The effect of social media marketing compared to traditional marketing on sales: A study of enterprises in Kosovo

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Abstract: The aim of this paper is to analyse whether there is an impact of some key marketing components, in particular the advertising, promotion, public relations, campaigns, and consumer services on enterprise sales, before and after applying social media tools and techniques. The methodology used in this paper is based on statistical primary data analysis procedure. The data was gathered through structured questionnaires, conducted mainly in marketing department with key marketing management representatives, in 120 enterprises in Kosovo. The sampling was based on the deliberating techniques. In order to test the main hypothesis of the research, whether there was a specific change in the sales of the enterprise, before and after applying social media marketing tools and techniques, a variance coefficient analysis was performed using in specific paired sample t-test analysis through SPSS. The data shows that in all cases, the results of the paired sample t-test were statistically significant. Moreover, there was a significant average difference between each paired group. In all cases, the means of the groups paired through this research from advertising, promotion, public relations, campaigns, consumer services, the sales were higher in social media contest compared to traditional contest.

Keywords: Social Media Marketing; Traditional Marketing, Sales, Enterprise, Digital Marketing, Advertising, Promotion.


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1 Introduction

The marketing strategy in recent years is heavily influenced by the social media and marketers are achieving positive results by applying the tools and techniques of the mentioned platform. Nowadays, social media has changed the way businesses apply their marketing strategy [2]. Social media platform is being used specifically in the marketing field, regardless of the size and industry of the enterprise. According to Cicero [4] management models and marketing strategy have changed with the introduction of the internet and the development of technology. In addition, the business activity approach has changed in relation to the sale of products, the sale of services, the way of communication and in particular the effects of change are noticed in the consumers’ behavior.

During the last decade researchers argued weather some key traditional marketing components, in specific the promotion mix categories such as advertising, promotion, public relations, campaigns and consumer services, should be integrated in social media platform...
achieving the same level of impact and awareness, can be done at a very low cost by comparing to traditional one (e.g. through TV promotion, through social media marketing). Moreover, product advertising and audience, collaboration, and cost advantages marketing because they have availability of: time, social media marketing compared to traditional marketing, social media marketing strategy provided to communicate with potential customers. Even though social media marketing, social media marketing strategy distributed assessable results in branding and sales process is now easier because of social media [9]. Consumer behavior analysis has increased their presence in the business world [10]. While the best advertising agencies have been transformed into fully-fledged communication agencies [15]. However, Barker et al.,[2] acknowledge that compared to traditional marketing, marketing through social media is fairly challenging for marketers and their activities. Moreover, social media tactics enable the transformation of marketing into practice [8]. According to a research report by Deal [6], powered by Gigaon Research, the number one difficulty in using social media for marketing purposes is measuring ROI (return on investment). Moreover, measuring the success of social media marketing platform on sales and success and performance of the company has result with a variation of barriers to marketers compared to measuring the financial outcomes from traditional marketing [19]. This revelation is acclaimed by the aforementioned results that traditional marketing is based on linear communication whereas social media marketing is considered to be a interpersonal and interactional form of communication. Investment measurement is quite challenging for social media marketing compared to the traditional marketing, TV marketing generates more sales and purchases [22]. Even though, in 2015 Salesforce conducted a research with different marketers and compared their opinions (from the year 2014 to 2015) about the influence of social media marketing and performance activities, it was concluded that marketers changed their mind during a year difference about the return of investment through social media marketing, proclaiming (64%) that this marketing channel can have a direct influence in the business sales performance [23]. Friedman [8] contrasts this aspect, because according to him the dilemmas in the measurement of ROI regarding social media and the skepticism presented in this regard are nothing else but a myth which is present in many companies. The same source emphasizes that enterprises can measure the return on investment through social media while presenting and forming clear objectives in the application of
social media so that later they will be able to carry out the current comparison with the initial one, to carry out appropriate monitoring and evaluation in the face of the objectives set. In Kosovo, even though there is not enough data about social media usage for business functions, according to a report by U.S. Department of Commerce [29], over the year’s social media is being more useful for marketing purposes. A study conducted in Kosovo by KPM [16], indicates that 93.3% of companies were optimistic about the digitalization of marketing, while 14.3% declared that digitalization will bring lower expenses for marketing activities compared to other forms of marketing and channels (traditional). Therefore, this paper examines the impact of traditional marketing compared to social media marketing (constituent elements) in the state of sales of enterprises in Kosovo.

