



The Effects of Social Media Tools Towards Online Retail Businesses in the Consumer Electronics Industry

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ABSTRACT

Businesses nowadays have been adapting to technological advancements since the 21st century to promote their products. The majority of the global population has been exposed to the digital world, and retail businesses have engaged themselves in the online environment. Social media tools have become a significant factor in advertising products and have taken big steps to create innovations in their platforms. Using social media has given online businesses options on managing their performance towards their brand and how to interact with consumers. These digital enhancements toward flourishing online retail businesses have boosted the consumer electronics industry. The study's objective was to provide extensive knowledge of how the different social media platforms and tools significantly affected the performance of online retail businesses belonging to the consumer electronics industry. A quantitative research approach was utilized in this study. The researchers conducted online survey questionnaires and were distributed to 185 respondents. Lastly, the study aims to benefit retail businesses, consumers, and future researchers, who engage in online businesses and how they can stand out from prospective competitors.

Keywords: Customer Engagement, Digital Advertising, Online Marketing, Retail Businesses, Social Media

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INTRODUCTION

Social media platforms in today's generation are one of the most common means of communication for people. Social media has become a habit for most people who engage in throughout the years, which then becomes a lifestyle in their daily routine. These platforms have also continued to innovate and develop in a way that has been able to satisfy various consumer markets. With the rapid increase in the popularity of social media sites, each site's involvement level has also increased. With over 3.6 billion active social media users in 2020, the numbers are expected to rise further (Statista, 2020). As the numbers keep rising, social media continues to increase its reach and

expand its market, especially for those who need to keep up with the trends. When it comes to the online retail environment, businesses have also begun to thrive because of their online advertising efforts. Firms have established their presence using social media platforms to advertise what products and services they offer. In addition, young and aspiring entrepreneurs have also been motivated to utilize social media tools and features to start up their businesses, which are evident in today's world as 64% of active internet Filipino users are engaged in social media, with 23% being for online shopping (KPMG, 2020).

Furthermore, other social media platforms have provided several services over the following years, which created an edge or advantage for online retail businesses to expand their reach to their customers. Some of the social media tools commonly used nowadays are Instagram Stories, Facebook Stories, Twitter Fleets, Twitter Paid advertisements, Facebook Pages, Twitter Promotions, etc. These social media tools continue to fuel businesses' digital advertising activities, which continue to be effective up to this day. According to Euromonitor (2020) the Philippines' consumer electronics sector is growing and is adapting to the online environment, in which, the consumer electronics industry in the Philippines had its peak in 2015, with more than 30,000 volume sales and at the end of 2020, it reached 23,640 in terms of volume sales and is expected to rise until the year 2025.

There has been much research dedicated to social media and online advertising among businesses. However, some research studies had only targeted a specific phenomenon depending on the subject. Most of the research studies highlight the effects of online advertising on businesses and would only state the dominant platforms, such as Google and Facebook. Furthermore, when it comes to the industry, most of the related articles only focused on the clothing and food retailing sector; there are still no studies that focus on the consumer electronics industry. Several related studies have measured the relationship between social media advertising and online retail businesses, and most of their variables included the application of E-commerce when it comes to transaction purposes, which they find out that online consumers find convenient. Lastly, most related studies were conducted in European countries, with limited studies here in Southeast Asia. Moreover, this research will identify and evaluate the effects of the different social media platforms and their tools on the overall performance of online retail businesses belonging to the consumer electronics industry.

LITERATURE REVIEW

Perceived Ease of Use

Perceived ease of use (PEOU) is one of the determinants belonging to the Technology Acceptance Model (TAM) developed by Fred Davis. According to Pratama et al. (2019), perceived ease of use is a belief about the decision-making process wherein an individual will feel that a certain information system or technology is convenient and easy to use. It

is also defined as how an individual's perception of using new systems or new technologies will be free of effort (Beier & Wagner, 2016). Moreover, a positive experience is present in perceived ease of use, which leads not only to favorable experiences but also positive ratings towards technology use (Solani et al., 2020). A more convenient manner of using social media platforms will motivate consumers to use that platform to share information and express thoughts and opinions (Chinje & Chinomona, 2018). Consumers' perceived ease of use of online features positively affects their purchase intentions (Cho & Sagynov, 2015).

