The Impact of Social Media on Sales Promotion in E-commerce Companies (Case Study – KSA- Al Baha City)

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Abstract
The e-commerce consider a modern methods which are used as a changing tool by the organizations at the present time, especially in light of the rapid technological developments, so organizations at the present time have to adopt all methods of developed technology to make a difference on their performance. And this study brought to identify the impact of using social media on the sales in the e-commerce companies in the selected sample of companies that use this method in the city of Al Baha in Saudi Arabia.

Through this study the researcher found many results the most important of them: There is a positive relationship between the uses of electronic commerce (Social Media) and promotion total sales in the study companies, and positive relationship between use Social Media as a changing tool and the development of sales service, and finally positive relationship between the use of e-commerce (Social Media) as a changing tool and the sales price offered to customers in a group of companies in the city of Al Baha in Saudi Arabia.

Keywords: E-commerce, Sales, Profit, promotion sales, Social Media, Tourism Sector, Banks Sector, Travel Sector, Telecom Sector.

1. Introduction
The E-Commerce is of interest to many sectors, it is likely that it will contributes to a fundamental change in the nature of the business process management, and the delivery of services through the policies and procedures which are different from traditional practices. Among the most important effects is reduce the distance between producers and consumers in an environment where there are no limits to the geographical environment as it was in traditional business, and also the flow of information on a broad global scale without consequent obstacles effectively.

Globally e-business sector is among the economic sectors most receptive to the idea of adopting e-commerce applications, So when using e-commerce, the decision maker trying to concern costs and revenues at the same time, and seeking to follow all the means that lead to the improvement that serves as an goal sought by most of the companies that will contribute to the help the administration in the process of planning and sales policy-making of the company and facilitate the process control of those costs and help the administration in making sound decisions that relate to the marketing activity and being significantly affect on the company's sales and the level of profits.

Although the term e-commerce are fairly modern, but the application of e-commerce had begun at the beginning of the seventies of the last century through several applications where more applications fame at that time is the application of electronic transfers of money, but the extent of this application is limited to institutions and corporate giants. After that it appeared in another type of applications, it is an electronic data interchange (EDI), which contributed to the expansion of the application of e-commerce than just financial transactions to other transactions and contributed to the increase contributing slides to this technique from financial institutions, factories, retailers and other service enterprises. After that other applications and uses had spread for this type of commerce, such as buying and selling stocks and tickets, which were called the applications of telecommunications.

And that the concept of e-commerce was not as the form in which it now as, it did not provide these applications are an economical alternative capable of being spread, but after what happened lately from wide developments Technology in electronics and communication where he became accessible to institutions and companies of all types and sizes in order to cheap the price, small size and ease of use.

Therefore, the current trend in the performance of the business is through the World Wide Web-Internet, especially in the field of travel and tourism companies, banks and airline in the world, where it the fastest
growing companies in the field of e-commerce and occupies center stage within the business, which also is among the most important economic trends most receptive to the idea of adopting e-commerce applications.

The researcher found that it is necessary to work on the study of the extent to which these firms benefit from e-commerce applications as a tool change, and the impact of dealing through e-commerce services market, and the success of these companies in the promotion and development of services and sales and scaled up to the competition, because of the support of the local economy, because the global trend at the moment is about the performance of the business through the World Wide Web (Internet) as a tool to change the successful work to achieve the goals of the organizations working in this area.

2. The Study Importance
This study derives its importance from being the dealt with variables that seeks to bring out the nature and essence of the relationship between the main variables of the study e-commerce and sales to pursue of interdependence and intellectual and practical intermingling with each other and indicate the impact on each other, E-commerce proved its importance based on the fact where time is essence. In the commercial markets, time plays an important role to both the business and consumers. From the business perspective, with less time spent during each transaction, more transaction can be achieved on the same day. As for the consumer, they will save up more time during their transaction. Because of this, E-commerce steps in and replaced the traditional commerce method where a single transaction can cost both parties a lot of valuable time. With just a few clicks in minutes, a transaction or an order can be placed and completed via the internet with ease. For instance, a banking transaction can be completed through the Internet within a few minutes compared to the traditional banking method which may take up to hours. This fact obviously proves that E-commerce is beneficial to both business and consumer wise as payment and documentations can be completed with greater efficiency.

