# The Influence of Social Media Marketing on Customer Engagement with Special Reference to the Cosmetic Industry in Central Province

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## ABSTRACT

The evolution from the static web environment to the interactive and dynamic web environment has opened up new platforms, transforming the ways in which businesses carry out business activities in the modern world. In this context, web-based technology plays a pivotal role and has a wider scope in the domain of marketing and brand building. Accordingly, social media has been identified as one of the significant contributors in brand building. This research aims to identify the impact of social media marketing on customer engagement with special reference to the cosmetic industry in Central Province. The main objective of the study is to investigate the factors that are affecting social media marketing on customer engagement. The study conducted with a quantitative study approach and the survey strategy utilized for the study. The abstract concept of the study was defined and measured based on the comprehensive review of literature. In collecting the primary data for the study, a self-administrated questionnaire was given to one hundred social media users from Kandy, Matale & Nuwara-Eliya districts using simple random sampling as a probability sampling method. At the data analysis phase, descriptive statistics and inferential statistics were evaluated. Data were analyzed using the correlation and regression analysis. The independent variable consists of 5 dimensions namely, social planning, social influence, social community, social results and social attitudes. The study also emphasizes the significance of "social attitudes" as a major factor in intimate relationships among persons, as it strengthens the brand-consumer relationship online, and in turn will ultimately impact customer engagement. Moreover, the findings of the study reveal that social planning is the main factor affecting customer engagement whereas social attitudes and social results too have a considerable moderate impact on customer engagement. Social media which is an interactive digital technology that assist in creating and sharing of information, ideas etc through virtual communities and networks, plays a vital role in social planning, social attitudes and social results. Hence, marketers and social media administrators need to be more cautious about what they post online as this is more likely to influence customers. Especially they need to pay more attention to firm-created content and user-generated content for a successful social media marketing campaign.

**Keywords**: Social Media Marketing, social media, Customer Engagement

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## 1. Introduction

Marketing is a developing concept which is subjected to changes, with the developments in technology. Social Media Marketing is the action of applying marketing concepts to push the business and its products on various social media platforms such as Facebook, Instagram, You Tube, and Google Plus and via instant messaging apps such as WhatsApp, Viber, IMO and Snap Chat. Linkedin also can be used as a B2B Platform in carrying out social media marketing. Parallel to those developments, customer power has also increased accordingly. Social media has provided a sense of connectivity and has transformed the entire purchase experience. Product information is exchanged incessantly through reviews and updates using this platform. The new trend exerts organizations to thin new ways for engaging the customers (Guesalaga R, 2016). As mentioned in a previous study, customer experience can be enhanced by delivering consistent and relevant communication also with real-time and personalized experience.

Social media is working as a new marketing tool for promoting products and services. Social media marketing is common in Business to Business (B2B) and Business to Customer (B2C) transactions. On the other hand, firms have identified the power of internet as an open, cost-effective social media network which reduces geographical barriers and physical distance. Social media is the best way to reduce those kinds of barriers because it provides ultimate ease to the customers by delivering products at their doorstep. Customers have easy access to a wide variety of products through social media.

The researcher describes "Customer engagement" in different ways. It is all about the interactions between our customers and our brand. Customer engagement is the degree and depth of brand-focused interactions a customer chooses to perform (Paul Greenberg, 2019). It also results in an emotional connection between a customer and a brand. Highly engaged customers buy more, promote more, and demonstrate more loyalty.

Customer engagement is an intimate long-term relationship with the customer. Consequently, customer engagement is something beneficial to a company and its customers (Barhemmati and Ahamad, 2015). According to Vivek et al, 2012 customer engagement comes under the field of relationship marketing; incorporating the relations established between buyers and sellers and combining potential and actual clients and all other stakeholders. Social networking sites offer possibilities for this participation that develops trust, goodwill, and commitment to form new relationships between individuals and brands, apart from the repetitive purchases of the same customers (Farook and Abeysekara, 2017).

Previous studies examine the factors that influence customer online engagement in Sri Lanka. Only one study emphasizes the significance of self-disclosure as a major factor affecting intimate relationships among persons because a strengthened brand-consumer relationship online will ultimately impact their purchase behavior in reality.

In this research, the researcher hopes to examine other factors which influence customer engagement towards social media marketing.

