

Traditional Marketing Tactics and Social Media Marketing Tactics: Which is more effective in maximizing Purchase Intention and Word of Mouth?

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ABSTRACT

With the age of social media, it has never been easier for new businesses to gain traction and gain investment and capital from both investors and potential customers. In a period that is so heavily focused on startups and new ventures, marketing plays an essential role in determining the successful few businesses out of the infinitely growing pool of competitors.¹ The traditional methods of marketing utilizing billboards, Television advertisements, and in-person salesmen and experiences remain prevalent for many businesses, but what about the newest and most unexplored sector of marketing, Social Media Marketing? With limited capital and quotas to meet, new ventures often struggle to decide which strategy would be the most optimal for performance.² Between Traditional Marketing strategies and Social Media Marketing strategies, which should businesses employ to produce the greatest growth in revenue and customer interaction? Social Media Marketing, through a data-driven superiority in Purchase Intention (likelihood of a customer purchasing a product) and Word of Mouth (metric for customer-to-customer interactions) values, greatly outmatches Traditional Marketing and should be the logical choice for most businesses prioritizing return on investment.

Context/Introduction

Traditional marketing strategies include television and radio commercials, print ads in newspapers and magazines, billboards, direct mail, and telemarketing. These marketing strategies were the primary marketing method before the emergence of the digital age, and although less prominent nowadays, they have many benefits as well. Traditional marketing strategies are fantastic for building brand image and unifying the image of a corporation under a

¹Venciute, Dominyka, et al. "The Impact of Social Media Marketing on New Venture Performance." *Corporate Communications*, vol. 28, no. 5, 2023, pp. 788–810.

²Imran, Nousheen, and Maseeha Arjumand. "A Study of the Effectiveness of Social Media Marketing Compared to Traditional Marketing Methods." *RIMS Journal of Management*, vol. 4, no. 2, 2020, pp. 1–8.

single banner. It is also very effective for local and regional businesses. Social Media Marketing became a worldwide trend after the emergence of large social media networks such as Facebook, Twitter, Instagram, Youtube, Tiktok, and a myriad of other networks. "Social media, as one of the most potent weapons of marketing (Kawasaki, 2017) is defined as "channels where the individuals who make up the society share the content they produce simultaneously and directly access the contents shared by other individuals who make up the society" (Yüksel, 2019, p. 28)." It is said that 80% of all Instagram users have encountered a business page, with a shocking 25% visiting a business page daily (Kırcova et al., 2018). The sheer diversity of demographics that social media attracts is extremely important and alluring to advertisers, who take the opportunity to reach the largest audience immediately.³ "A recent study discovered that companies tend to personalize their communication on social media and that this personalization leads to a higher number of reactions (Denner and Schneider, 2022), which shows that social media allows companies to connect to their consumers better. Also, social media enables firms to be involved in timely and direct contact with end customers at moderately low costs and high efficiency (Kaplan and Haenlein, 2010). Thus, it might be especially relevant for new ventures that have limited resources and marketing budgets (Weber, 2009)."

Purchase Intention

One of the most important factors that businesses look at to decide the importance or significance of a sector of business is how it affects sales. After all, total revenue is what keeps a corporation afloat. Social Media Marketing, when compared to Traditional Marketing strategies, bears noticeable increases in total revenue. Sales resulting from Social Media Marketing can be largely attributed to 'how likely is it for the audience to purchase the product due to the advertisement?' This value is called purchase intention, and it measures the percentage likelihood of customers purchasing the desired product.⁴ "Purchase intention (PI) has been defined in different ways, including the likelihood of buying a product or brand (Keller, 2013; Schiffman & Kanuk, 2009) and a combination of customer interests in, and probability of buying, a product (Kim & Ko, 2012)." Additionally, "Some researchers define PI in a general sense, for example, a willingness to purchase items on social media sites (Alalwan, 2018)." A study on the performance of traditional marketing versus social media marketing concluded that "73.20 % prefer social media marketing rather than traditional media, which is just 27%."⁵,

³ Bashar, Abu, et al. "Emerging Trends in Social Media Marketing: A Retrospective Review Using Data Mining and Bibliometric Analysis." *Future Business Journal*, vol. 10, no. 1, 2024.