Moreover, incorporating perceived ease of use in social media can create a digital environment wherein users can be actively involved in the different platforms (Pitafi et al., 2020). Perceived ease of use can also build consumers' positive attitudes towards social media advertisements (Dhingra & Mudgal, 2019). The study of Lorenzo-Romero et al. (2014) found that perceived ease of use of social media tools had a significant effect on the marketing strategies of online businesses. Consumers have a positive attitude regarding ease of use when associated with online advertising (Lin & Kim, 2016). Furthermore, according to Dzandu et al. (2016), the perceived ease of use of social media tools is their frequent use for most online businesses since it improves productivity and induces long-term sustainability (Dhingra & Mudgal, 2019). According to Hajli (2014), most online consumers feel that social media tools are an easy way to communicate, and using them does not require countless efforts of research about it. Consumers will be more inclined to buy online through social media platforms if the overall process of ordering and delivering products is easy to understand (Sin et al., 2012)

On the contrary, Gavino et al. (2019) found that perceived ease of use was not considered a predictor for business owners' personal social network platform selection. According to Kanchanatanee et al. (2014), perceived ease of use indirectly affects small and medium enterprise owners' intention and attitude towards using e-marketing as an advertising strategy. Moreover, retail businesses have a moderately positive perception of the ease of use associated with Facebook advertising (Lin & Kim, 2016). In addition, perceived ease of use of social media platforms is what motivates the attitudes toward businesses' (El-Haddadeh et al., 2012) and consumers' (Chinje & Chinomona, 2018) intentions to use them. It has a significant positive effect on organizations' advertising strategy (El-Haddadeh et al., 2012). According to Praveena & Thomas (2014), there is a similarity between perceived enjoyment and perceived ease of use when it comes to using Facebook as a marketing tool for online businesses. Lastly, there is a significant association between a company's brand reputation and its perceived ease of use (Morgan-Thomas & Veloutsou, 2013).

H1: Perceived ease of use positively affects social media advertising.

Social Media Advertising

Social media has transformed the way people communicate, and many business sectors and industries continue to benefit from it (Pervaiz, 2016). More than half of the earth's population utilizes social media; it has become a channel wherein different commercial activities can occur (Kircova et al., 2018). It can also help consumers learn more about a

specific business (Oyza & Edwin, 2015). Furthermore, social media advertising refers to the utilization of the different social media platforms to interact with audiences and create brands to generate income. It is considered an effective method used by online retail businesses to enhance their persuasive communication toward their target consumers. (Alhabash et al., 2018). Many online retailers are also using it to create appealing advertisements in order to capture value from potential customers (Zeljko et al., 2018). Through social media advertising, companies can reach targeted audiences more effectively and efficiently (Nadaraja, 2013). Van-tien Dao et al. (2014) finds that social media advertising beliefs positively affect marketing managers and experts in the advertising field in most businesses in Southeast Asia, which prioritizes its attention to strategies that help change consumers' perception of the significance and value of social media. Many businesses' goals nowadays are to increase profit, market position, and brand identity by advertising on social media (Faucher, 2018). Furthermore, advertising on social media can provide new ways for people to build and maintain social networks, gather information, produce relevant content online, interact with customers, and create marketing tactics (Constantinides, 2014). It can also help develop strong brand equity and obtain high revenues (Dwivedi et al., 2019).

According to Oyza & Edwin (2015), social media advertising is just as effective and useful as other traditional marketing forms. Consumers can interact with online businesses more personalized by engaging with social media advertisements (Siddiqui & Singh, 2016). Online retailers do not want to alienate themselves from loyal consumers; that is why they create message strategies that stick in the consumer's minds (Ashley & Tuten, 2014). Most digital marketers also see social media advertising as a huge opportunity to enhance market share numbers (Saravanakumar & Suganthalakshmi, 2012). It allows interaction between the company and the consumer, authorizing consumers to speak back rather than simply speak to (Parsons, 2014). DiPetro et al. (2012) found that advertising through social media can also create buzz for brands and create new avenues to reach potential target markets. Concerning cost, social media advertising is one of the most cost-efficient marketing tools of an IMC strategy for Generation Z entrepreneurs (Tripopsakul, 2018). Most online businesses can benefit from advertising on social media since most social media tools are free of use (Baglione & Tucci, 2018).