From the business viewpoint, E-commerce is much more cost effective compared to traditional commerce method. This is due to the fact where through E-commerce, the cost for the middleperson to sell their products can be saved and diverted to another aspect of their business. One example is the giant computer enterprise, Dell, which practice such a method by running most of their business through internet without involving any third parties. Aside from that, marketing for E-commerce can achieve a better customer to cost ratio as putting an advertisement on the internet is comparably much cheaper than putting up a roadside banner or filming a television commercial. For E-commerce, the total overheads needed to run the business is significantly much less compared to the traditional commerce method. The reason due to that is where most of the cost can be reduced in E-commerce. For example, in running an E-commerce business, only a head office is needed rather than a head office with a few branches to run the business. In addition to that, most of the cost for staff, maintenance, communications and office rental can be substitute by a single cost, web hosting for the Ecommerce business.

3. The Study Problem
To both the consumers and business, connectivity plays an important part as it is the key factor determining the whole business. From the business point of view, E-commerce provides better connectivity for its potential customer as their respective website can be accessed virtually from anywhere through Internet. This way, more potential customers can get in touch with the company's business and thus, eliminating the limits of geographical location. From the customer standpoint, E-commerce is much more convenient as they can browse through a whole directories of catalogues without any hassle; compare prices between products, buying from another country and on top of that, they can do it while at home or at work, without any necessity to move a single inch from their chair. Besides that, for both consumers and business, E-commerce proves to be more convenient as online trading has less red tape compared to traditional commerce method.

The main problem with this study in that most companies are seeking to reduce the cost of the final product, and get a higher percentage of sales as possible to them, as it has a direct effect on the profit and in spite of the multiplicity of means and methods reduce costs and raise sales, but this study seeks directly to examine the ability of e-commerce to stimulate sales of the companies operating in the city of Al Baha, Saudi Arabia and its impact on their customer service.

4. The Study Objective
The study seeks to achieve the following objectives:

4.1. A serious contribution to make an offer conceptual and practical deal with one modern concept in the field of information technology is the electronic commerce, and the parties and the beneficiaries which worked out by it.

4.2. Examine the impact of the e-commerce on the promotion the sales in the companies that operating in Al-Baha city in KSA.
4.3. Definition the concept of e-commerce as one of the modern methods of business management and the extent of their impact on corporate profits from the viewpoint of sales managers and marketing managers of electronic companies in the city of Al Baha in Saudi Arabia.

4.4. Trying to diagnose and determine the interpretation of the nature of the relationship between the use of electronic commerce and electronic sales and clarify the effect on each other.

5. The Study hypotheses
To achieve the study objective the researcher put many hypotheses according with these objectives as follows:

5.1. The Main hypothesis: The study based on the main hypothesis: that there is a statistically significant relationship between the uses of electronic commerce and energize total sales on the group of companies in the city of Al Baha in Saudi Arabia.

5.2. The 1st Sub-hypothesis
There is a statistically significant relationship between the use of e-commerce as a changing tool and the development of sales service in the group of companies in the city of Al Baha in Saudi Arabia.

5.3. The 2nd Sub-hypothesis
There is a statistically significant relationship between the use of e-commerce as a changing tool and the sales price offered to customers in a group of companies in the city of Al Baha in Saudi Arabia.

Notes from the hypotheses above that researcher prepared three hypotheses; one of them is the main hypothesis, and another two is the secondary hypotheses.

6. The study Model:
The researcher prepares the model below to show the relationships that he wants to examine in this study:

Figure (1)
The Study Model

From the figure (1) above, we can note that we have both of two groups of variables, so this study trying to identify and examine the relationships between the dependent variable & Independent variables, so the researcher can identify these groups as follows:

6.1. Dependent Variable: E-Commerce (Social Media) that the study aims to test the effects of other variables on it.

6.2. Independent Variables:
6.2.1. Sales Promotion
6.2.2. Sales Price
6.2.3. Sales Service

7. Literature Review

Alexander, Pearson, and Crosby detail the transition of Borg miller Travel (Carbondale, IL) from a traditional travel agency to an e-commerce business. The process change involves moving from offering unspecialized services to the local market to competing in a global market with an emphasis on travel to Malaysia. Key aspects of the change are the identification of a niche market, investing in the technology and human resources necessary to conduct an e-business, and providing top management support for the new strategy. Borg miller
Travel emphasizes the need for website maintenance and the need to continually provide new marketing material to meet the Internet customer's expectation of fresh website content.


