Title:

Impact of social media marketing on the growth of e-service sales: case study

Thesis submitted to complete the requirements of the Master in Science degree in Commercial Science
Field of: Services Marketing

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Academic year 2017-2018
Dedication

To my friend who left us, but still all the times in our hearts to you Belkacem....
Acknowledgements

Firstly, and before starting, my gratitude goes to my god “Allah” for giving me this privilege and grace to go through the entire process of writing this thesis.

I would like to take this opportunity to express my heart-felt gratitude towards a number of very special people whose contribution, support and understanding were essential for the completion of this thesis, I would like to thank my parents, my brothers and sisters, to my wife a very special thank you for the belief and encouragement you provided me with during this period of studies.

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I would like also to thank all the faculty academic staffs and to all my professors and all the rest of people who believed in me and supported me thought those two years, and especially Professor Djelloul BENAYA the dean of economics, management and commercial sciences, To Mr. Ahmed TIFFOUR, Professor Fella BENDJILALI, Dr Nadjet KADI, Dr Bencherki HADJ SADOUK, Dr. Hakim KHALFAOUI.

Last but not the least, I want to appreciate all my friends for their support, motivation, words of encouragement.

Abdelmadjid FERSAOUI
Introduction

The study of consumer behaviour now it’s an important thing for any company, and that because of it the company can understand the way of thinking in the target market, and can also know the preferences of consumers, and also the types that can follow.

After the evolution of the technologies and also after the appearance of social media, many terms changed, and now it became an important step to study the buying decision according to social media marketing, and like we are seeing now many social media platforms being now a big part of our daily life, and it achieve a big growth in the last five years, and for example Facebook have now more 1,72 billion active users monthly.

The huge number of users mentioned above and in many social media platforms make this tools a good and strong one to reach the target audience of the companies and organizations all around the world.

The big benefits that marketing achieve according to social media enhance the importance of making a new studies to know the role of this tools in the achievement of the marketing aims, and to support companies and organizations to use social media and especially in Algeria, and according to that we will make our research to study the impact of social media marketing on the growth of e-services sales.

01- Research Problem:

After the start of using the modern marketing that focused on consumer, because it’s the main goal of the existing of the company, and after the big evolution of electronic services and also the huge growth of e-commerce, now it being an important thing to study the role of social media in the marketing field, and also its an important thing to detect the marketing opportunities that can help many start-ups to build their marketing strategy based on social media, and also we will study if can the marketing by this tools help the small services companies to improve their sales especially in the recent economic situation. And we can resume the main research problematic in the answering of the main questions:

“What is the role of social media marketing in all the steps of the process of buying decision making for the new type of service located online?”

And to answer to this question we have this sub-questions:

- What is the role of promotion the main services on the popular social media platforms in all the steps of the buying decision making of services?
- What is role of eWOM and consumers’ interaction on social media platforms in the steps of buying decision making?

02- Hypothesis:

And as proposed answers for these questions we have this hypothesis:

- There is a positive statistic relation between promotion on the social media platforms and the buying decision making of services in all the steps.
- There is positive statistics relation between eWOM and consumer interaction on social media platforms and the buying decision making.

03- Justifications of choosing the subject:

Nowadays social media growth really fast and this thing gave us a big opportunity to many business type, and also like we are seeing many things are changing day by on the services industry and also in marketing, so because of that we saw that it’s important to study this subject because it will have really a big impact for the professional life of many business and also to enhance the library resources.
Also because we are working in the same field so also we have already an idea about the benefits of this study in the both ways academic and professional.

04- The aims and Objectives of the study:
The essence of this study is to research how a company can seize the moment of using social media networks to create a brand awareness that can help to increase the sales of electronic services. Also we aim from this study to show the importance of social media platforms as a new and modern marketing tool. And we aim also to know the role of social media marketing in the buying decision of the electronic service. Give some recommendations and suggestions to the managers and investors and to the new business.

05- Research Importance:
   a) Scientific Importance: Develop a model that show the impact of social media marketing on the growth of e-services sales. And this subject as a new and modern one in Marketing can make our study to be a plus to the Arabic and Algerian library.
   b) Practical Importance: Find a practical method that encourage new business working in the field of eservice to use social media in marketing. The market of e-service now it’s one of the important field that can help the Algerian economy, and because of that we need to do a lot of research and studies about the electronic services.

06- Research Limitations:
   Time Limits: We have done this research in the period of 2017-2018.
   Geographic Zone Limits: we applied our research in Algeria, on an advertising agency that work in the digital field and have many eservices, and the purpose to choose this type of business because in general agencies have many type of work and we get from them

07- Research Methodology:
   We used in our research to achieve the study aims two methods: The first one is the descriptive method and that to define and describe the components and the terms of our study and we used for that many type of bibliographic resources such a books, articles, scientific magazines and also thesis.
   And for the second one we used experimental method and by a case study about an advertising and communication agency that have an electronic service (electronic guide).
Part I: Literature Review

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Chapter 1

Social Media Marketing from a theory view
Preface

In the following chapter we will have a general view about the social media marketing from a theory and bibliographic side, so we are going to talk about many things in our three sections in this chapter, and we will try to cover all the important basic information.

To have a good analysis in the second part (practical side) in this research we must clarify all the terms that have a relation with social media platforms, social media marketing, consumer behaviour and also the things that affect the buying decision for the electronic consumer.

As mentioned above this chapter will be divided into three sections and each section will be divided into three sub-sections except the third section, it will be divided to four sub-sections.

So in all the section we are going to talk about what other authors written on social media and especially in social media marketing. In the first section we will have a general overview about the social media, by giving a definition and talking about the popular platforms and their characteristics.

The second section is dedicated to social media marketing, so firstly we will talk about the definition of social media marketing, and their benefits for companies, and finely we will have the factors of the success of the social media marketing. In the end of the first chapter, so this section it will be dedicated to consumer behaviour, electronic word of mouth (eWOM) and buying intentions towards social media platform.
Section 1: Social media – General Overview.