Voorveld et al. (2018) found that social media advertising has its advantages and disadvantages in its overall features being delivered to the user. On the contrary, trademark and copyright issues and privacy and security might be a downside for digital marketers in social media advertising. (Nadaraja, 2013). The perception of consumers toward advertisements may also affect the reputation of the brand and the company (Yang & Ghose, 2011). Moreover, according to Siddiqui & Singh (2016), some online businesses may find it difficult to measure the results of advertising on social media. Lorenzo et al. (2014) discovered that some Spanish retailers did not find social media advertising effective for their business since they lacked knowledge or experience about how to use some of the tools. Irresponsible or unprofessional use of social media may also be a disadvantage for businesses as it will decrease brand association and tarnish the brand image (Van der Bank, 2014).

Furthermore, social media advertising produces positive returns on products sold by retail businesses (Thompkins, 2018). With the surge in the number of people that use social media every year, it will increase the number of target consumers and opportunities for promotions for online businesses, making social media the ideal platform for marketing (Saravanakumar & Suganthalakshmi, 2012). According to Nyagadaza (2020), social media advertising is now continuing to expand its overall reputation in marketing, in which digital marketers need to understand its use, as well as predictive trends and campaigns to reach out to more consumers. El-Haddadeh et al. (2012) state that advertising on social media can attract consumers in awareness and engagement. It is also evident that social media advertising has transformed the methods of marketers in reaching target consumers; solicited and customized social media advertisements can be beneficial for both the company and the consumer (Kumar & Ayedee, 2018). In addition, effective social media advertising can also enhance the business's overall reputation (Kim et al., 2021). Most importantly, social media advertising can increase market insights and make the business stand out from competitors (Akram & Kumar, 2017).

H2: Social media advertising has a positive effect on business performance.

H3: Social media advertising positively affects electronic word-of-mouth (eWOM).

Electronic Word-of-Mouth (eWOM)

One of the most important tools in a firm's promotional mix is Electronic Word-of-Mouth (eWOM). eWOM is defined as the action in which consumers can voice their opinions and thoughts about products they purchased online, whether it may be positive or negative (Zhang et al., 2017). The study of Chu & Kim (2011) found that eWOM in social networking sites has a significant relationship with customer engagement towards online retail businesses. In addition, eWOM is considered a strategic marketing tool for online businesses and an influential factor that can obtain consumers (Muniweera et al., 2020). eWOM is also one of the most popular marketing strategies to endorse brands (Sundaram et al., 2020). Furthermore, eWOM is an ideal advertising technique used by users of SNSs (Chu & Kim, 2011). Consumers rely on eWOM messages with high credibility and persuasiveness and refer to customer reviews before making online purchases (Teng et al., 2014).

Moreover, according to Gvili & Levy (2021), managers of social commerce platforms sharing eWOM can design more effective value offerings. Since eWOM and purchase intentions are necessary factors in marketing a business, engaging in eWOM can positively influence such industries (Muniweera et al., 2020). eWOM provides a positive consumer experience; they share what they perceive as legitimate and appropriate (Gvili & Levy, 2021). The study of Yusuf et al. (2018) states that credibility, informativeness, and website quality are essential factors in engaging towards eWOM, which impacts the purchase intentions of individuals. Most importantly, consumer behavior in social media is an important factor for businesses to consider before formulating eWOM messages when advertising products (Nuseir, 2020).

In addition, according to Wu et al. (2018), for consumers to be willing to share shopping experiences with others, a high level of trust towards channels in a social commerce

environment drives consumers to experience safety in engaging, which influences them to purchase products digitally. Moreover, Erkan & Evans (2016) proved that consumers engaging in eWOM have a positive effect on the influence of purchase intention. According to De Keyzer et al. (2019), the majority of people that purchase online have posted feedback on platforms like Facebook about their products and read product-related messages. On the other hand, Bhandari & Rogers (2017) found that the eWOM conversation is dynamic, yet brand feedback can show a significant direct and indirect influence on purchase intention that may be perceived as a positive or negative effect.

