



## Effectiveness of Social Media Platforms as Marketing Tool in Global Selling

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### Abstract

The continuous development of technology and the internet makes it easier for businesses to penetrate the global market. Hence, business owners must adapt to it. The best way to utilize the internet, especially for an online business, is by using social media as a marketing tool because of its features and a great number of users. MMM shop, a Korean pop merchandise online store, wants to assess if their current strategies in using their social media platforms as a marketing tool are effective and how can they improve it as they expand globally. This research assessed the financial and non-financial metrics of the MMM Shop's social media as a marketing tool through the shop's 2021 financial records and data gathered from 70 respondents who are customers of the shop from both local and international. The results of this research will help the owners in knowing the demographics, preferences, assessments, and recommendations of their customers. It will also help the researchers to come up with recommendations that will help the owners and other online business owners in utilizing their social media platforms as a marketing tool in the most effective way that will address the gap in their current strategy and give them more potential in succeeding as a globally competitive business.

**Keywords:** *social media, marketing tool, online store, online shoppers, entrepreneur, globalization*

### 1. Introduction

Global entrepreneurship is now becoming a trend due to globalization. Entrepreneurs are now targeting the global market because of increased opportunities, and they want to tap this untapped market for them to penetrate. A good marketing strategy is really vital for a company to introduce the business to the global market. Aside from the traditional marketing tools used by businesses, social media is also used nowadays for marketing purposes not only for interaction with friends and families.

MMM Shop is a small business in the Philippines owned by two ladies and the owners sell Korean Merchandise from Korea to the Philippines and other parts of the world. Korean Merchandises are now a trend because of the emerging Korean Groups and are now more known due to globalization. Social media helped the MMM Shop in terms of marketing their products within the Philippines and also globally and has contributed to generating more sales for the business. Social media played a big role in promoting the products offered by the MMM Shop to the global market as they only began the business last April 2021 yet, they were able to have customers from different parts of the world by only using Facebook, Twitter, and Instagram to create brand awareness and to engage with customers worldwide. As discussed in a study by Paquette (2013), retailers can increase awareness of their brand by being creative when engaging customers on social media sites. "As more shoppers are using social media and rely on them for marketing shopping decisions, promotion through these media has become important." Social media sites are a great stage for retailers to create an experience and retailers can use information stored on social media sites to improve user experience with their brand and probably the best tool to promote global entrepreneurship. Based on the study conducted by Wongsurawat et al. (2015), word of mouth was the primary factor behind 20-50 percent of all purchasing decisions. The research results showed that word of mouth communication in online discussion could be an indicator variable of consumer purchasing decisions in social media marketing on social network platforms. Businesses such as the MMM shop can utilize social media to have a successful strategy in entering the global market.

The MMM Shop uses Facebook, Instagram, and Twitter in marketing its products to the global market. According to the study by Maurer et. al. (2011), the majority of respondents are using Facebook several times a day thus the company can utilize this opportunity to engage and build lasting working relationships with them. Facebook also has this Facebook Business Manager (FBM), a tool that can help in organizing and managing a business. According to the study by Halmen (2021), FBM allows businesses to

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run and track their Facebook marketing efforts. The research shows that FBM is a good tool in terms of conversion but still needs improvement in terms of brand awareness and lead generation. Another famous social media platform is Instagram, it focuses on images and videos to convey messages to its users. According to Wally et al. (2014), Instagram is used as a marketing tool mainly due to being user-friendly while still providing better and wide exposure. Among the three social media platforms that are used by the MMM Shop, they generated the greatest number of sales from Twitter. In a study conducted by Bulearca (2015), Twitter provides the ability for exploratory networking with “like-minded people” for finding/speaking to potential clients or just for maintaining conversations with existing customers and “engaging with supporters,” therefore proving more suitable for business networking than other social platforms like Facebook, which is reserved for friends. One of the biggest factors why fans or supporters of these Korean groups are on Twitter is because these Korean groups are most active on Twitter.