In the following section we are going to through scopes of social media, from social media review, to social media websites and characteristics and social media top platforms

1.1 – Introduction

Literature published over an array of sources in the last six years talks about the aimed characteristics of social media and the benefits of the Web 2.0 concept by O’reilly in 2004. Of course there have been critics as well, but there is a need to integrate the main concepts in order to establish the purpose of social media as an innovation in organizations.¹

So Firstly and before introduce the real meaning of social media, we need to know that everything has changed quite a lot since 2006, after the introduction of the first true social media platform like Facebook, people, organizations, and government are now different in term of communication and interaction, the multitude of social media platforms has shaped people, in term of exchanging, creating, sharing and communicating. As for organizations, social media has been quite an engineer; it has served as a tool for facilitating intra-organizational and inter-organizational actions between people, other businesses, customers and partners it has also helped organizations to develop knowledge sharing.² There for social media is allowing organizations to be in touch with end users in a much more efficient way, moreover it’s allowing them to fund their R&D department with crowd funding platforms like Kickstarter.com or even get new ideas in marketing and strategies via crowdsourcing.³ As for the launch of the websites of digital media, the beginning was made by the high-tech and the big internet company AOL (America Online), this company created on 1997 an application of chat called Messenger, this application developed by AOL company for windows users, with this program AOL company gave to people the opportunity to talk with others, and plus to that the same company developed the idea of Chat Rooms that give to people the opportunity to chat with a big group in the same time. We can consider that as a first step of the creation of the social media platforms, the next step started with the launch of the known social platforms like LinkedIn, My Space, Friendster, these last platforms gave the people the opportunity of share the information, and this is the improvement from the first step, The third step of the digital communication started after the creation of Facebook that have all the previous features and a lot of improvements.⁴

In recent years, the social media is increasingly setting a revolutionary trend for online businesses and communication. According to Forrester Research 75% of the Internet users used social media in the second quarter of 2008. But, there seems to be confusion about what constitutes social media. ⁵

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² Hanna, Rohm and Grittenden, 2011
³ Kyppswamy & Bayrus, 2015
So now social media is being widely used by almost all and even the companies, in spite of their size have started using social media to advertise and promote themselves. ¹ and all the social media platforms are becoming the most important and engaging platforms worldwide. And to simplify all what we talked about above, we have this definitions of social media marketing: ²

- Andreas Kaplan and Michael Haenlein define social media as “a group of internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content”

- Furthermore, social media depend on mobile and web-based technologies to create highly interactive platforms through which individuals and communities share, co-create, discuss, and modify user-generated content. They introduce substantial and pervasive changes to communication between organizations, communities, and individuals.

- Social media differ from traditional or industrial media in many ways, including quality, reach, frequency, usability, immediacy, and permanence.

- Social media is a new marketing tool that allows you to get know your customers and prospects in ways that were previously not possible. This information and knowledge must be paid for with output of respect, trustworthiness, and honesty of the marketing revolution.

1.2 – The importance and functions of social media

1.2.1- The importance of social media

Social media now, it’s one of the important tools according to fast diffusion comparing with the classic and traditional media. Because and according to the statistics the TV spent 13 years to attend 50 million houses, And the Internet spent 03 years to attend 50 million users around the world, although that the social platform Facebook spent just one year to get the 50 million users, and Twitter needed just nine (09) months to get the same number of users, at the end of 2012 around 67% of old internet users they be social media’s users also. And according to (Duggan and Smith research in 2013, around 73% of the internet users they are active users at least on one platform from all the social media platforms and 42% of them they are active users in many social media platforms).³

The statistics show also that around 25% of the people in all over the world use social media, and they said that they expect that it will be more than 2.33 billion users in 2017.⁴ And According to a study made by comScore website in 2011, 84% of the companies included in the list of “Fortune” magazine of the big 100 company in the world use at least one website from the social media websites, and 25% of them use all the principal social media platforms.⁵

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¹ M. Saravankumar, T.Sugantha Lakshmi, Social Media Marketing, Life Science Journal, Ed Nr 09, 11/20/2012, P4
1.2.2 - Social media functions:
In this part we will discover the most popular and important functions of social media platforms:

- **Identity**: the process in which users are ready to reveal their true identity or how much they are willing to reveal their true identity which implicate name, age, gender, location. This could vary from user to another, due to some psychological effects, some users might use their true name and other a nickname the following process was the starting point of the privacy dilemma that is witnessed on social media nowadays, and how organizations are using those information for their own profitability without the knowledge and approval of the users;

- **Conversation**: The process in which users are willing to open a conversation and to what extent. The main purpose of social media website was to facilitate the conversation between users from different part of the world and different gender and ethnicity, or even to make their message heard. Conversation on social media are following certain format and are in a way or another without any response obligation;

- **Sharing**: The process in which users are willing to distribute, exchange and receive content from different users. The main purpose of the word social is sharing between each other, this sharing could vary between sharing ideas, knowledge, experience, files, folders and projects;

- **Presence**: The willingness to know if users are available and the willingness to break the privacy or intimacy circle. This is defined by the approval of users to share their location with others, giving the access to locations, and geo-localization. This is one of the important aspect that could be used by the companies to develop a better knowledge on the strategy they are going to use in the STP (Segmentation, Targeting and Positioning).

- **Relationship**: It’s the degree in which users are related to each other’s, the degree between each member of a group, or friends between each other. Social media has given the chance to user to develop different type of relationship with no boundaries in term of geography, it has the same concept as real relationships but those relationships will be based on technology and behind a screen. Social media relationship are categorized by type: friendship, dating, sexual, business, business contact …etc.