## 2. Literature Review

### 2.1. Social Media Marketing

According to Mangold and Faulds, Marketing has recently undergone significant changes in the way information is delivered to the customers (F. Safwa Farook, Nalin Abeysekara, 2016). Boyd and Ellison said that Social Networks, as a part of web 2.0 technology, provide the technological platform for individuals to connect, produce and share content online (Pallavi Bhargava& Satish Chandra Ojha, 2019). According to Richter et al, as such brand owners, offer the potential for advertising by facilitating viral marketing, product development by involving consumers in the design process, and market intelligence by observing and analyzing the user-general content (Pallavi Bhargava & Satish Chandra Ojha, 2019). As a result of this change in the field of marketing, a new phenomenon, generally known as social media marketing was introduced.

Harrigan et al have confirmed that social media consists of website-related services, particularly social networking sites like Twitter, Facebook, etc. The authors mention that social media marketing is the activity used by organizations to improve interactions and relations with a diverse group of customers (Guesalaga R, 2016).

According to Mathew & Muniz, 2016 Social media marketing can be defined as the process that empowers the promotion of websites, products, and services via online social channels. It involves marketing-related activities such as blogging, sharing photos and posts online. Social media conversations among friends' network to the most reliable and fast-evolving sources to inform about products and services which brings tremendous changes to the market field (Nisha, Ferdous, Ali & Halinah, 2018). Social media has become a hub for promoting goods and services which enables marketers to actively communicate with customers. Also, it has shifted the previous one-way communication channel to a two-way communication channel which enables more customer engagement and creates a sense of equality between the consumers and their brands. Furthermore, social media based communication and reduce their efforts to search for information (Ismail, 2017).

The current researchers find that effective social media marketing has become an indispensable marketing strategy for organizational growth and progress and in improving customer interactions. Considering the significance of social media marketing at a strategic level, it can be stated that social media marketing is significant in relationship building. It helps to increase conversations and engagement between the organization and customers and thus gain importance in current marketing practices (Guesalaga R, 2016).

### 2.2. Customer Engagement

Kumar et al (2010) understood that firms are recognizing the pressing need to focus on building personal two-way relationships with customers who foster interactions and Vivek (2009) found that customer engagement has been recognized as an emotional connection between a company and its customer-focused on interaction with customers and their participation. The key element of customer engagement is knowledge exchange, so information and communication technologies provide immense opportunities for organizations to exchange knowledge and engage with customers (Bhargava & Ojha, 2019).

Bowden (2009) understood customer engagement as a psychological process that models the underlying mechanisms by which customer loyalty toward a service brand is formed in new customers, as well as the mechanisms by which that loyalty may be maintained for repeat-purchase customers of a service brand. Recently, Vivek et al, (2012) defined customer engagement as the intensity of individual participation and connection with the offers and activities of the organization initiated either by the customer or by the organization (Farook, Abeysekara, 2016).