The study describes how a retail jewelry store in a large city transitions from a traditional marketing strategy (signs, print and radio advertising, aggressive sales staff) to selling over the Internet. The implementation of an e-commerce strategy creates problems in terms of project management (deadlines, staffing, and testing) and adaptation to a new marketing culture. The store notes that their Internet customers are more knowledgeable buyers, and that e-sales tend to be for different merchandise than in-store sales. The net effect of adopting e-commerce is to reverse the decline in sales and improve staff morale. Firm profits, however, do not return to prior levels because the store's high-margin items are not big sellers over the Internet.


Henderson demonstrates that e-commerce can be used to support business networks and help rural firms overcome the challenges of small size and geographic remoteness. Business networks in the study consist primarily of supply networks where large firms purchase material inputs from other firms. These networks may be open (access available to all) or closed (membership restricted to specific suppliers or customers and information exchange provided through Electronic Data Interchange - EDI). Five businesses are used as examples of rural e-commerce activity and network building - Wallis Oil Co. (Cuba, MO); Printingforless.com (Livingston, MT); emerge Interactive, Inc. (Sebastian, FL); Woodnet Development Council, Inc. (Orofino, ID); and AgentSecure.com. The cases studies are brief (one paragraph) and focus on network characteristics and benefits to the individual firms.


Chau interviews 34 small and medium-sized enterprises (SMEs) in Australia that are active users of e-commerce. Interview questions cover four broad topics: business background, current use of e-commerce, impact of e-commerce, and problems encountered using e-commerce. The case study businesses represent a variety of industries (manufacturing, trade, fishing, hospitality/tourism, agriculture, education, ICT, and finance); ages (1 to 80 years old); and employment (1 to 65 full time equivalents). Analyses of the case studies reveal a wide range of e-commerce activities that are grouped into six categories: electronic banking, communications, customer service, sales and marketing, enhancing existing business processes, and cost reduction. Chau concludes that the benefits derived from e-commerce increase if the firm makes complementary changes in organizational structure and processes.

8. Conceptual Framework

8.1. The E-Commerce

E-commerce representing one of the areas of the use of information and communication technologies and modern concepts that have emerged and evolved ways to study and search and evaluation over the past few years.

The widespread use of modern electronic devices in many areas of life has contributed to the search for potential use in the business world in general and business in particular, which refers to the emergence of the term "electronic commerce", which focuses on the practice of promotion and advertising, sale and purchase of goods and services using multiple electronic means. Because of the advantages of the many that could be achieved by the Internet in achieving the goals of the business has been used in a larger and more from other areas that rely on computers and electronic thus it is often associated with the concept of e-commerce internet and therefore represents an important part and a key part of the concept of e-commerce.

To illustrate the concept of e-commerce can touch upon set of definitions developed by the researcher, as follows:

8.1.1. According to the definition the World Trade Organization is "the distribution of goods and services and marketing by electronic means".

8.1.2. Is the operations of definition and advertising of goods and services, and then carry out transactions and contracts, and purchase and sale of those goods and services and then pay purchasing value across different communication networks, whether the Internet or other networks that connect between the buyer and the seller.

8.1.3. A full range of production processes, distribution, marketing and sale of products by electronic means, it is also regarded as a means of delivering information, services or products via telephone lines or across networks, computer, it is also a tool to meet the desires of businesses and consumers and men workers in reducing the cost of services and increase efficiency and working to accelerate the delivery of service to recipients.
8.1.4. The performance of business processes between companies to each other, companies and governments, through the use of information technology and communications network in the performance of those operations, and aims to raise the efficiency in performance and efficiency in the deal, it's beyond the time limits that restrict the movement of commercial transactions, and enables quick response to market demands from during the interaction with customers, and is working to simplify the procedures and clarity of work procedures.

8.2. Social Media
Traditionally, consumers used the Internet to simply expend content: they read it, they watched it, and they used it to buy products and services. Increasingly, however, consumers are utilizing platforms—such as content sharing sites, blogs, social networking, and wikis—to create, modify, share, and discuss Internet content. This represents the social media phenomenon, which can now significantly impact a firm's reputation, sales, and even survival. Yet, many executives eschew or ignore this form of media because they don’t understand what it is, the various forms it can take, and how to engage with it and learn. In response, we present a framework that defines social media by using seven functional building blocks: identity, conversations, sharing, presence, relationships, reputation, and groups. As different social media activities are defined by the extent to which they focus on some or all of these blocks, we explain the implications that each block can have for how firms should engage with social media. To conclude, we present a number of recommendations regarding how firms should develop strategies for monitoring, understanding, and responding to different social media activities.