- **Reputation**: It’s more the social standing of the person you are interacting with, in term of trust and respect. Social media indicators and social media platforms are not yet technological ready to determine whether the users are being honest or trustworthy. Some social media platforms are build based on the endorsement from others;

- **Groups**: The process of building close or open online communities on different social media platforms. Social media groups are made of friends, followers and or professional contacts. Those groups form a small society that interacts with one another throughout platforms. The following societies could be closed or open to anyone, it could go from a small private group to an open access group.

1.3 – Social media (Forms, Websites): Top related platforms
In this sub-section we will discover the forms and we will define the top platforms of social media

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1.3.1- Social media forms
In the following part, we are going to develop the different forms of social media. Social media has different forms; therefore, it can be described as an online chameleon that has the ability to adapt in different forms that social media could take in response to the demands of the users, and its adaptability could alter upon the requests of the user (which explains why, all the platforms are updating their interface on a monthly basis).

![Diagram of Social Media Forms](image)


We can define the following terms according to Jurgens:\footnote{Jurgens, D, That's What Friends Are For: Inferring Location in Online Social Media Platforms Based on Social Relationships. ICWSM, 13, 2013, P-P, 273-282.}

- **Social networking** is the essence of allowing people to connect to each and create a personal webpage by using platforms, like Facebook, TripAdvisor and LinkedIn.
- **Blogs** are online newspaper, business review, or journals that are written by users and read by the audience with the possibility to like, share and comment on any content they find, blogs are also known as content management system (CMS). One of the best-known blogs is WordPress.
- **Wikis** are known as free user generated dictionaries, where users are allowed to edit and add content to serve as documents or free data base. The best wikis platforms is Wikipedia.
- **Crowdsourcing** is online-based community that helps one and another by sharing information, and enlisting services that are paid or unpaid. Amazon Mechanical Turk is one example of podcasts.
- **Forums** are known as discussion platform that evolve around a shared interest and topic. Forums existed before social media; and they are known to be powerful online community
element, but are starting to fade and social network is taking over. An example of a forum platform is phpBB.

- **Content communities** are known as online communities that share multiple type of content, like pictures, videos and bookmarked links. The top content communities are YouTube and Pinterest.

- **Microblogging** is the combination of social networking and blogging where users are able to share status and updates to be distributed to the audience. The top rated platform of microblogging is Twitter.

- **Crowdfunding** is an online based community that is created to help persons and startup fund personal and organizational projects. Kickstarter is one of the top crowd funding platform.

### 1.3.2- Social Media: top related platforms

- **Facebook**: The most popular social media platforms worldwide with more than 1 billion active users monthly in the world. Created by Mark Zukerberg the 04th of February 2004, Mark Zukerberg is a computer sciences student from Harvard university, and the first aim from this website is sharing information and pictures and news between the students of Harvard university.  
  
1 80% of Facebook users are based outside of the United State of America, with a platform that is available in 70 languages, and Facebook has one of the easiest and user-friendly interfaces that could have a positive impact on persons that are willing to join, no matter the age of the interested persons. Statistics have shown that individuals are joining Facebook due to some factors that are, social identity subjective norms and usefulness. As for organizations, Facebook has been a revelation, where they can chat and maintain a better customer service with basically all of the customers in an easy way that cost them no more than zero dollars.  

![Figure 2: Facebook structure](source_url)


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1 [www.facebook.com/facebook/info](http://www.facebook.com/facebook/info), Consulted at 19/05/2018, 18:44
- **Twitter:** Twitter was created in March 2006 by Jack Dorsey and launched the same year in July. Unlike Facebook where one can have friends to share different things, with Twitter one has to get connected to the latest information on what they find interesting. One has to find the public stream that interests them and follow in the conversations. Each tweet is 140 characters in length. One can still follow the tweets regardless of whether they do not tweet at all, and also there is no limit as to how many tweets one can send within a given day.¹

Twitter is nowadays known to be the best social media platform in term of microblogging. Other than being the leader of microblogging twitter is the best interactive social media platform for B2B “Business to Business”.² Users or organizational profile publish a 140-character message called “tweets” that will be visible to others, which main purpose is for communication between friends, building a relationship between customers and organizations, and the communication between organizations for sales or collaboration purpose. Nowadays the numbers of users on Twitter is estimated to be near 310 million active users.

Microblogging and twitter in general are defined in 3 major steps, first of all every single user has a personal profile where he can publish a message 140 character long, second of all the messages published by users becomes public and sometimes are directed to specific users, and thirdly users can pre-define who can send them messages but cannot define necessarily who can receive their messages.³

And we can simplify Twitter process like this:

**Figure 03: Twitter process**

[Diagram of Twitter process]

*Source: Author’s own elaboration based on (Jave, song, Finin & Tseng, 2007)*

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¹ [www.twitter.com/about](http://www.twitter.com/about) Consulted at 19/05/2018, 19:03


Chapter 1 Social Media Marketing from a theory view

- **Instagram**: It’s a mobile photo and video capturing and sharing service, has quickly emerged as a new medium in spotlight in the recent years. It provides users an instantaneous way to capture and share their life moments with friends through a series of (filter manipulated) pictures and videos. Since its launch in October 2010, it has attracted more than 150 million active users, with an average of 55 million photos uploaded by users per day, and more than 16 billion photos shared so far. ¹

Instagram is considered to be one of the top 3 social media platform that is in use nowadays. Instagram concept is very simple take photo, and share that photo while you include hashtags (#) to highlight a topic or a group, the basic system of communication on Instagram is about followers and following. The interaction is also simple it’s whether you like the post or you comment on it, as well as the possibility of sharing the content with your followers.

