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Araştırma Makalesi

The Impact Of Social Media On E-Commerce In Retail Industry

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Abstract

Nowadays, social media has not only become a part of people's lives, but also the future of e-commerce. Social media has a very strong ability to influence people all over the world. Since it influences people, it means that it can easily influence consumers, so obviously, we can get a successful online business through it. The purpose of this study is to explain the effect of social media on e-commerce within the fashion industry to answer the research questions. The dataset on which the study was conducted consists of a sample of customers in Turkey and Morocco. The questionnaire was divided into three sections: social media, Brand Attitude, and purchase intention. 300 respondents were asked to answer the survey. As a result, we get that social media has a significant influence on brand attitude, a further brand attitude has a significant influence on purchase intention. However, the influence of brand attitude was less than social media.

Keywords: Social Media, E-commerce, retail industry

INTRODUCTION

Social networks and social media

The concept of social networks has been extended to divide people into separate categories, especially in the workplace, universities, and colleges. However, the most widely used concept of social networking refers to interactive websites that provide users with message boards, chat areas, forums, and the ability to leave suggestions and engage in conversation with others (Singh, 2017). Otherwise, social networks are often referred to as a forum with a common group that brings people together to chat, share thoughts and interests, or make friends. Social networking has given rise to new networking mechanisms and habits in society that have almost become a part of our daily lives (Alawadhi, 2013). Social media encourages consumers to express their opinions and views and allows for conversations and community building that are influenced by customers, unlike traditional media that is traditionally generated and owned only by a group of individuals (Singh, 2017).

Social media entered our lives in the 20th century. Especially in 2005-2006 when it became an important part of our life when many social networks were available and used by people. According to Weinberg, social media includes the sharing of knowledge, experiences, and viewpoints through community-oriented websites (Singh, 2017). So we can conclude that social media is a web-focused social networking platform that allows individuals to connect by both sharing and consuming content (Hamzah, 2011).

Social media has evolved from a simple networking hub to a transformational agent that has influenced people's daily habits and changed people's lives (Hamzah, 2011).

Effect of social media

Social media affects our society and organizations both negatively and positively (Kemal, 2019).

- Social Media and its advantages

Companies' appearances on social media have a huge impact on their goods and services. Social Networking allows businesses to improve their brands and reach out to real audiences in a variety of ways (Laun, 2018). Insight and market intelligence are among the benefits of social media. Social media is a convenient way to learn about our audience that is often less costly than standard methods of market analysis, such as surveys and focus groups (Kemal, 2019).

You can also use social media to learn about your competitors, who they are, what content they share, and what their customers think about them. The data available on social media has unleashed a new wave of opportunities for marketers (MSI, 2014). Social media intelligence can help marketers track the structure of brand health and the marketplace and can also be a leading predictor of changes in customer opinions. Social media users now have the power to find, inform and educate.

-Disadvantages of Social Media

Privacy is the main concern of social media and the internet through many cases of abuses (Palfrey J, 2010). When it comes to cyber-attacks on social media, they are inexpensive, easy to manage, and often have low risk in terms of identification, but their impact could be longer-lasting.

Literature review

E-commerce

Electronic commerce, often referred to as e-commerce, is the use of computer networks, such as the Internet, to trade goods or services (kütz, 2016).

E-commerce in Turkey

Turkey is one of the most populous countries in Europe and Middle East with a population that surpassed 80 million for the first time in 2017 and has one of the fastest-growing e-commerce markets in the region (Nordea, 2021). Much of the growth in the e-commerce market is expected to be driven by mobile, as Turkey has one of the highest smartphone penetration rates in Europe. In 2019, e-commerce in Turkey was worth 10.76 billion euros, representing a growth of 39 percent in the previous year (Ecommerce in Turkey, 2020). Trade Minister Ruhsar Pekcan recently announced that the total volume of e-commerce sales in Turkey increased by an impressive 48 percent in the first five months of this year, despite the current coronavirus pandemic plaguing the world. After fluctuating between 37% and 49% from March to May. When lockdown measures were introduced in Turkey, the increase in e-commerce reached 93% in June thanks to the normalization process, Pekcan said.

E-commerce in Morocco

In 2019, with the pandemic of the coronavirus (Covid-19), Moroccans had to change several aspects of their way of life, including the way they shop. 6 million is the number of online payment transactions made with bank cards (Moroccan and foreign ones) on merchant sites connected to CMI. The total amount is 2.9 billion DH in the first half of 2020 (MAP, 2020). As for Moroccan cards, they recorded 5.8 million transactions with an amount of DH 2.7 billion in the first half of 2020. Concerning foreign cards, 260,000 transactions were carried out during the same period, i.e. 180 million DH (MAP, 2020). Mahdi Ouadghiri, e-commerce manager at a digital agency in Kenitra, said in a statement to MAP, that coronavirus could well be a game-

changer in the transition to the digital economy (Rakas Mahtat, 2020).

Retail industry

Before 2020, the retail industry was in the middle of a transformation (Corkery, 2020). COVID -19 has created massive challenges for retailers around the world. In its wake, some retailers will thrive while others struggle to survive (René Vader and Paul Martin, 2020). This change has been set in motion by the increased global penetration of Internet by the general public, which is driving retailers to launch e-commerce initiatives and implement the multi-channel approach into their business models (Geyskens, 2002).

Social Media

Social media entered our lives in the 20th century, especially in 2005-2006 when it became an important part of our life when many social networks were available and used by people. Nowadays, social media is not only part of people's lives but is also the future of e-commerce. Companies are now using social media as an advertising tool. One of the industries where improvements are happening regularly in the fashion industry, and social media is the most convenient and cheapest medium of contact. In the last decade, social media has become an important marketing tool that not only adds another marketing dimension but also provides advertisers with many opportunities to increase brand awareness among customers (Nawaz Ahmad, 2015).