⁴ Mahdieh, Omid, et al. "The Effect of Social Media Marketing on Purchase Intention with the Mediating Role of Brand Awareness and Consumer Motivation." *Iranian Journal of Management Studies*, vol. 17, no. 4, 2024, p. 1043+.

⁵ Imran, Nousheen, and Maseeha Arjumand. "A Study of the Effectiveness of Social Media Marketing Compared to Traditional Marketing Methods." *RIMS Journal of Management*, vol. 4, no. 2, 2020, pp. 1–8.

making social media marketing far superior in the customer interest sector. Additionally, through the implementation of Social Media Marketing to a study group of 414 people, a study, in conjunction with other findings related to customer response and brand equity⁶said that “it was determined that the effect of social media marketing activities on purchase intention was positive and significant.”⁷

Table 5. Coefficient of determination (R^2) values

Construct	R^2	R^2 adjusted
Brand awareness	0.507	0.506
Hedonic motivation	0.228	0.226
Utilitarian motivation	0.078	0.075
Purchase intention	0.376	0.369

Fig 1 : Mahdieh, Omid, Saeed Mohammadi, and Fariba Mohammadi. "The Effect of Social Media Marketing on Purchase Intention with the Mediating Role of Brand Awareness and Consumer Motivation." Interdisciplinary Journal of Management Studies (Formerly known as Iranian Journal of Management Studies) 17, no. 4 (2024): 10

In the study, “Table 5 shows that the exogenous constructs account for 38% of the variance in the dependent variable (PI), which can be considered moderate explanatory power.”⁸ This means that 38% of the growth of Purchase Intention can be attributed to Social Media Marketing. An additional study with a similar survey methodology and 377 participants concluded that “the correlation coefficient between PI and SMM was 0.812 and 0.796.”⁹ The high correlation coefficient proved the effectiveness of SMM in increasing purchase intention. On top of this, “The results confirmed that social media antecedents significantly affect three constructs: social media marketing, brand loyalty and customer purchase intention. In line with numerous previous studies, the results indicated that social media marketing significantly affects both brand loyalty and customer purchase intention. Finally, the findings showed that brand loyalty has a significant

⁶Fayvishenko, Diana, et al. "The Impact of Brand Social Media Marketing on the Dynamics of the Company's Share Value." *Verslas: Teorija Ir Praktika*, vol. 24, no. 1, 2023, pp. 24–32.

⁷ AKGÜN, Z. "The Impact of Social Media Marketing Activities on Brand Equity, Customer Response and Purchase Intention: A Research on Fast Fashion Brands" *Business & Management Studies: An International Journal*, vol. 8, no. 5, 2020, pp. 4211–4240.

⁸Mahdieh, Omid, et al. "The Effect of Social Media Marketing on Purchase Intention with the Mediating Role of Brand Awareness and Consumer Motivation." *Iranian Journal of Management Studies*, vol. 17, no. 4, 2024, p. 1043+.

⁹ Almohaimmeed, Bader M. A. "The Effects of Social Media Marketing Antecedents on Social Media Marketing, Brand Loyalty and Purchase Intention: A Customer Perspective." *Journal of Business and Retail Management Research*, vol. 13, no. 4, 2019.

effect on customer purchase intention.”¹⁰ This list of credible studies also suggests the effectiveness of Social Media Marketing on purchase intention. Generally, through a myriad of different factors, Social Media Marketing is considered to be far superior to any other alternative.¹¹ Through the heightened awareness of the corporation and higher engagement from the audience, Social Media directly contributed to higher sales through the increase of purchase intention. In comparison with the relatively lesser preference towards Traditional Marketing tactics, Social Media Marketing is overwhelmingly superior in increasing purchase intention.

