisfied they are, it can be evidence that a business enterprise's strategies are effective and satisfying. [Srinivasan et al. \(2016\)](#) stating that companies can gain a massive amount of feedback about their products and brands by monitoring their customers' conversation online; it can also quickly resolve problems and work to improve future brand performance.

Analysis of customers satisfaction in [Table 04](#) reveals that customers agree that there is satisfaction from them because of social media usage of a business enterprise as shown by the average of 3.40. Customers agree that because social media companies can gain a massive amount of feedback from their customers online (3.48), it enables them in exchanging information in a quick, flexible and easy manner (3.33), it also has a positive effect on customer acquisition and retention (3.40), advertising creates a significant impact to customers (3.45), it acquires customers satisfaction (3.17). Also, it is strongly agreed that it can boost the company's popularity (3.57).

The results suggest that the customers are satisfied because of the help of social media in business enterprise. It also shows a customer's satisfaction with the promotion and marketing strategies of business enterprises. It is unquestionable that most of the firms willingly spend a reasonable part of their budget just to reach potential customers through advertising on Facebook ([Falls, 2009](#) as cited by [Galati et al., 2017](#)), because it will increase the customer satisfaction.

Table 04. Customer's satisfaction

Indicators	Mean	Interpretation
------------	------	----------------

Companies can gain a massive amount of feedback about their products and brand by monitoring the conversation of every customers online.	3.48	Agree
Social media enables me and a business enterprise in exchanging information in a quick, flexible, and easy manner.	3.33	Agree
Social media has a positive effect in customer acquisition and retention.	3.40	Agree
Advertising in social media can be used as an affordable promotional media and creates a big impact to customers.	3.45	Agree
Social media boost a company's popularity	3.57	Strongly Agree
Customer's satisfaction acquired because of social media.	3.17	Agree
Average	3.40	Agree

Use of social media as a promotion and marketing strategy and its effect to customers' satisfaction

In the study's conduct, the first hypothesis states that social media as a promotion and marketing strategy have a significant relationship to customers' satisfaction. The data collected were subjected to correlate and regression analysis to determine the extent of impact the predictor variables cause on the criterion variable. In [table 05](#) shown below, the results using Pearson r Correlation revealed that there is a negative correlation between customers satisfaction and sales growth ($r=-0.65$) and it is not statistically significant ($p>0.05$); likewise, there is also a negative correlation between customers satisfaction and marketing ($r=-0.15$) and it is not statistically significant ($p>0.05$).

Table 05. Pearson r Correlation

Variables	r value	p value
Customers satisfaction sales growth	-0.65	>.05
Customers satisfaction marketing	-0.15	>.05

This study sought to investigate the factors contributing significantly to customer's satisfaction among the milk teashops business enterprises. A regression method was employed and customer's satisfaction was considered the dependent variable, while the two factors contribute with vulnerable conditions: Sales Growth and Marketing were treated as independent or predictor variables.

The regression analysis in [Table 06](#) revealed that: for every unit increase in Sales Growth, there is 0.79 unit decrease in customer's satisfaction; while, for every unit increase in the Marketing, there is 0.04 unit decrease in customer's satisfaction. Moreover, it was shown that all the factors are not significant predictors ($p>0.05$) of customer's satisfaction, although, sales growth is the most not significant predictors of proficiency as also found in the findings of this paper

Table 06. Regression

Source	SS	df	MS	Number of obs = 6		
Model	.271922571	2	.135961285	F(2, 3) =	1.13	
Residual	.362336631	3	.120778877	Prob > F =	0.4318	
Total	.634259202	5	.12685184	R-squared =	0.4287	
				Adj R-squared =	0.0479	
				Root MSE =	.34753	

customerss~n	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
salesgrowth	-.7892155	.5397131	-1.46	0.240	-2.506824	.9283924
marketing	-.0441177	.5397131	-0.08	0.940	-1.761726	1.67349
_cons	6.297794	2.354159	2.68	0.075	-1.19419	13.78978

[Stockdale et al. \(2012\)](#) supported the results by saying that lack of research is visible in the benefits that may come into SMEs because of social media. When it comes to adaptation understanding and environmental usage, it shows slow progress. It is also possible that the country or municipalities capabilities are the main problem to see the benefits of social media to business enterprises. It is proven by the study conducted for the SMEs existing in Indonesia. 94 SMEs in Jepara showed that using social networking to support the improvement of SMEs' performance and the use of social networking itself was relatively low ([Dirgiatmo, 2015](#)). This implies no significant relationship

between the use of social media as a promotion and marketing strategies and its effect on customers' satisfaction.