- **YouTube**: YouTube was created in February 2005 as a video sharing website on which users can upload, view and share videos as an informative and inspirational to others across the globe. The company users-generated video content. YouTube acts as a platform for distributing contents by creators and advertisers as well. Over 3 billion videos are viewed every day and there are more than 800 million people visit YouTube every month to watch and share contents. ²

Just as the adage goes a picture is worth a thousand words, pictures have an impact in creating an image in the mind of a person. This has given YouTube a competitive advantage in online marketing; all in all, more businesses are now using YouTube for their marketing advertising campaigns. Various companies with outstanding video campaigns have had their breakthroughs in this form of brand marketing, especially when the videos have gone viral. Most of these viral successes can be attributed to expertise and creativity of the brand marketer to entertain the audience hence making the public share the videos with others. ³

- **WordPress**: The basic concretization of WordPress is a blogging platform, which has evaluated to become a content management CMS. ⁴ WordPress has given the authors a large amount of plug-ins, which could help them configure their personal page, WordPress has also evolved in a way, to help users achieve all aspect of their page in a personalized way, moreover giving them the ability to add SEO, Facebook, Twitter and YouTube as plug-ins, this plug-ins is considered as add-ons in term of value, which could help the public a lot in term of functionality. ⁵

And the figure below show exactly the structure of WordPress:

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¹ Yuheng Hu, Lydia Manikonda & Subbarao Kambhampati, « A First Analysis of Instagram Photo content and user types », Proceedings og the 08th international AAAI conference on weblogs and Social Media, AAAI Press, June 1-4 2014, Palo Alto, California, p 595
² https://www.youtube.com/yt/about/ Consulted at 19/05/2018, 20:34
³ Christine Adhiambo Odhiambo, « Social Media as a tool of Marketing and creating brand awearness : case study research », Master of business economics and tourism, Faculty of business administration, University of applied Sciences Vaasan ammatikokeakoulu, Filand, 2011-2012, pp 18-19
Section 2: Social Media Marketing.

In this part we will try to define the most important things that have relation with social media marketing, so firstly we will define the social media marketing a new type of marketing, and their benefits for companies in general, and as a final step in this section we will sit the most important factors of success for social media marketing.

2.1 – General Introduction

Social Media Marketing is one of the main tools of the electronic marketing or the internet marketing, and this modern tools complete the traditional marketing activities like email marketing and internet advertisements, and the usage of social media marketing being now for the marketers an important part of the fundamentals marketing strategies in any company.

And we can define the social media marketing as the usage of social media platforms for the promotion of the company and its products.\(^1\) and also “social media marketing as a connection between brands and consumers, while offering a personal channel and currency for user centered networking and social interaction”\(^2\)

The usage of social media marketing changed the communication method between companies and clients, and with these tools companies can communicate with many clients around the world in an easier and direct way, and it can also use this tools in the marketing of goods and services like Hotels that can promote all the services around the world with using social media marketing.\(^3\)

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\(^1\) Akrar, E. and Topcu, B., « An Examination of the factors influencing Consumers Attitudes Toward Social Media Marketing », XXXXX, 2011, P36


According to social media marketing industry report of 2013, prepared by socialmediaexaminer.com website, 97% of 3000 Marketing Managers are using social media platforms in the marketing of their companies, and 86% from those managers said that social media platforms are a really important tool in Marketing.\(^1\)

### 2.2 – The Benefits of social media marketing for companies

One of the examples that prove the importance of social media marketing is what PepsiCo group did (The owner of Pepsi trade mark) in 2011. PepsiCo retired from the advertising in the final of American football game known as Super Bowl, in this game the advertisements offers is the most expensive, and the minute of advertising cost more than 05 million dollars, and at this time many companies compete to create a creative and attractive ad. After the withdraw PepsiCo invested the same amount 20 million dollars in the marketing via Facebook and also Twitter.\(^2\)

The Statistics say that 45% from the followers of commercial brand on social media, they follow the brand to present their passion to the brand, and about 61% from them they write about the brand and recommend it on social media platforms.\(^3\)

According to a research of Kirtis and Karahan, the social media marketing economizes the costs to the companies, and also that the social media marketing gives the opportunity for the companies to reach millions of users in a short term, and also give them the opportunity to share the information in a faster way and a low cost.\(^4\)

And in other study, they found that there is a positive impact of social media marketing on the brand equity (Brand awareness, Brand loyalty and the quality of the commercial brand).\(^5\)

And according to a survey done by Brandfog (2013), more than 80.6% from many CEOs think that social media platforms it is an important channel to communicate with the clients and the investors.\(^6\)

So in general we can say the main benefits of social media marketing are: \(^7\)

- **increased Brand Awareness**

  Social media is one of the most cost-efficient digital marketing methods used to syndicate content and increase your business’ visibility. Implementing a social media strategy will greatly increase your brand recognition since you will be engaging with a broad audience of consumers.

  To get started, create social media profiles for your business and begin interacting with others. Get employees, business partners, and sponsors to "like" and "share" your page. Simply having people interact with your content will increase brand awareness and begin building your reputation as a business. Each post that is shared will be introduced to a new network of customers.

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individuals, which can lead them to becoming potential customers, and the more people who know about your business, the better. By investing only a few hours per week, over 91% of marketers claimed that their social marketing efforts greatly increased their exposure. There is no doubt that by simply having a social media page your brand will benefit, and with regular use it can generate a wide audience for your business.

- **More Inbound Traffic**

Without marketing your business on social media, your inbound traffic is limited to your usual customers. The people familiar with your brand are likely searching for the same keywords you already rank for. Without utilizing social media as part of your marketing strategy, you’ll have much more difficulty reaching anyone outside of your loyal customer circle. Every social media profile you add to your marketing mix is a gateway to your website, and every piece of content you post is another opportunity to acquire a new customer. Social media is a melting pot of different types of people with varying backgrounds and behaviors. With different people come different needs and different ways of thinking. Syndicating your content on as many platforms as possible allows these individuals to organically reach your business. For instance, perhaps someone in an older demographic of consumers will search for your website using a particular keyword on Facebook, but a millennial could begin their search by using a different social media platform entirely, because they search for products totally differently. By marketing on social media you can effectively open your business to a wider variety of versatile consumers all over the world.