We propose that the stages of the customer engagement cycle are connection, interaction, satisfaction, retention, commitment, advocacy, and engagement (Shashi, 2012). According to Vivek (2009), the key components of customer engagement is learning a trade, so data and correspondence innovations give tremendous chances to associations to trade information and draw in with clients and supportively characterized client commitment as the power of individual interest and association with the offers and exercises of the association started either by the client or by the association (Dissanayake, Siriwardana & Ismail, 2019). According to the literature review, the following conceptual framework (figure 2.1) was formulated.
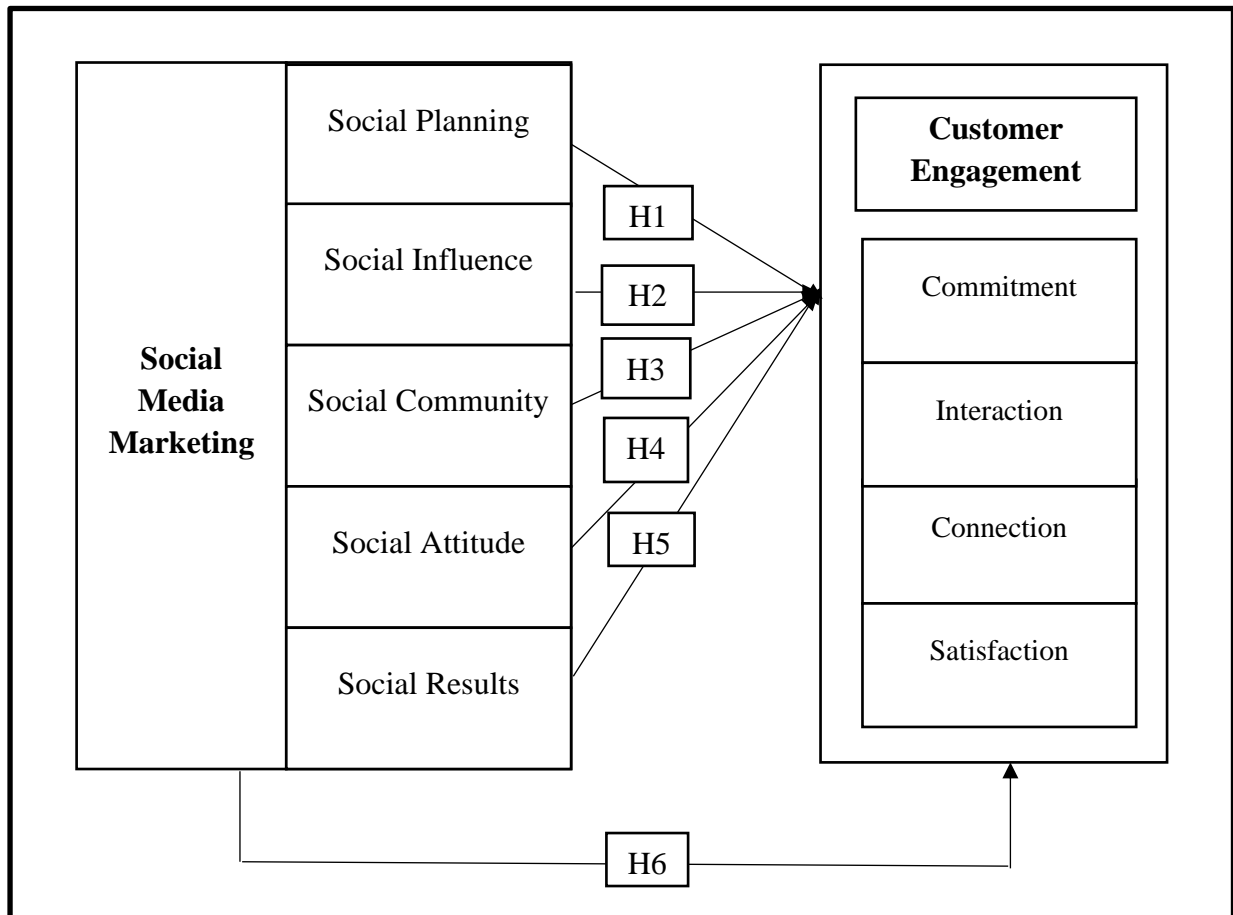


**Figure 2.1 Conceptual Framework**

Hypotheses of the study are as follows.

**H1***: There is a significant & positive influence between social planning and customer engagement.*
**H2:** *There is a significant & positive influence between social influence and customer engagement.*
**H3**: *There is a significant & positive influence between social community and customer engagement.*
**H4:** *There is a significant & positive influence between social results and customer engagement.*
**H5**: *There is a significant & positive influence between social attitudes and customer engagement.*
**H6**: *There is a significant & positive influence between social media marketing and customer engagement.*

## 3.  Methodology

This study is quantitative in nature. Hence, the deductive approach was used to develop hypotheses. A structured questionnaire was distributed among the potential social media users. The time horizon used was cross-sectional. A simple random sampling technique was used for this study because there are a large number of consumers using social media in Central Province and getting the responses from each and every one is quite difficult. Hence, 100 customers using social media were given the questionnaire. The questionnaire was uploaded as a Google Form and the link was sent to the potential respondents.

The questionnaire consisted of three parts. The first part was basically about the demographic profile, the second part carried questions related to social media marketing and the third part was about customer engagement. Items for each variable are in the questionnaire. Five dimensions of social media marketing and four dimensions of customer engagement were used. The data collected for this study were fed into the SPSS version 26.  Multiple Regression was used to investigate the impact of social media marketing on customer engagement.