Oyza & Edwin (2015) found that eWOM is a convenient way of having "consumer-to-consumer" interactions, significantly affecting online retail businesses. A study by Lim (2015) revealed that negative eWOM communication is more dominant than positive eWOM communication because dissatisfied consumers express their feelings more frequently on social media than satisfied ones, thus, offering more information on the possible risks of purchasing a specific product. Furthermore, negative customer reviews may harm the business's reputation and change the consumer's perception of the brand or product (Akram & Kumar, 2017).

H4: The better the electronic word-of-mouth (eWOM), the higher the business performance.

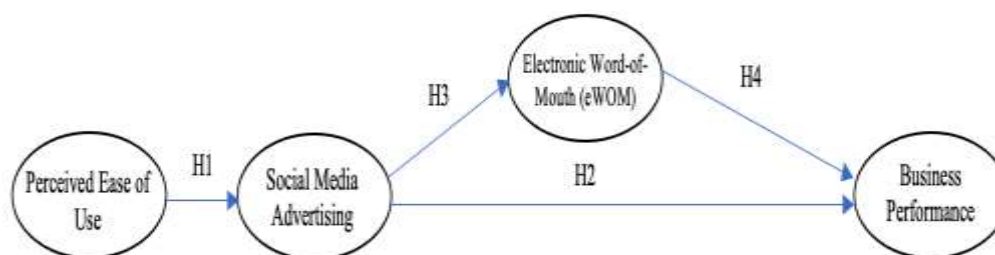


Figure 1. Hypothesized Model

Figure 1 shows the hypothesized model, which presents the variables of the study, along with the anticipated relationship of these variables. The hypothesized model identified the relationships of the independent variables: perceived ease of use, social media advertising, and electronic word-of-mouth (eWOM) towards the dependent variable: business performance. The independent variables have single-bladed arrows that point to the dependent variable to show the potential relationships between these variables. This shows how perceived ease of use, social media advertising, and electronic word-of-mouth (eWOM) affect the performance of online retail businesses in the consumer electronics industry. Furthermore, the mediating or intervening variable (electronic word-of-mouth or eWOM) connects the independent and dependent variables. Based on the hypotheses, the study will further analyze if perceived ease of use has a mediating effect on social media advertising and electronic word-of-mouth (eWOM). If perceived ease of use mediates the effect of social media advertising on business performance,

and if social media advertising has a mediating effect on electronic word-of-mouth (eWOM) and business performance.

METHODOLOGY

The study utilized the quantitative research method, consisting of data collected through polls, questionnaires, or surveys. This research method gathers statistical, mathematical, and numerical data from respondents to explain a particular phenomenon. Furthermore, the researchers utilized the descriptive approach for the quantitative method to identify the phenomenon or relationship of one variable to another. The proponents of the study were affiliated and involved in online retail businesses belonging to the consumer electronics industry, with a total of 185 respondents nationwide. Raosoft was the software utilized to calculate the sample size of the study. The researchers utilized self-made online survey questionnaires given to the respondents via Google Forms. Before the questionnaires were distributed online, the researchers conducted content validity and reliability measures to validate the questionnaire items. After the face validation, researchers underwent pre-testing and distributed the questionnaires online to 20 respondents. The 20 responses then underwent measurement tests through Cronbach Alpha. After refining the items that needed to be revised, the researchers then distributed the final online survey questionnaires to the respondents. A frequency scale was used to assess how often people act. A six-point Likert Scale ranging from strongly disagree (1) to strongly agree (6) was used to measure the respondents' answers to the independent variables. Descriptive and inferential statistics were used for the analysis of data. Cronbach Alpha was used to test the reliability of the questionnaire items, as it underwent validity and reliability tests.

Furthermore, the respondents used convenience sampling and snowball sampling techniques in gathering the information needed for the study. By utilizing convenience sampling, researchers chose respondents based on convenience. This sampling method is faster and more cost-effective than other methods, and the respondents would be more motivated to answer the questionnaire (Miller, 2020). Lastly, Partial Least Square-Structural Equation Modelling (PLS-SEM) was employed to treat the data and test the hypotheses of the study.