IV. Conclusion

In the light of the findings of the study, the following conclusions were drawn:

- Business enterprises agree that social media is useful for sales growth and marketing of Milk teashops.
- It is agreed that there is moderate customers' satisfaction in business enterprises because of the promotion and marketing strategies.
- The research hypothesis that social media as a promotion and marketing strategy significantly relates to customers' satisfaction has been rejected.

Recommendations

Based on the findings and conclusion of the study, the following recommendations are hereby offered:

- Being more creative in the techniques or strategies shall be utilized in using social media to catch the customers' attention and gain customers' satisfaction with promotion and marketing strategy.
- Ensure or prioritize the customers' satisfaction in doing promotion and marketing strategies.
- Engaging and focusing on utilizing social media as an advertisement tool is needed in promotion and marketing strategies to improve the relationship and importance in every enterprise of Milk teashop.
- Future researchers should conduct research that includes the widely known business enterprise that sells milk tea on the practical and deliberate usage of social media as a promotion and marketing strategy of business enterprise and its effect on the customers' satisfaction.

References

- [1]. Basri, W. and Siam, M. (2017). Maximizing the Social Media Potential for Small Businesses and Startups: A Conceptual Study. *International Journal of Economic Perspectives*, 11(2), 241-245.
- [2]. Broekemier, G., Chau, N., and Seshadri, S. (2015). Social Media Practices Among Small Business-to-Business Enterprise. *Small Business Institute Journal*, 11(1), 37-48.
- [3]. Cherotich, V. (2016). Effect of social media marketing strategy on the Performance of women owned micro and small Enterprises in kasarani division, nairobi county, Kenya. A MS thesis School of Business, University of Nairobi, Kenya, p.45.
- [4]. Dirgiatmo, Y. (2015). Analysis of the Potential Use of Social Networking for the Success of Strategic Business Planning in Small and Medium-Sized Enterprises, *Mediterranean Journal of Social Sciences*, 6(2 S2), 233. <https://doi.org/10.5901/mjss.2015.v6n2s2p233>
- [5]. Falls, J. (2009) as cited by Galati, A., Crescimanno, M., Tinervia, S. and Fagnani, F. (2017). Social media as a strategic marketing tool in the Sicilian wine industry: Evidence from Facebook. *Wine Economics and Policy*, 6(1), 40-47. <https://doi.org/10.1016/j.wep.2017.03.003>
- [6]. Galati, A., Crescimanno, M., Tinervia, S. and Fagnani, F. (2017). Social media as a strategic marketing tool in the Sicilian wine industry: Evidence from Facebook, *Wine Economics and Policy*, 6(1), 40-47. <https://doi.org/10.1016/j.wep.2017.03.003>
- [7]. Herman, W. (2011) as cited by Herman, W. (2015). Marketing Communication Model in Social Network Facebook. *Information Management and Business Review*, 7(4), pp. 42-45. <https://doi.org/10.22610/imbr.v7i4.1161>
- [8]. Srinivasan, R., Bajaj, R., and Bhanot, S. (2016). Impact of Social Media Marketing Strategies used by Micro Small and Medium Enterprises (MSMEs) on Customer acquisition and retention. *IOSR Journal of Business and Management*, 18(1), 91-101.
- [9]. Stockdale, R., Ahmed, A., and Scheepers, H. (2012). Identifying Business Value From The Use Of Social Media: An Sme Perspective, P. 4. PACIS 2012 Proceedings. 169. <https://aisel.aisnet.org/pacis2012/169>