## 4. Results & Discussion

### 4.1. Characteristics of the Respondents

The result shows that 52% of the respondents are males and 54% are below 26 years old. 45% of the respondents are from the Kandy district. If one respondent is randomly selected from the sample, there is a 57% possibility for him or her to be a degree holder.  59%of the respondents were students and the majority of the respondents (51%) had a monthly income below Rs.20000. The majority of respondents use Facebook as their main social network. Other social networks included Instagram, Snap chat, V chat & LinkedIn, and instant message apps like WhatsApp, Viber & IMO.

### 4.2. Reliability analysis

The overall reliability of the tested variables was 0.916 which is greater than 0.700. It means that all variables have higher internal consistency for the scale with a sample of other variables under consideration.

Cronbach's Alpha value for each independent and dependent variable is higher than 0.90. Generally, it should be located between 0.7-1.0. If the alpha value lies between these ranges, it concludes that the

variables are highly reliable. The table indicates that all the questions which were used to measure both independent and dependent variables were internally consistent.

**Table 1: Result of Reliability analysis**

| Cronbach's Alpha | No of items |
|:---:|:---:|
| 0.916 | 9 |

**Table 2:  Result of Reliability analysis**

| Variable | No of items | Cronbach's Alpha |
|---|:---:|:---:|
| Social Planning | 3 | 0.886 |
| Social Influence | 4 | 0.899 |
| Social Community | 2 | 0.916 |
| Social Attitudes | 2 | 0.915 |
| Social results | 2 | 0.906 |
| Trust in information | 3 | 0.914 |
| Interaction | 2 | 0.909 |
| Electronic word of mouth | 3 | 0.908 |
| Customer Satisfaction | 3 | 0.898 |

Source: Survey Data (2020)

### 4.3. Descriptive Statistics

**Table 3: Results of Descriptive Statistics**

| Independent Variable | Mean | Std. Deviation | Skewness | |
|---|:---:|:---:|:---:|:---:|
| | Statistic | Statistic | Statistic | Std. Error |
| Social Planning | 3.6667 | 0.82334 | -1.477 | 0.241 |
| Social Influence | 4.0600 | 0.55291 | -1.134 | 0.241 |
| Social Community | 4.1250 | 0.67185 | -1.643 | 0.241 |
| Social Attitudes | 4.0600 | 0.70453 | -1.499 | 0.241 |
| Social Results | 3.9400 | 0.88272 | -1.669 | 0.241 |
| Trust in information | 4.0800 | 0.60325 | -2.151 | 0.241 |
| Interaction | 3.9650 | 0.87978 | -1.799 | 0.241 |
| Electronic word of mouth | 4.1100 | 0.58230 | -1.600 | 0.241 |
| Customer Satisfaction | 3.9700 | 0.79433 | -1.651 | 0.241 |

Source: Survey Data (2020)

In this research, the mean value and the standard deviation were tested for each element under the study. Mean value reflects the central tendency of the values of a variable. A number of observations of each variable is 100. Standard deviation and the extreme values (minimum in comparison to maximum value) show the extent to which the values of the variables are dispersed from its mean value. The mean value and the standard deviation of the independent and dependent variables are represented above, and the minimum value is 1 while the maximum value is 5.

According to the results, all variables are higher than the mid-value (3). However, all those mean values indicate that the above independent and dependent variables are at an agreed level and the standard error gets a minimum value of 0.241. All variables are negatively skewed which means that the distribution is skewed to left.

### 4.4. Regression Analysis

**Table 4: Results of regression analysis**

| Variable | Unstandardized coefficient | | Standardized coefficient | T | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| (Constant) | 1.093 | 0.203 | | 5.390 | 0.000 |
| Social Planning | 0.432 | 0.063 | 0.637 | 6.851 | 0.000 |
| Social Influence | 0.100 | 0.065 | 0.099 | 1.519 | 0.132 |
| Social Community | 0.049 | 0.035 | 0.059 | 1.386 | 0.169 |
| Social Attitudes | 0.88 | 0.039 | 0.111 | 2.262 | 0.026 |
| Social Results | 0.98 | 0.032 | 0.155 | 3.046 | 0.003 |
| R Square 0.913 | | Adjusted R Square 0.908 | F value=196.100 | | |
| Sig. F 0.000 | | | | | |

Source: Survey Data (2020)

According to Table 4, R square for this model is 0. 913.This means that 91.3% of the variation dependent variable (customer engagement) can be explained by the five independent variables (social planning, social influence, social community, social attitude and social results). R square is the proportion of the variance in the dependent variable that is predictable from the independent variable. This study F value is 196.100 with a p-value of 0.000<0.05 which significantly explains the variation in customer engagement.