RESULTS AND DISCUSSION

Based on the results in Table 1, shows the respondents' knowledge of online business trends (social media platforms and tools) and how often they use them. Among the 185 respondents, the majority chose Facebook and Instagram as their most commonly used social media platforms, with Facebook being the most effective social media platform (77%). Moreover, Facebook Pages and Facebook Marketplace were considered the most familiar social media tools among the respondents, with Facebook Pages being the most effective (67%).

Table 1. Online Business Trends

	Frequency	Percent		Frequency	Percent
Social media platforms commonly being used			Social media tools most familiar with		
Facebook	185	100	Facebook Pages	185	100
Google	5	2.7	Facebook Live	145	78.3
Instagram	173	93.5	Facebook	174	94.1
			Marketplace		
TikTok	48	25.9	Facebook Stories	153	82.7
Twitter	33	17.8	Instagram for	162	87.6
			Business		
YouTube	15	8.1	Instagram Stories	163	88.1
Snapchat	1	0.5	Google My Business	5	2.7
Viber	13	7.0	Viber for Business	12	6.5
WhatsApp	2	1.0	Twitter for Business	31	16.8
Txtblast	1	0.5	TikTok for Business	46	24.9
Most effective social media platform			Most effective social media tool		
Facebook	142	76.8	Facebook	20	10.8
			Marketplace		
Instagram	39	21.1	Facebook Pages	124	67
Viber	2	1.1	Instagram for	32	17.3
			Business		
TikTok	1	0.5	TikTok for Business	5	2.7
Txtblast	1	0.5	Viber for Business	1	0.5

Table 2 presents the convergent validity and reliability of the constructs. For Perceived Ease of Use, items PEOU4 and PEOU6 were disregarded because the p-value is more than .05, suggesting that it is not a significant indicator of Perceived Ease of Use. The remaining four items used to measure the Perceived Ease of Use have factor loadings ranging from .493 to .657 ($p < .001$). All four items were considered significant indicators, with PEOU5 as the best-perceived ease of use indicator. For Social Media Advertising, all items were significant indicators, with factor loadings ranging from .537 to .769 ($p < .001$), with SMA3 being the best indicator of Social Media Advertising. For Electronic Word-of-Mouth, all items were also significant indicators with factor loadings ranging from .535 to .759 ($p < .001$), with EWOM4 as the best indicator of Electronic Word of Mouth.

On the other hand, for Business Performance, item BP7 was disregarded because the p-value is more than .05, suggesting that it is not a good indicator of Business Performance. The remaining seven items used to measure the Business Performance have factor loadings ranging from .312 to .690 ($p < .001$). All the seven items were considered accepted indicators, with BP5 as the best indicator of Business Performance.

Cronbach Alpha values for the four constructs range from 0.6 to 0.7. According to the study by Taber (2017), while there are several studies of interpretations of the significance of Cronbach Alpha, along with the designation of having a threshold as an

acceptable level, 0.6 and 0.7 values were regarded as "acceptable values" to interpret data (Griethuijzen et al., 2014).

Table 2. Convergent Validity and Reliability Measures (Confirmatory Factor Analysis)

Item	Constructs/Items	Factor Loading	SE	CA
Perceived Ease of Use				0.619
PEOU1	I find social media tools convenient in creating marketing strategies for my business.	0.631	0.065	
PEOU2	I do not encounter any difficulties using social media tools for my marketing strategies.	0.624	0.065	
PEOU3	I have access to various social media platforms that I use to advertise my products.	0.493	0.067	
PEOU5	I prefer using social media tools that can be less time-consuming in advertising my products.	0.657	0.064	
Social Media Advertising				0.694
SMA1	Engaging in social media helps me advertise my products more efficiently.	0.572	0.066	
SMA2	Advertising my products on social media helps lessen my expenses.	0.537	0.066	
SMA3	Advertising my products on social media helps me gain more followers online and increase customer engagement.	0.769	0.063	
SMA4	Advertising my products on social media increases both my brand and product awareness.	0.749	0.063	
SMA5	Advertising my products on social media helps my company establish stronger brand equity.	0.713	0.064	
Electronic Word-of-Mouth (eWOM)				0.775
EWOM1	I find online reviews from customers essential for my business.	0.535	0.066	
EWOM2	Customer reviews affect my business in terms of sales.	0.710	0.064	
EWOM3	Customer reviews affect my business in terms of brand image & awareness.	0.670	0.064	
EWOM4	Customer reviews affect my business in terms of customer engagement.	0.759	0.063	
EWOM5	Customer reviews affect my business in terms of customer satisfaction.	0.701	0.064	
EWOM6	Customer reviews make my business learn from its mistakes and help further improve performance.	0.736	0.063	
Business Performance				0.735
BP1	Social media tools play a significant role in order to sustain my business.	0.607	0.065	
BP2	Using social media tools helps my business gain profit.	0.312	0.069	
BP3	Using social media tools helps my business establish brand image & awareness.	0.635	0.065	
BP4	Using social media tools helps increase customer engagement.	0.657	0.064	
BP5	Using social media tools helps my business in obtaining customer satisfaction.	0.690	0.064	
BP6	Using social media tools helps increase market share growth by 15%.	0.653	0.065	
BP8	Using social media tools helps me analyze my target market.	0.588	0.065	