In a study by Iblasi et al. (2016), the findings show that there is a significant impact of using social media platforms as a marketing tool on the stage of purchasing decisions such as information search, need recognition, alternative decision, purchase decision, and post-purchase behavior that encouraged marketers to use social media for E-Marketing. In another study, Solcansky et al. (2011) studied two types of parameters in measuring the effectiveness of marketing strategies which are financial and non-financial metrics. They define financial metrics as the kind of metrics where it is possible to formulate an exact amount of money such as profitability ratios (ROE, ROI, & ROS). They define non-financial metrics as something that cannot be defined in terms of money such as retention rate, trust rate, conversion rate, and satisfaction rate. They found out that most of the respondents preferred to use financial metrics in measuring the effectiveness of their marketing strategies, though they recommend to also use non-financial metrics because it can give valuable information on other areas that will help improve the effectiveness of these strategies. Also, in the study of Mungai (2011), the researcher concluded that the effectiveness of social media marketing is highly affected by content quality, building trust and long-term relationships, Involvement, and integration with other marketing platforms. Lastly, the assessment of the Return on Investment (ROI) in online marketing communication helps to determine not only partial returns but also overall marketing returns. Thus, financial data and non-financial data were collected to measure the effectiveness of the social media used for marketing by the MMM Shop, which could help maximize the potential of each social media platform in generating more profits and going global.

## 2. Objectives

The study sought to find the effectiveness of social media platforms used by the MMM shop as a marketing tool for global selling and how these platforms helped them in promoting their Korean Pop Merchandise such as albums, clothes, photo cards, and other merchandise globally. Besides, the study aimed to help other business owners to maximize the use of social media in promoting their businesses towards global selling so they can slowly penetrate the global market. The findings of this study can be used by other online business owners to figure out the advantages of using a certain social media platform and discover ways how it can help them reach more people and generate more profit.

## 3. Materials and Methods

In this study, a quantitative research design and survey method were utilized. An online survey was conducted on the MMM Shop’s buyers to gather primary data for the research. A survey questionnaire, that was designed to address the objectives of the study was posted on the following Social Media Platforms: Facebook, Twitter, and Instagram with the help and permission from the owners. The survey yielded to 70 respondents only and data were gathered through google forms. One of the limitations of this study was that it was conducted during the pandemic and the survey can only be conducted online due to restrictions. Also, the survey form was posted on the mentioned platforms for a limited time only due to the timeframe permitted by shop owners. The survey questionnaire has (3) parts, which comprise the demographic profile (age, gender, residing country, employment status), buyers’ profile and preferences (items to buy, social media platform, frequency of buying, satisfaction), and the last part where buyers will input their suggestions or recommendations to the shop owners. Results were analyzed by getting the



percentage and frequency distribution per category and getting the sample mean for data that use the Likert scale. A Chi-square test was also used.

To measure the financial metrics, researchers were given access to the 2021 financial data of the MMM Shop to be used for research purposes only. The researchers also used related literature and studies gathered from research journals. The researchers also used credible internet sites that contained topics related to the study and were also used to fortify any observed results. The primary researchers used convenience sampling in conducting their study since only the MMM Shop's buyers from Facebook Page, Instagram, and Twitter had a chance to participate in the study that was conducted on online platforms, and due to the pandemic, there might be some limitations in conducting a survey in some areas.

#### 4. Results and Discussions

For the researchers to assess the effectiveness of the MMM Shop's social media platform as a marketing tool in global selling, the researchers used financial and non-financial metrics. The respondents used some of the MMM shop's financial data for our financial metrics. For the non-financial metrics, the researchers used the data gathered from the survey questionnaire responded by a total of 70 customers of the MMM shop, locally and internationally.

##### *Financial Metrics*

Table 1 shows the percentage share in terms of sales (in Peso), conversion rate, and average reach or impression rate of each MMM shop's social media platforms. The conversion rate metric measures the effectiveness of the sales at converting leads into new customers while Reach refers to the total number of people who have seen the ad or content of the store. These financial metrics showed that Twitter was the most effective social media platform for the MMM shop garnering the most percentage share on all criteria. The data was provided by the shop owners and the researchers analyzed and converted it into a percentage.

**Table 1** Summary of Financial Metrics

<i>Social Media Platform</i>	<i>Sales (in Peso)</i>	<i>Conversion</i>	<i>Average Reach</i>
Twitter	96.10%	95.09%	92.71%
Instagram	1.09%	1.96%	1.44%
Facebook	2.81%	2.95%	5.85%

##### *Non-Financial Metrics*

Here is a summary of the basic demographics of the respondents in the study. In terms of age, 50% or half of the respondents are aged 18-25 years old, 41.40% are 26-35 years old, 5.70% are 36-45 years old, and 2.90% are below 18 years old. The respondents are mostly female at 98.60%, while 1.40% are males. Mainly this reason is that most of the buyers are also female. More than half of the respondents are full-time employees, which take up 57.10% mainly due to their age profile in which most of them are at the working age, 28.60% are still studying, 4.30% are self-employed, another 4.30% are OFW, and 5.70% are having different statuses. In terms of residency, our respondents are mostly residing within the Philippines at 91.4% while the remaining 8.60% are from outside the Philippines (Canada, Dubai, UAE, India, and USA).