The regression coefficient of social planning indicates that it has a significant positive impact on Customer engagement ($\beta$ = 0.432, p<0.000). This result further supports the first hypothesis (H1) of the study. Every unit increase in social planning will result in an increase in customer engagement by a total of 0.432, provided that other independent variables remain constant.

The regression coefficient of social influence (β =0.100) shows that it has no significant influence on Customer engagement supporting the second hypothesis (H2) of the study. Every unit increase in social influence will result in a decrease in Customer engagement by 0.100 holding other variables constant. The regression coefficient of the social community indicates that it has a positive impact on customer engagement (β = 0.049, p<0.169). This result further supports the third hypothesis (H3) of the study. Similarly, the coefficient of social attitudes also indicates that there is a positive impact on Customer engagement (β = 0.0.88, p<0.026). This result further supports the fourth hypothesis (H4) of the study. The regression coefficient of social results (β = 0.98) indicates that it has a significant influence on Customer engagement; the fifth hypothesis (H5) of the study was supported. By using the information in Table 4.4, the multiple regression equation can be illustrated as follows.

Customer engagement = a + β1 SP + β2 SI+ β3 SC+ β4 SA + β4 SR +ε

Customer engagement = 1.093+0.432 SP +0.100 SI +0.049 SC +0.0.88 SA +0.98 SR

## 5. Conclusion

The general objective of this study was to find out the factors affecting customer engagement with special reference to the cosmetic industry in the Central Province of Sri Lanka. The population of this study was social media users, who live in Matale, Kandy, and Nuwara- Eliya districts. To measure customer engagement, five factors that determine customer engagement were selected by referring to the related literature. They were namely, social planning, social influence, social community, social attitudes, and social results on customer engagement. By measuring the relevant dimensions and indicators of the independent and dependent variables, the researcher tried to find the relationships between the above-mentioned independent and dependent variables. Due to time, cost, resources, and other limitations; the measurements were applied only for 100 respondents from the aforementioned three districts, and the researcher carefully studied a special guideline provided by Uma Sekaran (2013) when selecting the sample. The confidence level was determined as 95% as recommended. Data was obtained through a self-administrated questionnaire, and it was sent as a Google form.

Collected data were entered into IBM SPSS version 26 software to analyze and calculate the final results. Before running the major functions, the reliability test was done at first and the results were in line with the recommended level and secondly, the descriptive statistics were done and the standard deviation, mean, median, and mode were calculated. After completing the reliability test and descriptive statistics were done. According to the study, all hypotheses were significant, and it verifies that there is a positive impact of all independent and dependent variables. Then finally, the regression analysis was done and according to the results, four hypotheses were significant and three were not significant.

Social media marketing is a booming phenomenon in the world. Growing numbers of consumers shop online to purchase goods and services, gather products, information or even browse for enjoyment. Online shopping environments are therefore playing a key role in the overall impact of marketers and their consumers.

Based on the above empirical findings, it is evident that in the Sri Lankan context, selected independent variables; social planning, social attitudes, and social results have positive & significant effects on customers' engagement through social media marketing.

Among selected variables, social planning facilities have a higher significant impact on customer engagement through social media marketing. So, organizations need to handle all categories of customers proficiently and provide them with satisfactory services, products, and updates (Guesalaga R, 2016). Secondly, social results have a significant impact on customer engagement, tracking social activity outcomes and timely response to queries. Thirdly social attitudes have a significant impact on customer engagement, such as innovativeness and customer knowledge.

Social planning has a higher impact in reaching higher customer engagement through social media marketing. In conclusion, it can be determined that it is important for organizations in the service industry, which engage in social media marketing to pay much attention to the findings of this research study when formulating their marketing strategies.

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