Table 3. Correlation Coefficients of the Constructs

Latent Variables	Perceived Ease of Use	Social Media Advertising	Electronic Word-of-mouth (eWOM)	Business Performance
Perceived Ease of Use	0.589			
Social Media Advertising	0.440	0.675		
Electronic Word-of-Mouth	0.346	0.559	0.689	
Business Performance	0.353	0.421	0.462	0.599

Table 3 shows the constructs with their corresponding correlation coefficients. Findings showed that the measurement model has discriminant validity, as depicted by the figures on the main diagonal. According to Fornell and Karker (2011), if the principal diagonal values are higher than those in the off-diagonal components, the constructs have acceptable discriminant validity. Estimating the discriminant validity requires comparing covariance/variance among relationships of the constructs inside measurement indicators (Cheung and Lee, 2010).

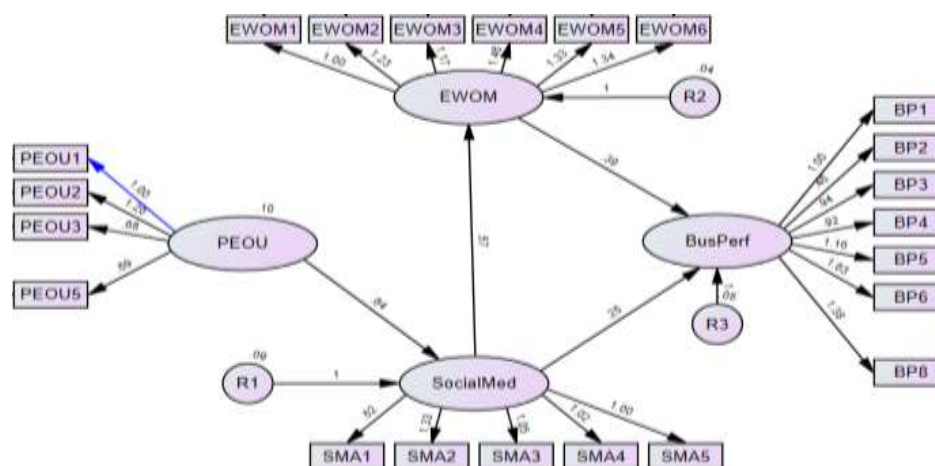


Figure 2. Emerging Model

Figure 2 shows the emerging model using Partial Least Square – Structural Equation Modelling (PLS-SEM) to test the relationship between the independent variables (perceived ease of use, social media advertising, and electronic word-of-mouth) and the dependent variable (business performance).

Table 4 shows the model fit indices based on the resulting model, which includes the measures, estimates, thresholds for each measure, and interpretation. Figure 1.114 of CMIN/DF falls within the threshold of 1 and 3 and emphasizes the feasibility of the hypothesized model. RMSEA value of 0.025 falls within the .08 and below the acceptable range, which means that the proposed model is compatible enough to be fit. Moreover, the GFI, NFI, and CFI values are within the ideal level of 0.90 and 0.95, implying a satisfactory proposed model level.