##### *Preferred Item to purchase in the MMM Shop*

The majority of the respondents or 92.90% of the total sample prefer Twitter as the social media platform for the MMM shop when buying Korean Pop Merchandise. This was also proven in the financial data provided by the MMM shop. Some of the respondents also commended the pinned post and hashtag functions of Twitter that makes it easier for them to look for items. Also, the presence of Korean Artists on Twitter makes the consumers use Twitter most often rather than other platforms.

Table 2 shows that Albums are the most preferred item of our respondents to buy in the MMM Shop with a frequency of 50, followed by Tour merchandise and photocards with 42. Also, albums are the most common item that Korean artists are selling and other items such as photo cards and photobooks can



also be found inside an album set. Other merchandise such as DVDs, apparel, tour merch, and others are released seasonally.

**Table 2** Preferred Item to purchase in the MMM Shop

Item	Frequency	Rank
Albums	50	1
Tour Merchandise	42	2.5
Photocards	42	2.5
DVD/Blu Ray	38	4
Photobooks	30	5
Apparels	28	6

#### *Factors Considered by Respondents When Buying Korean pop Merchandise Online*

Table 3 shows that responsiveness of sellers is the most important factor that respondents consider when buying Korean pop merchandise online with 91.40% followed by reliability or credibility of seller and price at 87.10%, payment scheme at 84.30%, customer feedback at 74.30%, turnaround time at 65.70%, the relevance of item at 40.00%, and the least important factor they consider is referral at 24.30%.

**Table 3** Factors considered by respondents when buying Korean pop merchandise online

Item	Percentage
Relevance of item (is it the latest merchandise)	40.00%
Reliability or Credibility of Seller	87.10%
Responsiveness of Seller/Shop	91.40%
Price	87.10%
Payment Scheme (DOP -Deadline of Payment)	84.30%
Turnaround time (ETA- Estimated Time of Arrival)	65.70%
Customer Feedback	74.30%
Referral	24.30%

#### *Features of Social Media Platform Preferred by Respondents*

Table 4 shows that social media platform that helps the buyer in ensuring the credibility of sellers and has features to easily communicate with the sellers are very important for the respondents both at 92.90% followed by security at 78.60%, easy navigation at 75.70, variety of products at 64.30%, visual appeal of contents at 57.10%, evident presence of artist or idol they support at 55.70%, and the least important feature they consider is the easiness to find people with a common interest at 42.90%.

**Table 4** Features of social media platforms preferred by respondents

Item	Percentage
Easy to Navigate	75.70%
Contents are Visually Appealing	57.10%
Evident Presence of Artist/Group I am Supporting	55.70
Easy to Find People with whom I can Share Common interests	42.90%
Credibility of Sellers	92.90%
More Secured and Less Presence of Scammers	78.60%
Easy to Communicate with Seller	92.90%
Variety of Products to Choose from	64.30%

#### *Non-Financial Rates*

Here is the summary of non-financial metrics of the MMM shop's social media platform in terms of rate of satisfaction, engagement, and trust. The result shows that respondents rate the purchasing process and content of the MMM shop to be very satisfied with an average mean of 4.93 and 4.89, respectively.



Result also shows that respondents are very satisfied with the engagement of the MMM shop's owners with them and garnered an average mean of 4.90.

Table 5 shows that among the three social media platforms used by the MMM shop to market their products, Twitter has been proven the most trusted platform of the respondents with a sample mean of 4.54 followed by Instagram with a 3.60 average mean and the least trusted is Facebook with an average mean of 3.08. Based on previous studies, Twitter has less presence of E-commerce scammers globally compared to Facebook which the respondents believe is one of the reasons why the respondents trust and prefer Twitter more when browsing Korean Pop Merchandise online. Instagram has a lesser presence of E-commerce scammers than Twitter, but it does not have a function such as pinned tweets that helps the buyers to look for items more conveniently and it has a lesser presence of Korean pop artists during our research period. For example, BTS members just only recently created their Instagram accounts. This change is an opportunity for business owners to maximize the use of Instagram as well to increase profitability.

