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Strategic Use of Social Media for Small Business Based on the AIDA Model

Shahizan Hassan*, Siti Zaleha Ahmad Nadzimb, Norshuhada Shiratuddin

*Othman Yeop Abdullah Graduate School of Business, Universiti Utara Malaysia, Sintok, Kedah Darul Aman, 06010, Malaysia

bCollege of Business, Universiti Utara Malaysia, Sintok, Kedah Darul Aman, 06010, Malaysia

cSchool of Multimedia Technology and Communication, Universiti Utara Malaysia, Sintok, Kedah Darul Aman, 06010, Malaysia

Abstract

This study proposes a strategy for using social media as a marketing tool for small business based on the Attention, Interest, Desire, and Action (AIDA) model. The AIDA model has been applied widely for online marketing strategy but its applicability for social media remains unknown. The focus group discussion was used for data gathering involving twenty two small business entrepreneurs. The finding shows that the model can indeed be applied in strategizing the use of social media for marketing purposes. The proposed strategy serves as a guideline for small business entrepreneurs on how to strategically use social media for marketing.

Keywords: Social media, social media marketing, AIDA model, social media strategy.

1. Introduction

Due to its popularity and widespread use, social media has been seen as a new platform which can be used as a competitive marketing weapon by business firms. Nonetheless, to what extent the use of social media as a marketing strategy is effective remains unclear. Studies on the impact of social media as a marketing tool for small business are also scarce. It is also generally known among marketing scholars and practitioners that the Attention, Interest, Desire, and Action (AIDA) model has been applied widely in marketing activities either based on traditional methods or online. However, its applicability in the context of strategic use of social media remains unknown and certainly

* Corresponding author. Tel.: +6-019-4884-666; fax: +6-04-928-7160.
E-mail address: shahizan@uum.edu.my

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requires extensive research. This paper presents a study which investigates how social media can be used strategically as a marketing tool for small business based on the AIDA model. The study was conducted on selected samples of small businesses in Malaysia.

1.1 Background and motivation of Study

The use of social media as a marketing tool is not a new phenomenon in Malaysia. Most large business organizations in Malaysia have been using social media as a marketing tool (Shahizan et al., 2012). However, the use of social media among Small Medium Enterprises (SMEs) in Malaysia is still low with a percentage of less than 20% of the SME sector (Shahizan et al., 2012). Nonetheless, SMEs are the backbone of Malaysia’s economy. In addition to their contribution to GDP, SMEs also contribute in terms of providing jobs to the community. In 2012, for example, SMEs accounted for 32.7% of GDP and provided a total of 4,854,142 job opportunities in Malaysia (SMECORP, 2013).

There are many challenges faced by the SMEs in order to promote their businesses. Among others are limited financial resources, which restrict efforts by SMEs to continue to grow actively. Moreover, SMEs also need to compete with large business organizations. Huang and Brown (1999) argue that the field of marketing is one of the problems typically faced by small businesses. This is caused by the inability of small businesses to appoint a marketing manager to implement marketing activities for their businesses (Berthon, Ewing, & Napoli, 2008; Moss, Ashford, & Shani, 2003; Gilmore et al., 2001).

One of the potential solutions to the challenges of marketing for small business is the use of social media. Social media allows small businesses to conduct marketing activities effectively despite limited financial resources, lack of expertise, and competition with large business organizations. Studies conducted by SMB Group found that one in five small businesses do not have a strategy in the use of social media (SMB Group, 2012). Without a proper strategy or goal, marketing efforts might not be worthwhile. Hence, small businesses need to employ the right strategy when using social media.

The AIDA model has been widely adopted in formulating marketing strategies in business. This marketing communication model focuses on the transaction and purchases performed by individuals. The emphasis is given to the recognition of the existence of a product or service. In the digital world, marketing communications stress three important steps which are creating the existence of a product or service, building relationships, and creating mutual value with customers (Rowley, 2002). In view of this, the AIDA model fits well in the context of digital marketing.