The influence of social media in businesses

Billions of people around the world use social media for a variety of reasons, including brand engagement. It is quite obvious that more people follow brands and businesses on social media than those who follow celebrities, especially on platforms like Instagram. This is because people are very interested in

goods and different business sectors in the industry. For businesses, it is a bad approach not to use this great tool as it is considered as one of the most effective ways to reach almost half of the world's population. The use of social media can have the following effects in the business world: Brand loyalty, competition, faster and easier communication, and timely customer feedback (dougbrown, 2020).

Methodology

To achieve the objectives and research questions of this study, a questionnaire was developed based on the results of the literature review. The questionnaire was pre-tested and revised. The survey consisted of three parts covering the following topics: 1) social media, 2) brand attitude and 3) purchase intention (Leila Nasrolahi Vosta, 2014). The study's sample was a small population from Turkey and Morocco.

The first part of the questionnaire was related to social media and we received very positive responses. Consumers were completely satisfied to receive reviews from other customers through social media. In their opinion, this

information fulfilled their expectations. Moreover, they prefer to receive this information through social media rather than other sources. So, from a theoretical point of view, we can conclude that customers use social media as a tool to meet needs. The responses we got from the brand attitude part show that consumers have developed a positive attitude towards the brand because of social media. So, social media has a direct and positive impact on brand attitude. For this reason, companies should understand the importance of paying attention to social media and using the right strategies to leverage it. For the final results, we relied on Excel to assume our descriptive analysis (tab. 1), and we made all our calculations through Excel formulas, which were standard deviation, mean, calculated from the variables we had (social media, Brand Attitude, and Intention to Buy). Then, our hypothesis came through calculations of Path Variable, Standard Coefficients, Standard Error, T Test and P Value (tab.3)

Table 1. Descriptive statistics, standard deviation and alpha coefficient

	Social Media			Brand Attitude			Intention to Buy		
	Item 1	Item 2	Item 3	Item 1	Item 2	Item 3	Item 1	Item 2	Item 3
Standard Deviation	0,84	0,91	0,82	0,80	0,87	0,82	1,10	1,12	1,18
Mean	3,73	3,68	3,73	3,88	3,86	3,76	2,91	3,26	3,26
Cronbach Alpha	0,915	0,915	0,915	0,915	0,915	0,915	0,915	0,915	0,915

We calculate Cronbach Alpha to measure consistency, the more predictability individual item score related to each other, the higher the value

of Cronbach Alpha, the more confidence we have, the more our Cronbach Alpha will be consistent and close to 1.

Cronbach Alpha formula:

$$\alpha = \{k / (k-1)\} * \{(s^2y - \sum s_i^2) / s^2y\}$$

Our Cronbach Alpha for this study was 0.915, which means that our value is positive, and represents a high reliability. Through Tab.2, results show the

correlation between the independent variable, mediating variable and dependent variable.

Table 2. Hypothesis Analysis

Hypothesis	Independent Variable	Mediating Variable	Dependent Variable	Path Variable	Standard Coefficients	Standard Error	t	p	Results
H1	Social Media	Brand Attitude		0,383	0,224	0,378	9,98	0,00	Confirmed
H2		Brand Attitude	Intention to buy	0,300	0,282	0,440	7,93	0,00	Confirmed
H3	Social Media		Intention to buy	0,119	0,291	0,446	7,69	0,0004	Confirmed

We noticed that social media influences brand attitude directly, and intention to buy indirectly, since there is a mediating variable, which is brand attitude between them. Relationship between social media and brand attitude showed us a correlation with 0.383 as path variable, 0.224 as standard coefficient and 0.378 as standard error, where $t = 9.98$ and $p = 0.00$; Thus, we conclude that there is a positive relationship, making our 1st hypothesis confirmed.

On the other hand, brand attitude has a direct influence on intention to buy variable, with path variable being 0.300, standard coefficient being 0.282 and

standard error being 0.440, and where $t = 7.93$ and $p = 0.00$; Thus, we can assume that our 2nd hypothesis is also confirmed, concluding that there is a positive relationship between the brand attitude behaviour and the intention to buy.

And from our 3rd hypothesis, we concluded that there is a direct relationship between social media and intention to buy, since our correlation was 0.119 as path variable, 0.291 as standard coefficient and 0.446 as standard error, where $t = 7.69$ and p value = 0.0004. So, we can assume that there is a direct relationship between social media and intention to buy.

• **Theoretical Framework**

H3: Path Variable: 0.119

P Value: 0.0004



H1. Social media has a positive and significant effect on brand attitude.

H2. Customer attitude towards a brand has a positive and significant effect on purchase intention.

H3. Social media has a positive and significant effect on intention to buy.

CONCLUSIONS

It has been stated that there are many different reasons why e-commerce companies use social media for their marketing strategy. However, most e-commerce companies use social media to attract new customers and to stay in touch with their existing customers. The reason why social media marketing is important for their e-commerce business is because of the direct contact with their customers (Manneh, 2017). The primary goal of all businesses is to generate profits. Social media is an advantageous tool for businesses and companies to promote their products and brands to make consumers aware of their brand. They can also benefit from increasing product purchases and the appeal of their products. Social media is an online environment that allows everyone to easily participate, through opening a personal account, receiving and sharing information (Tritama, 2016). For conducting this study, I designed three hypotheses, based on the analysis of the results, we have obtained validation of our two hypotheses; at the same time we can claim that the consideration of the influence of social media on the attitude of customers towards the brand is higher than the influence of the brand attitude on the purchase intention. Finally, companies must recognize the value of paying attention to social media and developing effective plans for using it. As a result, companies should think about incorporating social media into their marketing engagement strategies.

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