2 Methodology of the paper

This paper was based on a methodology that consists of following procedures: Firstly, primary data were collected through structured questionnaires sent to marketing representatives (marketing department) in 120 enterprises in Kosovo. The sampling was based mainly on the deliberating techniques, precisely identifying enterprises in Kosovo that use the tools and techniques of social media for their marketing strategy. Also, the sampling was based in some elements of snowball technique, referring and consulting considerable number of marketers in various marketing agencies in Kosovo, in order to contact key representatives of social media marketing activities in some enterprises in Kosovo. The sampling process has been accomplished taking in consideration statistical rules of representation, with trust interval of 5%. Regarding the enterprises size the sample was divided as following: 56% in small enterprises (Up to 50 workers), 31% in enterprises with 50 - 250 workers and 13% in enterprises with more than 250 workers. Based on enterprises activity the sample was divided as following: 28% in Wholesale and retail, 23% in Manufacturing; 19% in Accommodation and hospitality, 3% in Communication and information; 5% in Construction; 3% in Human health and social work activities; 2% in Art, entertainment and recreation; 3% in Financial activities and insurance; 2% in Professional, scientific and technical activities; 3% in Agriculture, Forestry and Fishery, and 9% in other activities (mainly service activities).

Secondary, using analytical model procedure, primary data were processed through statistical analysis of all variables generated by the questionnaires. Hence, in order to test the main hypothesis of the research, whether there was a specific change in the sales of the enterprise, before and after applying social media marketing tools and techniques, a variance coefficient analysis was performed using in specific paired sample t-test analysis through SPSS.

Thirdly, the conceptual framework of the paper as a main reference has the research done by Stephen and Galak [26-27], in relation to the impact of social media on enterprise sales. Resources have dealt with social media metering strategies and indicators that affect the growth of enterprise sales. Through these indicators, the authors categorized social media in: Social Network; Blogs; Microblogging and Online Forums. Afterwards, in order to measure the change of sales through social media marketing, they were categorized in the following order: Sales from advertising; Sales from the promotion; Sales from public relations; Sales from campaigns and sales from consumer services. The impact of sales from each component of the marketing component is incorporated with the above-mentioned categories of social media.

Fig.1 Conceptual framework of the research
The main research question of the paper is:

**Q1:** How significant is the application of marketing in the traditional context (constituent elements) compared to the application of marketing in social media context (constituent elements), in the state of the sales of the enterprise?

The main hypothesis of the research is:

**H1:** "There is a change in the state of sales in the enterprises before and after applying social media marketing (constituent elements)"

### 3 Results and interpretation

This research is based on the data analysis through "Paired Sample t-test", considerate as one of the t-test categories. The T-test of the paired samples is a parametric test, which compares two different means that are part of the same subject (individuals, organization, object, etc.) and may be referred to as the t-test of repeated measurements [25]. This type of test is quite effective in the procedure of statistical comparison between two dependent variables, to prove whether the result of their means is different from zero [17]. Therefore, for this paper paired sample t-test was considerate applicable to analyze the impact of some constituent elements of marketing in traditional context compared to some constituent elements of marketing through social media platform (social networks, microblogs, blogs, online forums) context in the state of sales in enterprises in Kosovo.