1.2 Research gap

The earlier discussion suggests that social media has been used extensively as a marketing tool by large business organizations. However, for SMEs, the use of social media in business is still at its infancy. In addition, there are limited studies on the strategic use of social media in marketing for small businesses. Development of a strategy for using social media as a marketing tool in a small business could potentially reduce this practical gap. From a theoretical aspect, the public knows that the AIDA model is widely applied in marketing activities such as promotions, advertising, sponsorship, and business through websites. However, studies on how the AIDA model can be applied to the use of social media are still scarce and worthy to be researched.

Based on the above discussion, this study aims to answer this research question: “What is the appropriate strategy in using social media as a marketing tool for small businesses?” Consequently, the main objective of this study is to develop and propose a strategy for using social media as a marketing tool for small businesses based on the AIDA model. It should be noted that the scope of this study covers only small businesses in Malaysia.

2. Literature Review

2.1 Social Media in Marketing

The marketing communications medium has evolved from print media, electronic media, and then to social media in cyberspace. Consumers in the new millennium are not only changing interest to shop online, but also to find information through social media before making purchase decisions. This trend shows that consumers tend to trust their friends and contacts in social media over the ads displayed by business organizations (Woodcock & Green,
Social media has resulted in significant changes to the strategies and tools used by business organizations to communicate with users. Mangold and Faulds (2009) assert that social media tools combine the features of traditional integrated marketing communications tools (IMC) (business organizations communicate with the users) with word-of-mouth marketing (users communicate with each other) in which marketing managers cannot control the content of some information. Interaction in social media is much more attractive forum in which information can be presented in various forms such as the sharing of experiences, jokes, videos, and comments from friends. Forums for sharing information and experiences can shape consumer perceptions of the product or service offered by business organizations. The information can be delivered quickly and thus impact product performance and branding (Woodcock & Green, 2010).

Social media tools can be used by business organizations of various sizes and types as a marketing tool (Birkner, 2011). Social media enables business organizations to connect with customers at the right time, directly with lower cost and higher efficiency than other traditional communication tools. This allows social media not only to be monopolized by large business organizations, but also for the small and medium enterprises (Kaplan & Haenlein, 2010). In addition, social media sites such as Facebook and Twitter allow users to follow their favourite brands and to comment or post questions related to related products or services. With social media sites, business organizations are able to identify what is being said about their brands and communicate directly with consumers (Reyneke, Pitt, & Berthon, 2011). Consumers can help business organizations to generate new business and to promote or assist any brand through tweeting, blogging, reviewing, following, and so on. Consumers who are loyal to a particular brand also help generate online marketing through a virtual word-of-mouth marketing method, which is very important for SMEs. Relationships with consumers give SMEs the opportunity to use social media as a tool for their marketing strategies (Reyneke et al., 2011). However, many small businesses are still trying to reach their target audience effectively (Small Business Trends, 2011) and many are still unaware of the potentials of social media marketing.

Studies conducted by SMB Group (2012) identified that one in five small businesses do not have a strategy in social media. Having a proper strategy is important to ensure the effectiveness of using social media for business or marketing purposes (SMB Group, 2012). Hence, small businesses need to have a proper plan and the right strategy when using social media.

2.2 Previous Studies Related to Social Media Marketing

Stelzner (2013) reported that a survey was conducted on more than 3,000 marketing managers on the use of social media to promote and grow their businesses. The study covered questions related to the types of social media used, the time allocated to marketing using social media, the benefits of marketing through social media, the most widely used social media for marketing, and social media sites which marketing managers want to learn to use. The study found that 97% of respondents use social media marketing for their businesses, and 86% agree that social media is important for their business. In addition, at least 88% of marketing managers want to know the most effective way to connect with consumers through social media, while 69% of marketing managers plan to increase the use of YouTube in the following year. The study also found that only 5% of marketing managers are involved in the use of podcasting. Facebook and LinkedIn were two major social media networks selected by the marketing managers, while 49% chose Facebook and 16% chose LinkedIn. Many marketing managers are not sure whether the use of Facebook marketing is effective. Only 37% of respondents agreed that the use of Facebook for business marketing is effective. The results also reveal that marketing managers would like to know several key issues including the appropriate strategy to be used for social media marketing.