Word of Mouth

A crucial aspect in the success of a business is how well the business is communicating with the customer. Social Media Marketing can increase profitable communications with the public through increased audience reached, audience engaged, and customer response. The audience reached by an advertisement as well as customer-to-customer interactions about an advertisement, can be measured through a metric called Word of Mouth (WOM). To measure the WOM increase that is observed from social media marketing, there is an amazing study done on an Indian Dessert and Ice Cream chain called Hokey Pokey, which previously relied on locally and regionally bound traditional marketing strategies. The “ Implementation at Hokey Pokey was measured using the following three parameters : (i) : the degree of spread, or the number of times forwarded (or modified and forwarded) (ii) the depth of influence, or the number of connections that the message jumped; and (iii) the engagement impact, or the number of comments received for each message.”¹² The results of this study notes that “positive WOM increased by 33.5 times, thereby proving that the (Social Media Marketing) campaign was a success.”¹³ It is also noted in another study that “Advertisement action helps to increase word of mouth.” Through this specific example done on a specific chain restaurant in India, the newly introduced unit of measurement called Word of Mouth makes it easier to visualize changes in audience reached, especially through previously unmeasurable multi-relationship spreads of information. There was a shocking 33.5 times increase in WOM, which will undoubtedly increase brand awareness for Hokey Pokey. Traditional Marketing, in comparison, lacks the aspect of WOM entirely, relying on mass distribution of advertising content instead of targeted distribution to a group of

¹⁰ Almohaimmeed, Bader M. A. "The Effects of Social Media Marketing Antecedents on Social Media Marketing, Brand Loyalty and Purchase Intention: A Customer Perspective." *Journal of Business and Retail Management Research*, vol. 13, no. 4, 2019.

¹¹Sury, Kartina, et al. "Analyzing the Effects of Social Media, Customer-to-Customer Interactions, and Traditional Marketing on Customer Decision-Making through Brand Preference: Insights from Greater Jakarta's Insurance Market." *International Journal of Research in Business and Social Science*, vol. 13, no. 4, 2024, pp. 49–63.

¹²Bhaskaran, Vikram, et al. "Creating a Measurable Social Media Marketing Strategy: Increasing the Value and ROI of Intangibles and Tangibles for Hokey Pokey." *Marketing Science*, vol. 32, no. 2, 2013, pp. 194–212.

¹³Bhaskaran, Vikram, et al. "Creating a Measurable Social Media Marketing Strategy: Increasing the Value and ROI of Intangibles and Tangibles for Hokey Pokey." *Marketing Science*, vol. 32, no. 2, 2013, pp. 194–212.

interested customers. The addition of this new and effective value places Social Media Marketing far above Traditional Marketing.

Results

Social Media Marketing has shown to have a much higher correlation coefficient and customer satisfaction/preference value for the increase of purchase intention than traditional marketing. Additionally, Social Media also produces a more noticeable increase in WOM, customer reach, and brand awareness compared to traditional marketing, as explored by the extensive study done on the Indian Dessert Chain, Hokey Pokey. As supported by the cited research, Social Media Marketing is the more desirable option between Traditional and Social Media Marketing tactics. With a shocking 95.1 %¹⁴ of people having awareness and experience with Social Media Marketing and 9.0%¹⁵ of the world economy being composed of the digital economy, the prevalence of Social Media Marketing and its effect on the general economy has never been greater. With such a vast change in circumstances, many businesses, both old and new, struggle with deciding on the most effective means of advertising. The decision between Traditional Marketing and Social Media Marketing could either keep the digital economy at around 10% of the world economy, or boost the digital economy sector into greater significance, forever altering the role that the internet plays in Economics.

Discussion

Considering the findings of this paper, it can be decisively concluded that Social Media Marketing produces a greater Purchase Intention and WOM value in comparison with Traditional Marketing strategies. The reduced cost for exposure, along with the increased efficiency in producing profit, makes Social Media Marketing the ideal choice in most environments. Although it had been generally assumed that Social Media Marketing is superior to Traditional Marketing, this review produces clear results that should have businesses with limited capital deciding that Social Media Marketing is the correct choice to make. To expand on this review, one could research Social Media Marketing performance in locally prevalent businesses (where Traditional Marketing usually thrives) and explore the effectiveness of physical community building in comparison to online community building.

¹⁴Imran, Nousheen, and Maseeha Arjumand. "A Study of the Effectiveness of Social Media Marketing Compared to Traditional Marketing Methods." *RIMS Journal of Management*, vol. 4, no. 2, 2020, pp. 1–8.

¹⁵Nicholson, Jessica R. *New Digital Economy Estimates*. U.S. Bureau of Economic Analysis, Aug. 2020.

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