Table 4. Model Fit Indices

Measure	Estimate	Threshold	Interpretation
CMIN	221.599	-	
DF	199	-	
CMIN/DF	1.114	Bet 1 and 3	Excellent
GFI	.904	> .90	Acceptable
NFI	.928	> .90	Acceptable
CFI	.972	> .95	Excellent
RMR	.023	< .05	Excellent
RMSEA	.025	< .08	Excellent
P CLOSE	.996	> .05	Excellent

Table 5. Direct and Indirect Path Analysis

PATH	Standardized Estimates (β)	Effect Size	Standard Error	p-value
Direct Effects				
H1. Perceived Ease of Use \rightarrow Social Media Advertising	0.636	0.234	0.076	< .001
H2. Social Media Advertising \rightarrow Business Performance	0.254	0.151	0.053	0.046
Indirect Effects				
H3. Social Media Advertising \rightarrow Electronic Word-of-Mouth	0.569	0.346	0.107	< .001
H4. Electronic Word-of-Mouth \rightarrow Business Performance	0.388	0.176	0.068	0.021
Indirect Effects				
H5. Perceived Ease of Use \rightarrow Social Media Advertising \rightarrow Electronic Word-of-Mouth	0.284	0.098	0.049	< .001
H6. Perceived Ease of Use \rightarrow Social Media Advertising \rightarrow Business Performance	0.147	0.052	0.050	0.002
H7. Social Media Advertising \rightarrow Electronic Word-of-Mouth \rightarrow Business Performance	0.201	0.100	0.050	< .001

Table 5 shows the direct and indirect path analysis of the constructs. The researchers examined the standardized estimates and their probability values to establish if Social Media Advertising was affected by the respondent's Perceived Ease of Use ($\beta = 0.636$, $p < 0.001$), which indicates that an increase in Perceived Ease of Use will lead to an increase in Social Media Advertising of business owners. Several studies revealed that perceived ease of use has a significant impact on social media advertising. According to Nyagadaza (2020), social media advertising has been an ongoing trend in marketing for years, in which digital marketers need to understand its use, as well as predictive trends and campaigns to reach out to more consumers. Perceived ease of use can also build consumers' positive attitudes towards social media advertisements (Dhingra & Mudgal, 2019). In addition, according to Oyza & Edwin (2015), social media advertising is just as effective and useful compared to other forms of traditional marketing. In the study of Baglione and Tucci (2018), they found that most online businesses can benefit from advertising on social media since most of the social media tools are free of use. Consumers can interact with online businesses more personally by engaging with social media advertisements (Siddiqui & Singh, 2016). This leads to the acceptance of hypothesis 1: Perceived ease of use positively affects social media advertising.

On the other hand, the researchers examined the standardized estimates and their probability values to establish if Business Performance was affected by Social Media Advertising ($\beta = 0.254$, $p < 0.046$), which indicates that an increase in business owners' efforts to advertise on social media will lead to an increase in the extent of their business performance. According to Saravanakumar & Suganthalakshmi (2012), social media advertising is seen by most digital marketers as an opportunity to increase its share in the market and the industry to which they belong. The study of Kim et al. (2021) states that effective social media advertising can also enhance the business's overall reputation. Moreover, the continuous growth of social media users every year will increase the number of target consumers and opportunities for promotions for online businesses, making social media the ideal platform for marketing (Saravanakumar & Suganthalakshmi, 2012). The study by Constantinides (2014) found that advertising on social media can provide new ways for people to build and maintain social networks, gather information, produce relevant content online, interact with customers, generate marketing tactics, as well as create new buzz and new avenues to reach the potential target market (DiPietro et al., 2012). Most importantly, social media advertising can also help increase market insights and make the business stand out from its competitors (Akram & Kumar, 2017). This leads to the acceptance of hypothesis 2: Social media advertising positively affects business performance.

Furthermore, in terms of Electronic Word-of-Mouth and Social Media Advertising, findings revealed that social media advertising directly affects electronic word-of-mouth (eWOM). The result is congruent with several studies, including the study of Nadaraja (2013), in which they found that through social media advertising, companies can be able to reach targeted audiences more efficiently and effectively. According to Parsons (2014), social media advertising allows a more elaborate communication between the company and the consumer, giving the consumers a chance to speak back rather than be spoken to. In the study of Alhabash et al. (2018), they found that social media advertising is an effective method used by online retail businesses to enhance their persuasive communication toward their target consumers. This leads to the acceptance of hypothesis 3: Social media advertising positively affects electronic word-of-mouth (eWOM).