In another study, Kirtis and Karahan (2011) studied whether marketing through social media is a cost-effective marketing strategy for business organizations after the global economic recession. The study indicated that the use of social media as a marketing tool is a marketing strategy that can save business costs as through the use of social media, millions of consumers can be reached in a short period of time and the information can be disseminated quickly.

Kim and Ko (2011) investigated whether social media marketing can improve customer equity in the business of luxury fashion brands. Based on the study, marketing through social media has an impact on customer equity and intentions or feelings to purchase the product. These results are significant in the sense that they show how important social media marketing is in terms of enhancing customer and brand equities.
The literature review of the past studies reveals that research into the strategic use of social media for marketing is a worthwhile effort due to three reasons. First, social media has become very popular and proven to be effective as a marketing tool. Second, social media marketing has been proven to be very cost effective. Third, social media marketing can improve customer and brand equity.

2.3 The AIDA Model and Business Marketing

In 1898, E. St. Elmo Lewis proposed a theory of communication called the AIDA model, the acronym that refers to Attention, Interest, Desire, and Action. This theory is developed based on a study of the life insurance industry that describes the four (4) cognitive phases experienced by an individual upon receipt of a new idea or a new product purchased (Michaelson & Stacks, 2011). According to Barry and Howard, as cited in Heath and Feldwick (2007), the AIDA model contains a four-step formula to get attention, attract interest, create desire, and then take action, which is making a purchase. This model is very useful in assessing the impact of advertising by controlling every step of the psychological transformation that starts from the individual level to see an advertisement up to the purchase made by the individuals involved (Kojima et al., 2010).

Although the model was introduced centuries ago and it has gone through a variety of modifications, the basic principle of this model remains intact and is still relevant. Despite living in a world of interactive online communication and emerging social networks, users still need to be aware of the existence of a product, show interest in the product based on information obtained related to the benefits of the product, and express a desire to have these products because they meet the needs, wants, and their interests, and take action to make the decision to purchase or other relevant actions (Michaelson & Stacks, 2011).

According to Ashcroft and Hoey (2001), the AIDA model can be applied to Internet services as it is applied on other products and services. The AIDA model has different levels. The cognitive level is when the user's attention can be drawn. It is the first step in the communication process where the consumer needs to know about the existence of such a service. At the affective level, consumers have an interest in the services offered and in finding out more about what is being offered. This leads to the desire to acquire the product or service. At the level of behaviour, the action takes place. The consumer uses the service provided as a valued resource.

Referring to the values outlined by the respondents to the steps in the purchasing process based on the AIDA model, the study by Lagrosen (2005) found that the capturing user attention aspect is slightly weak in online marketing. The possibility of the prospective customers to visit a company's website when browsing the Internet intentionally, as occurs in traditional advertising, is low. But this problem can be overcome through banner advertising on popular websites or through information and links from any relevant portal. Creating interest in customers is a strong aspect of online marketing. When prospective customers are browsing the website of a company, a lot of information can be passed on to customers with an interactive and interesting method so as to create customer interest in the products or services offered. In addition, website content may also be continuously renewed regularly to encourage repeat visitors.

In creating customer desire to purchase products or services, online marketing has many opportunities to provide explanations about the products or services using interactive methods. In the process of taking action (i.e., the final phase), online marketing is very supportive of this phase with the provision that allows the user to easily make purchases (which includes payment) through the integrated card system integration and so on. Hoek and Gendall (2003) assert that by creating awareness or attention in consumers, advertising is also said to be able to create interest and desire before triggering attitudes to take action. The attention given to the AIDA model and its variations on advertising text allow the model to also be applied to sponsorship activities.