Moreover, through the coefficient of variation the paper analysis the results of the means between variables:

- Status of sales in enterprises before and after applying advertising through social media tools and techniques, in specific the impact of advertising in the traditional context (TV, Radio, Magazines, Posters, etc.) compared to the impact of advertising after applying social media platform (social networks, microblogs, blogs, online forums).
- Status of sales in enterprises before and after applying public relations (PR) through social media tools and techniques, in specific the impact of public relations (PR) in traditional context (TV, Radio, Magazines, Posters, etc.) compared to the impact of public relations (PR) after applying social media platform (social networks, microblogs, blogs, online forums).
- Status of sales in the enterprise before and after applying campaigns through social media tools and techniques, in specific the impact of campaigns in traditional context (TV, Radio, Magazines, Posters, etc.) compared to the impact of campaigns after applying social media platform (social networks, microblogs, blogs, online forums).
- The state of sales in the enterprise before and after applying customer service through social media tools and techniques, in specific the impact of customer services in traditional context (TV, Radio, Magazines, Posters, etc.) compared to the impact of customer service after applying social media platform (social networks, microblogs, blogs, online forums).

In the table below (table nr.1) we present the descriptive statistics of each pair. From the results there is no missing data/value in two cases (N=120; Pair 1 and Pair 5), one missing data/values (N=118; Pair 2) and two cases with four missing values (N=116, Pair 3 and Pair 4). As it was foreseen, in all pairs sales increased before (Mean value for: Pair 1 = 1.5289; Pair 2 = 1.6507; Pair 3 = 1.6466; Pair 4 = 1.7931 and Pair 5 = 1.7355) and after (Mean value for : Pair 1 = 1.9339; Pair 2 = 1.9407; Pair 3 = 1.9397; Pair 4 = 2.0259 and Pair 5 = 2.8926) applying social media platform.
Table 1 Paired Samples Statistics

<table>
<thead>
<tr>
<th>Pair</th>
<th>Sales from advertising in traditional context</th>
<th>N</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mean: 1.5289</td>
<td>120</td>
<td>.85707</td>
<td>.07792</td>
</tr>
<tr>
<td>2</td>
<td>Mean: 1.9339</td>
<td>120</td>
<td>1.10857</td>
<td>.10078</td>
</tr>
<tr>
<td>3</td>
<td>Mean: 1.6507</td>
<td>118</td>
<td>1.25116</td>
<td>.11518</td>
</tr>
<tr>
<td>4</td>
<td>Mean: 1.9407</td>
<td>118</td>
<td>1.14199</td>
<td>.10513</td>
</tr>
<tr>
<td>5</td>
<td>Mean: 2.8926</td>
<td>120</td>
<td>1.20969</td>
<td>.10997</td>
</tr>
</tbody>
</table>

In advance, to test the differences between the means of each pair, it is important to analyze the significance scale of correlation coefficient among the positive (close to +1), negative (close to -1), or nonexistent linear (zero value) consistency of variables (Freeman and Young, 2009). The closer the absolute value to +1, the stronger the correlation between the variables, and vice versa [3]. Where the p value is significant, the correlation is higher, in cases where the p value is not significant the correlation is not as high as it is expected.

Table 2 Paired Samples Correlations - t-test

<table>
<thead>
<tr>
<th>Pair</th>
<th>Sales from advertising in traditional context &amp; Sales from advertising in Social Media</th>
<th>N</th>
<th>Correlation</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sales from promotion in traditional context &amp; Sales from promotion in Social Media</td>
<td>120</td>
<td>.125</td>
<td>.173</td>
</tr>
<tr>
<td>2</td>
<td>Sales from PR in traditional context &amp; Sales from PR in Social Media</td>
<td>118</td>
<td>.559</td>
<td>.000</td>
</tr>
<tr>
<td>3</td>
<td>Sales from campaigns in traditional context &amp; Sales from campaigns in Social Media</td>
<td>116</td>
<td>.242</td>
<td>.009</td>
</tr>
<tr>
<td>4</td>
<td>Sales from customer service in traditional context &amp; Sales from customer service in Social Media</td>
<td>116</td>
<td>.349</td>
<td>.000</td>
</tr>
<tr>
<td>5</td>
<td>Sales from advertising in traditional context &amp; Sales from advertising in Social Media</td>
<td>120</td>
<td>.123</td>
<td>.178</td>
</tr>
</tbody>
</table>