- **Improved Search Engine Rankings**

Although posting on social media might get your business some site traffic, more effort than that is required to see significant success. Search engine optimization is very important for achieving higher page rankings and obtaining traffic to your business website. While social media doesn’t directly increase search engine rankings, Social Media Examiner states that more than 58% of marketers who have been using social media for one year or longer still see improved search engine rankings. Being able to rank in the top positions for your keywords will revolutionize your traffic and continue to generate positive results for your business. Let’s face it, everyone uses Google to find information, and they likely won’t navigate past page 1 because their answer normally is on the first page of results. If your business website isn’t ranked towards the top of search engine results, you should probably adjust your search engine optimization strategy. To give yourself the best chance of ranking better through social media, create high quality content that integrates your targeted keywords. Content such as blogs, infographics, case studies, business information, and employee photos will make your business’s social media profile intriguing and credible. Once you begin posting quality content, you’ll begin to build a social media community where followers will "like" and "share" your content. Most importantly, it gives you more opportunities to get in front of industry influencers who will write about your business and provide links back – which will help to directly increase search engine rankings.

- **Higher Conversion Rates**

With increased visibility, your business gains more opportunities for conversion. Every blog post, image, video, or comment may lead viewers to your company’s website and increase
traffic. Social media marketing allows your business to give a positive impression through a humanization factor. When brands are interactive by sharing content, commenting, and posting statuses on social media, it personifies a brand. People prefer to do business with other people, rather than companies.

Over 51% of marketers claimed that taking the time to develop relationships with consumers showed positive results in sales. The better impression you make on a visitor, the more likely they are to think of your business when the need for your product or services arises.

Studies have also shown that social media has a 100% higher lead-to-close rate than outbound marketing. When a brand is interactive online, consumers who follow your brand’s accounts often begin to more completely trust the credibility of your business.

People use social media platforms to stay connected to their friends, family, and communities. Since people are already talking, why not throw your brand into the mix? More likely than not, they’ll mention your brand to a friend when your products or services are needed, overall providing your business with social proof of its quality. As reported by Social Media Examiner, about 66% of marketers saw lead generation benefits by using social media platforms at least 6 hours per week. Putting your brand in an atmosphere where people are sharing, liking, and talking, can only improve the conversion rates on your existing traffic.

- **Better Customer Satisfaction**

Social media is a networking and communication platform. Creating a voice for your company through these platforms is important in humanizing your company. Customers appreciate knowing that when they post comments on your pages, they will receive a personalized response rather than an automated message. Being able to acknowledge each comment shows that you are attentive of your visitors’ needs and aim to provide the best experience.

Every customer interaction on your business’s social media accounts is an opportunity to publicly demonstrate your compassion for your customers. Whether an individual has a question or a complaint, social media allows you to address the matter using interpersonal dialogue. A brand devoted to customer satisfaction that takes the time to compose personal messages will inherently be viewed in a positive light, even if responding to a customer complaint.

- **Improved Brand Loyalty**

One of the main goals of almost all businesses is developing a loyal customer base. Considering that customer satisfaction and brand loyalty typically go hand in hand, it is important to regularly engage with consumers and begin developing a bond with them. Social media is not just limited to introducing your brand’s products and promotional campaigns. Customers see these platforms as a service channel where they can communicate directly with the business.

The millennial generation is known for being the most brand loyal customers of all. Born between the early 1980’s and the early 2000’s, millennials are the largest generation in US history — and will soon completely consume the market. Studies show that this segment of customers is 62% more loyal to brands that directly engage with them on social media. Since these technology natives require communication with their brands, businesses must implement social media marketing to get the attention of their most influential consumers.
• **More Brand Authority**
  Customer satisfaction and brand loyalty both play a part in making your business more authoritative, but it all comes down to communication. When consumers see your company posting on social media, especially replying to customers and posting original content, it makes you appear more credible. Regularly interacting with customers demonstrates that your business cares about customer satisfaction, and is available to answer any questions that they might have. Satisfied customers are eager to spread the word about a great product or service and they usually turn to social media to express their opinion. Having customers mention your business on social media will advertise your business, and show new visitors your value and brand authority. Once you obtain a few satisfied customers who are vocal about their positive purchase experience, you can let the advertising be done for you by actual customers who enjoyed your product or service.

• **Cost-Effective**
  Social media marketing is possibly the most cost-efficient part of an advertising strategy. Signing up and creating a profile is free for almost all social networking platforms, and any paid promotions you decide to invest in are a relatively low cost compared to other marketing tactics. Being cost-effective is such an advantage because you can see a greater return on investment and retain a bigger budget for other marketing and business expenses. If you decide to use paid advertising on social media, always start small to see what you should expect. As you become more comfortable, fine tune your strategy and try increasing your budget. Just by spending a small amount of time and money you can significantly increase your conversion rates and eventually get return on investment on the money you initially invested.

• **Gain Marketplace Insights**
  One of the most valuable advantages of social media is marketplace insight. What better way to know the thoughts and needs of your consumers than by directly talking to them? By monitoring the activity on your profiles, you can see customer’ interests and opinions that you might not otherwise be aware of if your business didn’t have a social media presence. Using social media as a complementary research tool can help gain information that will aid you in understanding your industry. Once you gain a large following, you can use additional tools to analyse the demographics of your consumers. Another insightful aspect of social media marketing is the ability to segment your content syndication lists based on topic, and identify which types of content generate the most impressions. These tools give you the ability to measure conversions based on posts on various social media platforms to find the perfect combination for generating revenue.