It has been consistently argued earlier that the AIDA model has been widely used in marketing activities: either advertising based on traditional methods or online. However, it has also been argued that there is a lack of studies that look at how the AIDA model can be applied in the context of social media marketing. This study, hence, adapts the model to suit marketing strategy for social media usage.
3. Methodology

3.1 Methodology Approach

This study was conducted using the qualitative approach due to its nature, which is to conduct a comprehensive study of how social media can be used strategically by small businesses for marketing purposes. According to Taylor and Bogdan (1998), the qualitative research methodology is aimed at exploring the subject comprehensively, which cannot be achieved through quantitative research. As this is an in-depth study on the use of social media as a marketing tool in a small business, it is appropriate to use a methodology that is able to provide a text description of the complex situations that involve people and their experiences (Keegan, 2009). In this study, the researchers used a focus group method to obtain the required data.

3.2 Research Framework

In order to ensure that the methodology adopted in this research achieves the desired outcome, the mapping of the research questions, objective, method, and results was formulated as presented in table 1.

<table>
<thead>
<tr>
<th>Research Questions</th>
<th>Objectives of the Study</th>
<th>Method</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the appropriate strategy in the use of social media for small businesses in marketing?</td>
<td>Develop a strategy of using social media as a marketing tool in small business based on the AIDA model.</td>
<td>Focus Group</td>
<td>Strategy for using social media as a marketing tool by small businesses.</td>
</tr>
</tbody>
</table>

After the mapping, a research framework was developed which consists of three phases as presented in figure 1. These phases are linked to the theory used, outcome, and research objective. Phase one involves the analysis of literature in the area of computer-mediated marketing with the focus on social media. This phase results in the identification of the research gap and justification for the selection of the AIDA model. Phase two relates to the method used (i.e., focus group) to gather information about social media strategy based on the AIDA model. This information is imperative as input for the third phase, which is the development of a strategy for using social media as a marketing tool in small business.

![Fig. 1. Research Framework](image)

3.3 Focus Group Discussion

Data collection through focus group was conducted in phase two as described earlier. Participants for the focus group were 22 small business owners and entrepreneurs who use social media as a marketing tool. Focus group method has been used for various purposes and in various contexts by academics and researchers (Krueger & Mary, 2009). Selection of data collection method through focus group was made mainly due to cost and time savings compared to
the cost involved in conducting individual interviews (Stewart & Shamdasani, 1996).

3.4 Development of the Strategy for using Social Media as a Marketing Tool in Small Business

Based on the literature analysis and focus group discussion, the strategy for using social media as a marketing tool in small business was developed. The strategy to be used is based on the AIDA model where it is meant to guide small business entrepreneurs on how to use social media in the following four AIDA components: (a) ATTENTION - how to attract attention or awareness among consumers on the current or new products and services being offered, (b) INTEREST – how to create interest of consumers to know more about the products or services and allow them to assess whether they meet their needs or expectations, (c) DESIRE – how to ensure that consumers have a desire to own or purchase the products or services because they meet the needs, wants, and their interest, and (d) ACTION – how to ensure that consumers can take action to make the decision to purchase the products or services.

3.5 Research Instruments

The method of data collection through focus groups is used to obtain information about the views and experiences of respondents. A guideline for focus group discussion was developed to enable the focus group discussion to be systematically conducted in a timely manner and the data obtained would answer the research questions and achieve the objectives outlined. The established guidelines are endorsed in advance by experts in the field of marketing and information systems to ensure that the discussions in the focus group are concerned with tackling the targeted issues. The focus group discussion guidelines are developed based on two aspects which are profile of participants and strategy in using social media based on the four AIDA components as mentioned earlier.

