

## Social Media says "NO" to Direct Sales

*Research Report: To Investigate the Impact of Social Media Tools on Customer Satisfaction, Brand Equity and Sales Performance.*

Chennai, Tamil Nadu, March 18, 2010 /[India PRwire](#)/ -- **Overview of Research Project:** [ECHOVME](#) (Digital Marketing Consultancy) sponsored two MBA students of [Great Lakes Institute of Management \(Chennai\)](#) to investigate the impact of Social Media Tools on Customer Satisfaction, Brand Equity and Sales performance under the guidance of Dr. Krishna Ram (ES Guide).

### Research Insights:

**Aim:** To Investigate the Impact of Social Media Tools on Customer Satisfaction, Brand Equity and Sales Performance.

**Purpose:** This paper aims to study the impact of SMOs on a firm's sales and brand equity in an isolated environment removed from traditional media and garner useful insights on what should be the optimum promotion mix for an organization. This paper utilizes the survey approach and advanced statistical methods to draw insights from responses elicited from web users from diverse geographical, cultural and political backgrounds.

**Research Methodology:** Survey (Quantitative analysis)

**Sample Size:** 200 Professionals (Marketers, CEOs, Managing Directors and Executives) mainly from IT background from countries (UK, USA, Australia and India) most active on Social Media.

### The questionnaire considered of three sections:

- i) Usage pattern and perception about social media
- ii) Information on generic social media tools
- iii) Helpfulness of information on social media to end customer

**Statistics:** Regression and Annova

### Findings:

**Hypothesis 1:-** *Non conventional stratagem based on Web 2.0 will help increase firm's sales numbers. (Quantitative Analysis)*

- Analysis of the data does not reveal a very high correlation between Social Media and impact on direct sales
- Social Media though used extensively so far has not really translated into direct sales.
- Even if sales have occurred there are no set processes in place to measure the impact of social media vehicles and attribute the sales directly to usage of social media.
- That being said, social media is here to stay and helps organizations in several tangible and intangible ways like improved accessibility, faster decision making and uninterrupted dissipation of information.

**Hypothesis 2:-** *Non conventional stratagem based on Web 2.0 will have limited or no effect on an organizations brand perception. (Qualitative Analysis)*

- As per the analysis feedback and decision making seem to be the most important factors of social media contributing to brand equity.
- There is a strong correlation between adoption of social media and consequent impact on brand equity of a firm-organization

Use of Social media for Recruitment, Social Service and information about cultural events does not seem to be significant in the minds of the consumer.

- Customers perceive companies to find social media tools most useful for:-

- Dissipating information about products and services
- Dissipating information about new project wins
- To segment the market based on usage patterns
- Track movement in consumer choices, preferences, fads etc.

[Sorav Jain](#)'s (Thinker in Chief of ECHOVME) social media expertise limelight on the Research Report:

The first hypothesis confirms there is not a significant relationship between direct sales and Social Media. As per the observation and the user feedback direct marketing on Social Media is considered as spam or activity to be ignored unless in the case of 'Dell' (The popular direct marketing / sales via twitter case study). Direct marketing is not to be the element of your strategic approach as the purpose of Social Media is for networking and engaging customer for a distinguished experience.

The second hypothesis confirms there is a strong relationship between a firm's Social Media activity and consumer's perception on its brand equity. The professional respondents perceive companies to find social media tools most useful for sharing information (company and industry insights) and customer analysis.

Thus, Social Media is to make people aware about your presence in a way that leads to an experiential marketing. Dissipation of information about products, insights of company and industry, project wins, recruitment process etc impacts the brand equity of the firm. Besides, just broadcasting information and no engagement can be considered as 'spam'. To have an positive impact it is essential to share knowledge, engage and build relationships that later reflects on business development and sales.

#### **Notes to Editor**

ECHOVME is an India based Digital Marketing Consulting firm that specializes in integrated digital marketing consulting, services and training. It is also a research firm that updates and upgrades the elements of virtual marketing ecosystem and creates industry specific roadmaps pertaining to marketing for business successes virtually across different geographies.

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