8.3. Benefits Gleaned From Social Media
Despite not being a direct sales channel, social media can support ecommerce in the following ways.

8.3.1. Promote brand awareness. One of the chief benefits social media provides is its ability to help retailers build brand awareness. A survey conducted by online marketing tools vendor Wish pond found that 89 percent of respondents said social media marketing generated more business exposure. Due to its viral nature and ability to quickly and easily spread a message, brands that commit to regular posting of relevant content on social sites grow their base of fans and followers, and have ongoing interaction with them should, over time, expect to see an uptick in awareness.

8.3.2. Help overcome customer reluctance to purchase. While customers still express some degree of confidence in advertising messages, which pales in comparison to their reliance on word of mouth, especially when it comes from trusted sources such as family and friends. According the most recent Nielsen Trust in Advertising report, 84 percent of those surveyed said word of mouth was the most influential factor when deciding on a purchase. Consumer opinions posted online ranked third at 68 percent. If “trust” is a potent factor in convincing consumers to purchase a product through its focus on building relationships and fostering interaction, social media can serve as a channel to help consumers overcome their reluctance.

8.3.3. Improve customer loyalty. In a day when customers are one click away from doing business elsewhere, the importance of increasing customer loyalty and lifetime value cannot be overstated. By building relationships with new customers and strengthening relationships with existing ones via social networks, it stands to reason both will increase.

8.3.4. Provide marketing insights. Even retailers who choose not to pro-actively participate in social media can benefit by listening to the groundswell of opinion expressed by consumers on such sites. If it’s true that people trust recommendations and advice from other people online, then it behooves merchants to make a practice of hearing what these folks have to say about their brand, products and services.

8.3.5. Support search engine optimization. In her Practical Ecommerce article, “SEO: 5 Reasons Not to Ignore Google+,” search marketing expert Jill Kocher cited a report from search marketing tools vendor Moz, which stated there is a correlation between higher search rankings and Google +1s. “Though Google denies that +1s are an algorithmic factor in search rankings, some speculate that sharing content on Google+ has a causal relationship with higher Google rankings. As Google’s social network becomes more mainstream, we can expect its social signals to be incorporated into Google’s search algorithms,” said Kocher. If that is the case, or soon will be, then social media participation merits consideration for SEO purposes alone.

9. Methodology
9.1. The study population
The researcher selects the study population as E-commerce’s Companies operating in Al-Baha city in KSA, which means that Firms used to the electronic way in working or dealing with their sales and Advertising, marketing services and products, and the researcher found an a huge number from these companies, including many sectors distribute in Banking, Industrial, Tourism, Travel and communication, so the researcher try to cover as possible as all of these companies in this study when he select the study sample.

9.2. The Study Sample
As mentioned previously, the study population includes large number companies from many sectors, so he selects a study sample to cover many of these sectors, the Table below shows the study sample:
As the Table (1) shows above, the study sample includes many sectors as Telecom, Banks, Travel, Tourism, so the researcher think that the study sample cover the study population.

9.3. Data Collection & Study Tools
The researcher distribute questionnaire to the study sample as a primary method to data collect, and the questionnaire include three sections as follows:

9.3.1. The 1st Section: Includes six paragraphs dealing with the ability the Social Media (through the E-commerce) to raise the Sales promotion, and this section targeted the Sales Managers in each of the study sample Company’s.

9.3.2. The 2nd Section: Includes nine paragraphs dealing with the ability the Social Media (through the E-commerce) to control the Sales price, and this section targeted the Sales agents in each of the study sample Company’s.

9.3.3. The 3rd Section: Includes five paragraphs dealing with the ability the Social Media (through the E-commerce) to support the Sales service, and this section targeted After-sales services section in each of the study sample Company’s.

So the questionnaire was designed in 21 paragraphs, and the table (2) below shows the distribution the questionnaire’s paragraphs:

<table>
<thead>
<tr>
<th>S.R</th>
<th>Section</th>
<th>Targeted</th>
<th>No. of Paragraph</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sales promotion</td>
<td>Sales Managers</td>
<td>6</td>
</tr>
<tr>
<td>2</td>
<td>Sales price</td>
<td>Sales agents</td>
<td>9</td>
</tr>
<tr>
<td>3</td>
<td>Sales service</td>
<td>After-sales services</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>20</td>
</tr>
</tbody>
</table>

9.4. Data Analysis Method
The questionnaire was designed according to the Likert model (five-dimensional); it is the most common model in statistical studies, and the Table (3) below shows the five dimensions for this Model:

<table>
<thead>
<tr>
<th>Answer</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>weight</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

After the researchers distributed the questionnaire mentioned above, which was 60 questionnaires, By 3 questionnaires for each company and the returned questionnaire recover 50, which means 83% from the distributed questionnaires, and the researchers think it is acceptable ratio.