4. Findings

4.1 Demography of Participants

The demographic information of the 22 focus group participants is summarized in table 2. A majority of the participants are in their 30s and hold key managerial positions or are even owners in their respective companies. They are involved in different types of business, providing unique products or services. Their selection to participate in this study is justified since all of them have experience using social media for at least three years.

Table 2. Demographic Information of the Interviewees

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Type of Business</th>
<th>Position/Designation</th>
<th>Length of Social Media Use</th>
<th>Type of Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between 20-35 years</td>
<td>Resort and homestay, Production house, Beauty salon, cosmetic, boutique, training services, wedding planner, wedding accessories, event management, kids clothes and accessories, advertising and printing, photography service, bakery, batik clothing, and health products</td>
<td>Entrepreneurs, Company owners, Managing directors, Trainers, IT specialists</td>
<td>3-5 years</td>
<td>Small</td>
</tr>
</tbody>
</table>

4.2 Strategic Use of Social Media for Business

The focus group reveals many ways to attract the attention of current or potential customers on products or services ranging from traditional methods such as advertising through television channels, radio, and newspapers to more contemporary methods such as emails, websites, and the use of social media platforms. One participant says, “we can use social media wisely to generate brand awareness and trust, and when this happens, sales will go up definitely...”. Another participant argues that “if we use social media correctly, it can easily boost our brand awareness...”. The participants also agree that information about products or services and about the companies needs to be stated clearly in social media to create interest among consumers. While detail of products or services allows consumers to assess whether they conform to their needs and interests, “information about companies enables consumers to ascertain the credibility of the companies”, said one lady participant. Several participants also suggested for any newly launched products or services to be advertised immediately to create customer interest.

Once consumers are interested in products or services, several measures can be put in place to ensure that they have
a desire to own or purchase them. Among others, social media practitioners could offer attractive promotions such as special discounts, contests, and free drawings, entertain immediately any request or feedback from potential or current customers, and provide excellent pre-sale service. In addition, one participant, who is selling home-baked cupcakes via Facebook, asserts that the social media wall must be updated with catchy phrases, notes, and attractive pictures regularly. In order to ensure that consumers will purchase the products or services, companies should provide clear information about how to place an order. Methods of payment and delivery, if applicable, should also be specified clearly. The ordering and payment should be made as easy and secure as possible to establish customers’ trust. Two participants proposed social media practitioners to provide multiple payment options to generate more sales. “If they notice that their favourite payment option is not available, they will run away”, says one participant. Detail on the strategy for using social media for business marketing is summarized in table 3.