Lastly, several studies revealed that electronic word-of-mouth (eWOM) positively affects business performance. According to Gvili & Levy (2021), good electronic word-of-mouth (eWOM) can design effective value offerings, increasing business performance. The result also confirmed the study of Chu & Kim (2011), in which they found that electronic word-of-mouth (eWOM) has a positive effect on the customer engagement of a business, one of the key metrics in business performance and that eWOM in social networking sites has a significant relationship in customer engagement towards online retail businesses. Furthermore, according to Muniweera et al. (2020), eWOM is considered a strategic marketing tool for online businesses, an influential factor that can obtain consumers, and one of the most popular marketing strategies to endorse brands (Sundaram et al., 2020). This leads to the acceptance of hypothesis 4: The better the electronic word-of-mouth (eWOM), the higher the business performance.

CONCLUSION

Social media has altered the way people interact or share information. This research provided sound justifications regarding the advancement of the Internet and the digital world, mainly the social media platforms and tools, and how they all have empowered online business owners to maximize using various social networking sites. Based on the study's findings, revealed that all the independent variables were significant to their corresponding dependent variables. All of these variables directly affect the overall performance of online retail businesses belonging to the consumer electronics industry. It was also seen from the findings that most the online retail business owners have been utilizing social media tools from the most popular online platforms because of their effectiveness in their business performance. In addition, the researchers conclude that Facebook was the top-of-mind social media platform because of the multiple social media tools the platform offers. Moreover, a business's overall performance can be determined or assessed by key metrics or elements, such as sustainability, sales, brand image & awareness, product awareness, customer engagement, customer satisfaction, and market share.

The study pointed out the importance of each variable and its relationship and how they can affect the business internally and externally. Given that perceived ease of use directly affects social media advertising, if a business owner can use social media tools conveniently, this can help them advertise more effectively. Moreover, the researchers found that social media advertising positively affects business performance. If an online business owner uses social media platforms for advertising their products, there is a high probability that their business performance will likely increase. Furthermore, social media advertising can provide insights to build and maintain social networks and gather information that significantly affects online retail businesses. On the other hand, social media advertising positively affects electronic word-of-mouth, which is an indicator that advertising in social media helps to engage and interact with customers. Lastly, if online businesses have better electronic word-of-mouth, they can interact, communicate, and build profitable relationships with their customers, which will result in higher business performance.

The findings from this research study will be able to provide extensive information and ideas that online retail business owners can use in their current business operations. Since most business owners utilize social media platforms and tools in advertising or marketing their products or services, this study can help them identify which platform and tool are most effective for advertising their products. Having social media pages or sites should be a requirement or a must-have for online retail businesses; there has been a continuous rise in social media users each year. Moreover, the study also emphasized that several social media tools can be utilized and are free of charge. Business owners can take advantage of this opportunity to save time, reduce their budget, and cut costs because of the free social media tools, which can also target their consumers more

effectively. Furthermore, understanding the relationships of the variables from the study can benefit key stakeholders and new graduates who plan to start their online retail businesses soon. Perceived ease of use & electronic word-of-mouth an important factor since it helps businesses share information and experiences with other consumers in the most convenient ways possible, leading to more engagement.

This study addressed the utilization of social media platforms and their tools to evaluate their effects on online retail businesses. Specifically, the researchers chose the consumer electronics industry due to the growth in demand. Furthermore, as this research serves as the foundation, future research may consider including different industries that may benefit and apply the utilization of social media platforms and their tools to improve business performance. In addition, as present studies focus on online advertising and social media, these studies are being conducted in areas such as Western and European countries, with limited research in the Asian region. The respondents gathered in this study came from the Philippines, with the majority coming from Luzon. The proponents recommend that further research regarding businesses utilizing social media and online platforms be conducted in the Southeast Asian regions to gather more insights into online business environments and consumer behavioral intentions towards online platforms. Lastly, the researchers recommend further research to focus more on the specific generations and age groups who use social media platforms to engage with online retail business establishments.

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