**Table 5** Respondents' trust rating of social media platforms

<i>Social Media Platform</i>	<i>Average Mean</i>	<i>Rank</i>
Twitter	4.54	1
Instagram	3.60	2
Facebook	3.08	3

#### *Effectiveness of the MMM shop's current marketing strategy*

Here is a summary of the effectiveness of the MMM shop's current marketing strategies. In terms of the effect of marketing strategy on purchasing decision of our respondents, the majority, or 92.9%, agrees that the marketing strategy through social media platforms affects their purchasing decision while the remaining 7.1% disagree. However, all of them agree that the marketing contents of the MMM shop through its social media platforms are effective, resulting in a huge portion of the respondents (98.6%) being most likely to purchase again from their preferred social media platform while the remaining 1.4% being still undecided.

#### *Relationship of Buyers' Preference and Profile when Grouped according to Demographic Profile*

Table 6 shows that there is no significant relationship between the respondents' preferred Social Media Platforms when grouped according to age, however, a significant relationship exists when grouped according to gender, location, and employment status.

**Table 6** Relationship of the buyers' preference and profile when grouped according to the demographic profile

<b>Profile</b>	<b>p-value</b>	<b>Level of Significance</b>	<b>Interpretation</b>
Age	0.761	0.05	There is no significant relationship
Gender	0.001	0.05	There is a significant relationship
Location	0.001	0.05	There is a significant relationship
Employment Status	0.0419	0.05	There is a significant relationship

Table 7 shows that there is no significant relationship between the respondents' level of trust on Facebook when grouped according to age, however, a significant relationship exists when grouped according to gender, location, and employment status.

**Table 7** Relationship of the Respondents' Level of trust on Facebook when grouped according to the demographic profile

Profile	p-value	Level of Significance	Interpretation
Age	0.6094	0.05	There is no significant relationship
Gender	0.0286	0.05	There is a significant relationship
Location	0.0001	0.05	There is a significant relationship
Employment Status	0.001	0.05	There is a significant relationship

Table 8 shows that there is no significant relationship between the respondents' level of trust on Twitter when grouped according to age and gender, however, a significant relationship exists when grouped according to location and employment status.

**Table 8** Relationship of the Respondents' Level of trust on Twitter when grouped according to the demographic profile

Profile	p-value	Level of Significance	Interpretation
Age	0.1744	0.05	There is no significant relationship
Gender	0.8691	0.05	There is no significant relationship
Location	0.0031	0.05	There is a significant relationship
Employment Status	0.00031	0.05	There is a significant relationship

Table 9 shows that there is no significant relationship between the respondents' level of trust on Instagram when grouped according to age, however, a significant relationship exists when grouped according to gender, location, and employment status.

**Table 9** Relationship of the Respondents' Level of trust on Instagram per the demographic profile

Profile	p-value	Level of Significance	Interpretation
Age	0.7203	0.05	There is no significant relationship
Gender	0.0104	0.05	There is a significant relationship
Location	0.0001	0.05	There is a significant relationship
Employment Status	0.0005	0.05	There is a significant relationship

## 5. Conclusions and Recommendations

The MMM shop's marketing strategies using its social media platforms are effective in both financial and non-financial metrics results. Twitter is the most effective social media as a marketing tool for the MMM shop for total local sales. For financial metrics, the number of followers and the average reach of this platform played a big role in making it more effective than the other platforms meanwhile the non-financial metrics, trust rate, and engagement rate made Twitter more effective than the other platforms. Also, it was found that the sellers' role in engaging and building trust and credibility with customers is the most important factor that buyers consider before buying Korean pop merchandise online both locally and internationally. Finally, buyers' purchasing decisions are affected by the marketing strategies on the social media platforms and respondents are more likely to purchase again from the MMM Shop.

The MMM Shop's marketing contents on its social media platform are effective but to maximize the capabilities of social media sites, it is recommended to regularly create informative content to attract more buyers not just in the Philippines but also in other countries. The contents should be visually appealing to the market and must be updated. Credibility and responsiveness of sellers are the two most





important factors that buyers look for in a shop when buying Korean Pop Merchandise. Hence, it is recommended to build credibility and maintain responsiveness by reposting the feedback given by customers as there is no “reviews page” on social media unlike other e-Commerce Platforms such as Shopee and Lazada. It is also recommended to use a hashtag to receive feedback from the buyers as this feedback can also be viewed by other buyers. Responsiveness can be attained by making sure that all inquiries of the buyers are attended immediately.

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