Table 3: The AIDA strategy for Social Media Marketing

<table>
<thead>
<tr>
<th>STEPS</th>
<th>STRATEGY</th>
</tr>
</thead>
<tbody>
<tr>
<td>ATTENTION</td>
<td>a) Advertise on social media sites through the social media gateways such as nufnagg.com and banners.</td>
</tr>
<tr>
<td></td>
<td>b) Become a follower in other social media accounts to make yourself/business known to others.</td>
</tr>
<tr>
<td></td>
<td>c) Use tagging in social media properly.</td>
</tr>
<tr>
<td></td>
<td>d) Create a controversy on your product so that people will talk about it.</td>
</tr>
<tr>
<td></td>
<td>e) Use search engines to locate potential customers.</td>
</tr>
<tr>
<td></td>
<td>f) Use referrals by existing customers or fans.</td>
</tr>
<tr>
<td></td>
<td>g) Use traditional marketing strategies such as billboards, flyers, stickers, road shows, and newspapers.</td>
</tr>
<tr>
<td></td>
<td>h) Create cross linkages in all social media and websites to generate visitors.</td>
</tr>
<tr>
<td></td>
<td>i) Advertise on websites of suppliers and collaborators (affiliate marketing).</td>
</tr>
<tr>
<td>INTEREST</td>
<td>a) Provide clear information about the products, which include a brief description of their main features, price, and pictures.</td>
</tr>
<tr>
<td></td>
<td>b) Pictures of products (if relevant) should be of different angles.</td>
</tr>
<tr>
<td></td>
<td>c) Provide clear information about the company (business owner), which includes the name of the company (or owner), contact number, and link to the website.</td>
</tr>
<tr>
<td></td>
<td>d) Provide timely and up-to-date information about products or service offered.</td>
</tr>
<tr>
<td></td>
<td>e) Once a new product is released, advertise (including tweeting) quickly in social media.</td>
</tr>
<tr>
<td>DESIRE</td>
<td>a) Give promotions – special discounts, buy one get one, early birds, etc.</td>
</tr>
<tr>
<td></td>
<td>b) Organize contest and free gifts.</td>
</tr>
<tr>
<td></td>
<td>c) Update social media “wall” regularly.</td>
</tr>
<tr>
<td></td>
<td>d) Provide catchy “wall” notes with attractive pictures of products of regularly.</td>
</tr>
<tr>
<td></td>
<td>e) Monitor the comments and feedback from followers and responding quickly.</td>
</tr>
<tr>
<td></td>
<td>f) Offer good pre-sales customer service.</td>
</tr>
<tr>
<td>ACTION</td>
<td>a) Clear ordering process.</td>
</tr>
<tr>
<td></td>
<td>b) Clear information on payment options (e.g. bank in directly, via checks, online payment via e-comm website)</td>
</tr>
<tr>
<td></td>
<td>c) Delivery options (self-pickup/delivery)</td>
</tr>
</tbody>
</table>

5. Discussion and Conclusion

This study is expected to provide practical and theoretical contributions as follows:

In practical terms, the proposed social media marketing strategy can be applied by small businesses to ensure that small business marketing using social media can be increased and effective. This study examined the strategies that need to be addressed by the small business owners using social media for marketing purposes. In a way it provides guidance to small business entrepreneurs to practice the use of social media as a marketing medium more efficiently and effectively. This in turn can help small business entrepreneurs optimize the use of social media in tandem with marketing through the new media revolution.

This study highlights the fact that empowerment of social media and the Internet is becoming a very important requirement of small business entrepreneurs. Small business entrepreneurs need to be competitive and constantly innovating to do business. Using social media strategically for marketing is perceived to have a significant positive impact on small business entrepreneurs and indirectly on economic growth. In addition, the study found that using social media is the most cost effective way for marketing and is thus suitable for small business. Hence, it supports the outcome of previous studies such as Kirtis and Karahan (2011) and Birkner (2011). This study also supports previous findings such as Hoek and Gendall (2003) on the fact that social media can be a powerful advertising tool as it can reach a wider audience very quickly and be able to attract and influence consumers to make purchasing decisions. In addition, social media is also perceived to be able to play as an effective role in the relationship marketing.
Its powerful features allow entrepreneurs to communicate consistently with customers regarding new products and services and after sales-related issues. This finding supports the suggestion by several scholars such as Reynneke et al. (2011).

In theoretical terms, this study extends the applicability of the AIDA model into the strategic use of social media for marketing specifically for small business. The finding shows that the model can indeed be applied in strategizing the use of social media for marketing purposes. This outcome is in line with the work of Lagrosen (2005) who argues that the AIDA model is practical in the context of social media usage especially for the “IDA” components. The finding also supports the views of Ashcroft and Hoey (2001), Hoek and Gendall (2003), and Woodcock and Green (2010) that the computer mediated tools have potentials to become effective marketing weapons for business firms.

Despite the findings, this study has a number of limitations. First, the proposed strategy needs to be implemented to test its applicability. Second, the study is only conducted in the context of Malaysia’s cyberspace. Further research is needed to enhance its applicability in various geographical and environmental settings. Finally, the study only refers to AIDA model as the underlying theory. In the future, others theories and models in the marketing communications field such as Hierarchy of effects, FCB-Grid, Rossiter-Percy Grid, and the Integrated Marketing Communication can be considered so that the reliability of the model can be further enhanced.

References