Hence, by analyzing the data from table 2 we can conclude that:
- The impact of advertising on sales in the traditional context (TV, Radio, etc.) it is not statically correlated in a significant level, with the impact of advertising on social media (social networks, blogs, forums, etc.). The results show that the significance level is higher than 0.05 (p>0.05; p=0.173), therefore the significant level is low and there is no strong correlation between the variables. Which indicates that advertising performance in traditional context (TV, RADIO, etc.) does not affect the performance of advertising through the application of social
media tools and techniques (social networks, blogs, forums, etc.), on sales.
- In the second pair of variables there is a strong positive correlation between variables (r = .559) with a significance level lower than 0.05 (p=0.000). It indicated that the more effectively the company engages in promotional activities through traditional context, the more effective will be by applying promotion through social media tools and techniques (social networks, blogs, forums, etc.). Traditional promotion components can be integrated into the promotional strategy through social media tools and techniques.
- The third pair analysis shows that the sales from public relations (PR) in traditional context and public relations (PR) by applying social media tools and techniques are correlated with a significance level 0.009. There is a positive correlation between variables (r=.242).
- There is a positive correlation (r = 0.349) with higher significance level (p=0.000) among sales from campaigns in the traditional context and sales from campaigns in social media.
- For consumer services sales (targeting, segmentation, positioning) in a traditional context and by applying social media tools and techniques, the results show that there is no statistical value correlation between the two pairs of variables, considering that the level of significance turns out to be higher than 0.05 (p = 0.178).

The correlation results of each pair based on the significance level, can show the relation between each marketing element in traditional context and by applying social media tools and techniques. The results can indicate whether the variables can affect one another to increase the sales of the company. We can conclude that promotion, sales PR, and campaigns in traditional context effect the way company uses these same elements through social media techniques to increase their sales.

In advance, to analyze the difference between each pair for the same subject we analyze the data in the main Paired Samples Test (table nr.3).
- For the first pair, the result indicates that there is a significant statistical link and mean variation among sales from advertising before and after applying social media tools and techniques t (120) = 3.39; p <0.005.
- For the second pair, the t-test is considered significant (p=.001). Therefore, there is a relevant statistical link among sales from promotion, before and after applying social media tools and techniques t (117) = 0.24; p<0.05.
- For the third pair, the link among sales from public relations before and after applying social media tools and techniques is statistically significant with p <0.05 (p = .049), t (115) = 1.98.
- For the fourth pair results show that the value of significance among the variables is high, sales from campaigns before and after applying social media tools and techniques are related at a statistical significance level (p= .001), t (115) = 1.41; p <0.05.
- For the fifth pair, the value of significance between the variables is genuinely high, the variables sales from consumer services in traditional context and sales from consumer services in social media are related at a statistical significance level (p= .000), t (120) = 9.27; p <0.001.

Table 3 Paired Samples Test

<table>
<thead>
<tr>
<th>Paired Differences</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
<th>95% Confidence Interval of the Difference</th>
<th>t</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pair 1</td>
<td>.40496</td>
<td>.131398</td>
<td>.11944</td>
<td>.16847</td>
<td>3.39</td>
<td>120</td>
<td>.001</td>
</tr>
<tr>
<td>Pair 2</td>
<td>.29542</td>
<td>.13386</td>
<td>.20511</td>
<td>.245</td>
<td>1.98</td>
<td>117</td>
<td>.050</td>
</tr>
</tbody>
</table>

| Sales from advertising in traditional context - Sales from advertising in Social Media | .13821 | .10386 | .19027 | .20511 | .245 | 1.98 | .050          |
| Sales from promotion in traditional context - Sales from promotion in Social Media | .29542 | .13386 | .20511 | .245 | 1.98 | .050 | .001          |
Therefore, considering that there is significant link between the reviewed pairs, i.e., there is a statistical difference between the means of the examined pairs, to ascertain the concrete value of the variance between the variables mean, based on the ‘Paired Samples Test’ table (table no.3) and the table of ‘Paired Samples Statistics’ (table no.1) we can conclude that:

- With a confidence interval 95%, for the first pair, on average, sales from social media advertising were 0.40 higher compared to sales from advertising in traditional contexts (TV, Radio, etc.). The mean value (see table 1) for the first variable is 1.52, whereas for sales from social media ads (social networks, microblogs, blogs, online forums) is 1.93. In conclusion, there is evidence of highly significant variance among this pair. Hence, sales from the impact of advertising, before and after applying social media tools and techniques, have increased.

- With 95% confidence interval, for the second pair, sales from social media promotion were 0.29 higher compared to sales from promotion in traditional context (TV, Radio, etc.). The mean value (see table 1) for sales from campaigns in traditional context is 1.65, whereas for sales from social media promotion (social networks, microblogs, blogs, online forums) is 1.94. In conclusion, there is evidence of significant variance among this pair. Hence, sales from the impact of promotion, before and after applying social media tools and techniques, have increased.

- With 95% confidence interval, for the third pair, for the comparison of sales from the impact of public relations (PR) before and after applying social media, variance between the mean of the pair is 0.30, ranging from the lowest link 0.01, to the highest 0.58. The mean value (see table 1) for the sales from public relations (PR) in traditional context is 1.64, whereas for sales from social media tools and techniques (social networks, microblogs, blogs, online forums) is 1.94. In conclusion, there is evidence of highly significant variance among this pair. Hence, sales from the impact of public relations (PR), before and after applying social media tools and techniques, have increased.

- With confidence interval 95%, for the fourth pair, the variance of the means is 0.23, ranging from the lowest link 0.10 to the highest link 0.55. The mean value (see table 1) for sales from campaigns in traditional context is 1.79 and the mean value for sales from campaigns in social media is 2.02. Therefore, sales from the impact of campaigns, before and after applying social media tools and techniques have increased, with a statistical value of 0.23 percentage points.

- With confidence interval 95%, for the last pair the variance of the means is 1.15, ranging from the lowest link 0.91 to the highest link 1.40. The mean value (see table 1) for sales from customer service in traditional context is 1.73 and the mean value for sales from customer service through social media techniques is 2.89. Therefore, there is evidence of highly significant variance among this pair. Sales from the impact of customer service (targeting, segmentation, positioning) before and after applying social media tools and techniques have increased.

4 Conclusion

Based on the results from the data analyzed in this paper there was a significant average difference between each paired group. In all cases, the means of the groups paired through this research were higher in social media contest compared to traditional contest. Furthermore, we can conclude
that for enterprises in Kosovo (mostly private) the activities of marketing executed through the social media platform generate more sales and have their advantages compared to traditional marketing activities, even though the biggest financial investments from those enterprises are dedicated and related to traditional marketing strategy. Hence, these two marketing channels are related to one another at an eminent level of importance due to the consideration, that, the more developed the marketing strategy through traditional channels and the more defined the channels, components, and activities in applying traditional marketing are, the more effective it will be to manage marketing through social media (social networks, blogs, microblogs forums, etc.).

Since the sample of this research is based only in Kosovo, for the future we will expand the research topic more on comparison with enterprises in countries in the region and beyond. Considering that social media platform nowadays is an essential part of our daily routine and social media marketing is crucial for a company to reach the potential customer, we recommend our peers to contribute with scientific and academic contribution on this topic. Moreover, Covid-19 has greatly affected the operation and online presence of the businesses around the world, therefore future research should address the impact of the pandemic on the marketing strategy of the companies and on their sales.

References:


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