• **Thought Leadership**
  Posting insightful and well-written content on your social media is a great way to become an expert and leader in your field. There is no one way to become a thought leader – it requires work that can be supported by online networking tools. To establish yourself as an expert, be sure to utilize social media platforms and build your presence. Be communicative, connect with your audience, share content, and promote your authority. When your social media campaign is aligned with other marketing efforts, your skills will be highlighted and followers will look up to you. Being able to directly connect with your customers creates a relationship that they will value, allowing you to become a notable influencer in your field.
And we can summarize the benefits of social media marketing: ¹

- Social media marketing help companies to reach more people from the target audience.
- Creating a brand awareness.
- Helping the company on Brand Reputation Management.
- Increase the traffic of the website of the company.
- Increase the leads (electronic expected visitors).
- The social media platforms give more insights about the target audience, and that can help companies to target them in a good way.
- Controlling competitors and follow their steps.
- Getting new ideas from the virtual community.
- Reduce the marketing costs and customers service costs.
- Enhance the role of public relations in the company by communicating with organizations and also with the clients in the real time.

2.3 – Factors of success for social media marketing

According to Mangold and Faulds, the success of social media marketing will be realized by this factors: ²

- Provide all the information, interact with the public.
- Provide the security.
- Consumer support.
- Attractive design.
- Provide products links.
- Sharing stories about the company like testimonies, social responsibility.
- Focusing on advertising messages.
- Facilitating recommendations and the eWOM.

And we will try to detail in the next part about more components that have a big relation with social media marketing.

2.3.1 – The virtual world in social media (Digital brand community)

We can define the brand community by saying that it contains three principals components: Firstly the consciousness of kind, and that’s mean the feeling of people who have a relation with w different community comparing with other brands, secondly we have shared rituals and traditions that present the actions that people do to enhance the culture and the value of brand, and finely we have moral responsibility, and this component means the responsibility to the brand, and the responsibility of people to interact with the other people of the brand and also the previous experiences of buying. ³

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¹ Arca, C., « Social Media Marketing benefits for businesses: Why and how should every business create and develop its Social Media Sites? »,


There are two models of the brand community. So as we are seeing in figure No 05 the triad model developed by Muniz and O’Guinn, the model is composed from three components, Customer, brand and the other customer, and the second model called the customer-centric model, this model composed from five components, and the customer is the on the center and it the important one of the brand community and all the other components centralized on the focal customer like we are seeing in the figure No 06.

**Figure 05: The triad model of the brand community**

![Triad Model of Brand Community](source)

**Figure 06: Customer-centric model of brand community**

![Customer-Centric Model of Brand Community](source)
2.3.2 – Advertising via social media platform: Adverting is one of the components of the promotional mix, and it’s one of the important components, and we can define it as a payed type of the promotion, it done by a mediator, that aim to convince people to make some actions in the present or in the future.¹

And with the increase of Internet and the appearance of new technologies, the marketers started using the different internet channels as an advertising tools, and the online advertising show a big effectiveness because of the ability of exact attracting of people, it low cost and targeting people from all the world, and plus to provide detailed information about products according to several messages like pictures, videos and written status, and the results of that now the internet advertisements being a big competitor of to the classic advertising tools like TV, Radio, Newspapers and Magazines, and because of that we saw that the the volume of internet advertising now increased in the year of 2011 about 42 Billions USD, and just to know that there is many type of internet advertisements like Banners Ads, Pop-up Ads, Videos Ads, E-Mail Ads, Social Media Advertising…etc. ²

According to the international advertising agency “Ad Age Agency” the global amount of Online Advertising was about 59.6 Billions USD in the year of 2015 with a growth of 20% comparing with the previous year, with 20.7% of mobile phones ads. ³

2.3.3 – Customer service via social media platform

The Social media platforms have the ability to communicate with clients and to respond their questions and enquiries, for example, the microblogging website is one of the important platforms to replay and to answers to clients with a professional and operational way, and also to answer to the negative comments, and this platform participate in the creation of loyalty when replaying and giving them why they need in the real time.⁴

And to conclude the customer service and support via social media platforms can give to the company many benefits like: ⁵

- Social media platforms help the companies to react with the clients and to get the feedback.
- Give the ability to react with client in the real time and to provide a personalized support.
- Improve the customer experience.
- Help the company to reach the customers retention and to get their loyalty.
- Reduce the cost of support and customer service.

Section 3: Consumer behavior, eWOM and buying intentions towards social media platforms.

3.1 – Online Consumer Behavior.

Online consumer behaviour is one of the most emerging subjects in research nowadays, due to the empowerment, that is given by social media to online users, and the way they can change any strategic decision.

Online users will behave in total different way, that normal shop consumers, due to the possible secrecy and privacy that comes with social media. Normal shop consumers behave in a more

³ Naidoo, T., « The effectiveness of advertising through the social media in Gauteng », Master thesis of business administration, North-West University, 2011, pp, 21-22.
⁵ Arca, C., Op Cit, p43.
The damage, that can be inflicted by online users to companies and major brands is higher due to the no boundaries rule of social media. Online users can easily boycott a brand or a company on the Internet than doing it in real life, and the effect will ripple across the network, due to the involvement of emotions and the big number of online users. Therefore, we can see that online users have taken control of the online market place and they have affected the strategic decision of all companies, making them one of the most important stakeholders. Statistics and research have showed that the European market, United State market and the Chinese market are among the most developed market on the Internet, therefore, theory about online consumer behaviour are emerging from those markets. Consumers that are living in those markets are considered to be early adopters of new technologies, and they have broken the ice of trusting online shopping.

Talking about new technologies, Internet have facilitated the process of information reach among users on any given product or service, therefore we can say that the Internet have created a huge competitive environment between companies to whom understand better the consumer online behaviour. We have three characteristics that drive online buyers; the first point is the web sale channel, which embraces multiple important points that goes from the experience of the online buyers to the safety of the interface. The second point that drives online buyers is Internet web site and the product, which also embraces multiple points that range from reducing the risk of misinformation to the full specs of the product or service. The third and last point talks about the characteristics of the consumers, which involve demographics, knowledge about the Internet, shopping characteristics and orientations and some psychological variables. Therefore, we can assume that those three components that drive online users should be incorporated in any corporate strategic decision.