10. Test Hypotheses
10.1. Test the Main hypothesis: that there is a statistically significant relationship between the uses of electronic commerce and energize total sales on the group of companies in the city of Al Baha in Saudi Arabia.

To test the main hypothesis, the researcher concludes the statistical results in the following table:
Table (4)  
The results (One –Sample T- Test) of the test the main hypothesis

<table>
<thead>
<tr>
<th>St-Div</th>
<th>Mean</th>
<th>DF</th>
<th>T-Sig</th>
<th>T calculated</th>
<th>T calculated</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.86</td>
<td>3.04</td>
<td>50</td>
<td>0.000</td>
<td>3.63</td>
<td>8.38</td>
</tr>
</tbody>
</table>

Through the table (4) above we note that the value of T calculated is greater than the value of (T) cross tabulated as well as the value of (alpha) Less than 0.05 and this means rejecting the nihilism hypothesis and accept the alternative hypothesis to exist that relationship between the uses of electronic commerce and energize total sales on the group of companies in the city of Al Baha in Saudi Arabia.

10.2. Test the 1st Sub- hypothesis: There is a statistically significant relationship between the use of e-commerce as a changing tool and the development of sales service in the group of companies in the city of Al Baha in Saudi Arabia.

To test the main hypothesis, the researcher concludes the statistical results in the following table:

Table (5)  
The results (One –Sample T- Test) of the test 1st Sub- hypothesis

<table>
<thead>
<tr>
<th>T calculated</th>
<th>T</th>
<th>T-Sig</th>
<th>DF</th>
<th>Mean</th>
<th>St-Div</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.39</td>
<td>3.27</td>
<td>0.000</td>
<td>50</td>
<td>3.16</td>
<td>0.80</td>
</tr>
</tbody>
</table>

Through the table (5) above we note that the value of T calculated is greater than the value of (T) cross tabulated as well as the value of (alpha) Less than 0.05 and this means rejecting the nihilism hypothesis and accept the alternative hypothesis to exist relationship between the use of e-commerce as a changing tool and the development of sales service in the group of companies in the city of Al Baha in Saudi Arabia.

10.3. Test the 2nd Sub- hypothesis: There is a statistically significant relationship between the use of e-commerce as a changing tool and the sales price offered to customers in a group of companies in the city of Al Baha in Saudi Arabia.

To test the main hypothesis, the researcher concludes the statistical results in the following table:

Table (6)  
The results (One –Sample T- Test) of the test 2nd Sub- hypothesis

<table>
<thead>
<tr>
<th>T calculated</th>
<th>T</th>
<th>T-Sig</th>
<th>DF</th>
<th>Mean</th>
<th>St-Div</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.18</td>
<td>3.51</td>
<td>0.000</td>
<td>50</td>
<td>3.82</td>
<td>0.73</td>
</tr>
</tbody>
</table>

Through the table (6) above we note that the value of T calculated is greater than the value of (T) cross tabulated as well as the value of (alpha) Less than 0.05 and this means rejecting the nihilism hypothesis and accept the alternative hypothesis to exist relationship between the use of e-commerce as a changing tool and the sales price offered to customers in a group of companies in the city of Al Baha in Saudi Arabia.

11. Result Of Study
After the researcher test the three Hypotheses, he found the following result according with the study subject:

11.1. There is a positive relationship between the uses of electronic (Social Media) commerce and energize total sales on the group of companies in the city of Al Baha in Saudi Arabia.

11.2. There is a positive relationship between the use of e-commerce (Social Media) as a changing tool and the development of sales service in the group of companies in the city of Al Baha in Saudi Arabia.

11.3. There is a positive relationship between the use of e-commerce (Social Media) as a changing tool and the sales price offered to customers in a group of companies in the city of Al Baha in Saudi Arabia.

11.4. There are many effects for using the Social Media through the E-commerce in Promotion sales in Al-Baha Companies in KSA.

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