3.2 – The effect of eWOM on consumer behavior and buying intentions.

Going back in time WOM (World of Mouth) was one of the pillars of information spreading, it was based on information contagion from different users between each other. Therefore, affecting non-adopters in a positive or negative way. WOM had a psychological effect on any buying decision. It also affected the information process of any potential buyer due to the process that implies gathering related information about the product or service; moreover, it affected the measurement tools of any marketing department. Therefore we can assume that WOM is a powerful tool of communication between users, in term of information spreading and decision making. The sole purpose of Social Media is interaction, without it Social Media would have become a static interface. Online reviews and comments are based on the

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2 http://www.e-commercefacts.com/research/2012/05/eurostat-eu-online-shop/ [Consulted the 19 april 2018].
theoretical approach of WOM, whereas Social Media adopters are constantly sharing information and knowledge on any given product or service. Internet has boosted the capabilities of WOM, and took to the next level in term of reach and capacities. Therefore, WOM have changed to eWOM, which implies the use of WOM on any Social Media platform.

The effect of eWOM on the buying intention and the behaviour of consumers are enormous, due to the immense data that will be shared by consumers who have already purchased the product, the following is known on the Internet as online reviews. Those reviews will affect the behaviour of potential consumers and any management strategic decision, in term of quality assurance, brand reputation, product acquisition, and product development. Online companies have understood the importance of eWOM and consumers’ online reviews, therefore they have integrated on their Internet website, Facebook page and or e-commerce website the read and write review for consumers that have bought any given product or service. Strategic minds have understood the power of Social Media and online reviews in any buying decision nowadays; moreover, they understood the effect it has on consumer behaviour, and consumer satisfaction. Chevalier and Mayzlin in 2006 have made extended studies that show the effect of online reviews on sales and organizational performance, where it can affect any performance negatively or positively. The below figure will show the link between Social Media, buying intentions, consumer behaviour and eWOM.

**Figure 07: Link between Social Media, buying intentions, consumer behaviour and eWOM**

Source: Marwan Azouri, Op. Cit, P66

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3.3 – Psychological characteristics that affects consumer behaviour

We can categorize consumer behaviour into four major sections, cultural category, social category, personal category and psychological category. By going through those theories and categories we are going to develop a better understanding on the impact they have on the online behaviour of consumers.¹

3.3.1 – The cultural background

Culture, is interlinked with social class, therefore the priorities between consumers that are from different social class are different, and therefore marketers should be very careful in picking target and segment. The biggest difference between consumers from a higher class and consumers from lower class is the buying intention and the buying capacity.² culture is the base of values and beliefs in every individual, and those beliefs and values are set at an early age, therefore all our decisions and behaviour as consumers online or not are regulated by culture. The following figure will resume the impact of culture on consumer behaviour and buying intention.³

![Figure 08: Effects of culture on buying intention and consumer behavior](source: Marwan Azouri, Op. Cit, P71.)

3.3.2 – Social Influence

On the Internet the social part is a little bit different than in reality, because we categorize people according to the communities they adhere to, and to the theme of the discussions they are having, there is why, people are influenced by the information and the knowledge that are shared among those communities, which implies that they are affecting the consumer behaviour and buying intention.⁴ We can see that there is a link between the cultural and social aspect, notably due to the belief of each person in those communities that

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⁴ Chau, P.,Y.,K., Cole, M., Massey, A.,P., Montoya-Weiss, M., O'Keefe,
can affect the behaviour of other person, by subjecting online users to new culture, styles and pressure, due to the no boundary rule.¹

3.3.3- Personal impact factors

According to Lester (2005), studies that have been made on online shopping behaviour are all focused on the generation Y 6. The millennial generations are known to be expert in cross shopping, and more conscious than other generation in term of online shopping. Moreover, millennial are more at ease with ICT (Information and communication technologies) than other generations. Therefore, studies have showed that millennials are more eager to search for information and knowledge across the Internet. Older generations adopt a perception of risk environment for the Internet, due to the fact that those generations have less knowledge about new technologies; moreover they adopt a philosophy of trying the product before buying it.²

we found out that since the year 2000 till the late 2010, men are known to be more experienced and more impulsive in term of buying online and using Internet for knowledge and search purposes; but since the last study the gap of online buying and Internet use has been reduced between men and women. Therefore, we have seen that gender is one of the factors that could have an impact on new technologies due to the attitude of some generations towards those changes.

People that doesn't have any income will be using the internet for a sole purpose of knowledge information and not for buying, therefore we are going to stress on two type of persons, the one that have a low income and the one that have a high income. Research have showed that income has a big effect and or impact on buying intention, risk reduction and consumer behaviour. People that have a low income are more afraid to continue the process of online purchase due to multiple factors, that are related with the way of life, primary requirement of life (food, shelter, safety) and the priorities of living. Low-income persons that continue with the buying process till the end, are persons that have a high experience with online shopping and know all the backdoors and have already evaluated the risk of buying.³ High-income persons, are known to be more impulsive in term of online buying due to the lower risk that comes with the fact of having a high income.

Education and has no effect whatsoever on purchase intention and consumer behaviour, the only effect it has is on the technology acceptance that is related with the theory of technology acceptance model of Davis in 1989.⁴

3.3.4- Psychological factors

It is known that online consumers are always arguing internally, which implies that they are arguing with themselves on a frequently basis. Therefore, one of the main psychological factors is motivation and it’s the core problem of those internal arguing because consumers will always ask themselves if they should or not buy the product, if they should buy online or not. Another factor of psychology is perception, which indicates the level of security that consumers will find while surfing a certain website, even the quality of the product found on

the website, therefore companies should provide consumers with the confidence needed to proceed with the purchase. Another psychological factor is personality, which implies that consumers will be searching to find the best website that suits more their personal preferences.¹ By finding the website that suits their personality consumers will feel safer and therefore decide whether to continue or not with the purchase of a certain product or service. Emotions, is an important factor for consumers and marketers, in a consumer point of view emotions may alter the decision of purchase, in a marketing point of view emotions may vary between a happy consumer and a unhappy consumer of the feedback that will be retained at the end of the experience.

### 3.4. Impact of social media on consumer trust

Trust through transactions and networking influence the online purchaser² and enhance his intention to buy).³ As the relationship between trust and perceived usefulness correlate, as the trust increases certain features of perceived usefulness.⁴ In this regard, it is useful to focus on social media’s impact on consumer trust development, and on his intention for purchasing.

#### 3.4.1 Trust development as a condition for enhancing user engagement

Role of trust has been studied quite extensively and in different contexts. In the context of the present research, the user trust in SNS (Social Network Service) is defined as the degree to which a person believes the SNS is capable of keeping the information that user shared and received accurate, reliable, and secure.⁵ Social groups can create a high level of internal solidarity and trust. Social networks remain an effective mean to gain customer’s trust and loyalty since social groups can create a high level of internal solidarity and trust.⁶

#### 3.4.2 Social media and consumer purchase intention

As it has been highlighted previously, trust is considered a prerequisite to the success of online retailers. Good communication also encourages trust by allowing conflicts resolution and aligning perceptions and expectations with consumers. A dimension of trust can emerge and can seriously influence the buyer’s purchase intention. At an accentuated level, the trust can be understood as an engagement of users. By turning to engagement, stakeholders’ can be engaged through their online actions.

Those actions can impact their behaviours by taking the decision for purchasing or donating. Trust, based on credibility, refers to the certainty that the facing end in an exchange is reliable and relies on notoriety information, at the same time as compassion refers to frequent dealer-buyer relations.

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¹ Smith, A., D., Rupp, W., T. “Strategic online customer decision making: leveraging the transformational power of the Internet”, Online Information Review, Vol.27(6), 2003, pp.418-432.
⁷ Marwan Azouri, Op Cit, p93.
The online purchase intention has been associated, in the context of electronic commerce, with the website recommendation the intentions to buy from the site, intends to revisit the site and intends to repeat purchase on the site.

Nowadays, with the extension of SNSs, social media are likely to develop marketing strategies in firms through trust-building mechanisms and affecting customers’ intention to buy online products. Trust is therefore perceived as a liaison for the interactions among online communities and social networking services.
Summary
Social media marketing now is one of the important modern marketing tools that any type of business can use especially the new business and that because of the low cost of this kind of marketing tools, but even that we are seeing now that different type of companies are using the social media platforms like Facebook, Twitter, Instagram and YouTube, not just for promoting their service, but also to give the customers more support in any time and also to respond to their enquiries and questions. These things make the social media platforms like an arm with two way of use, and we can say that starting from the last years many marketing strategies of a lot of companies is now based on social media marketing.
Social media has a different feature that can help companies reach their aims and achieve their marketing objectives, and as we know the main aim for any type of business is sales because it’s the only way that can protect the position of the company in the market. And one of the strengths that give the social media a big power is the availability (24/24), so comparing with other classic tools we don’t have the ability to manage them, and also we can’t control our them like the social media platforms.
Part II: Practical Side

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Chapter 2

Case study of an Advertising and Communication agency
Preface
In this Chapter we will have a study case done by us, in an advertising and communication agency based in Algiers, and the main reason for that is getting a real result that give us the opportunity to analyze the impact of different platforms of social media and its marketing on the buying decision, so in this second part we will try to present in the first section the company with the departments and the divisions that have, after that and in the second section we will see many results from the period of 2017-2018.
Section 1: Company Presentation
In this part we will talk about the company in general, the hierarchy of the company and the main services for the public.

1.1- Company overview:
EF Market solutions or Electronic Fennec for market solutions it’s a communication private agency specialized in Digital Marketing, based in Algiers, the agency launched in September 2016 by an Algerian-Syrian business man after being a part of another company called Genopetec. now EF Market Solutions have many know clients such Bellat Group and many other small business companies also, it provides to many services to people with a big focus on companies and retailers.

1.2- The Hierarchy of the company:

Figure 09: The Hierarchy of EF Market Solutions

Source: Created by the student based on the internship information

1.3- Company services:
The business model of the company is divided to two types:

1.3.1- Services from the company to professional clients (B to B):
in this part the company provides many services to other companies like:
- Websites and mobiles applications development.
- Hosting and domain name renting.
- Social media platforms managing.
- Digital Media Strategy Building.
- Photo session shooting.
- Payed ads.
- Design of Flayers, Posters, Business Card, Printing.

1.3.2- Services from the company to consumers (B to C).
In this part the company is the owner of many e-services platforms such the online places guide efennec and also Marka Dz the e-commerce buying network.
So like mentioned above EF Market Solutions try to cover two markets in the same time (the clients and the companies market) and for the second one EF Market Solution provides its services by using the electronic platforms, such a website and mobile application

**Section 2: The combination between the theory and the practical study**

In our practical part we get information directly from the company, by studying the growth of different social platform viewers and followers with a classic simple method and also after using the payed ads, and also after that we compared this results with the income in the same period.

<table>
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<tr>
<th>Table 01: Facebook likers numbers between June 2017 and January 2018</th>
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<tr>
<td><strong>June 2017</strong></td>
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<td><strong>September 2017</strong></td>
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<td><strong>November 2017</strong></td>
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<tr>
<td><strong>January 2018</strong></td>
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Source: Done by the student based on a given information from the company

So like we are seeing in bellow, the total Facebook likers grow in 06 months more than 78 times and