

Investigating the effect of Instagram advertising on the development of the domestic market of Iranian carpets with the mediating role of customer attraction

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Abstract

In this research, carpet advertisements on the social network Instagram are discussed. The main purpose is to investigate the impact of Instagram social network advertising on sales and development of the domestic carpet market. In terms of applied purpose, this research was a survey, field and library information collection method and data collection method through a researcher-made questionnaire with interviews. The statistical sample population of this study is random among all users who have followed the pages of companies and carpet sellers, the statistical population of all users who use the Instagram page of carpet companies and are in unlimited numbers. The Cochran's formula has been used to determine the number of samples, which according to this formula and at a 95% confidence level of 384 samples. After analyzing the data using PLS software, it was concluded that Instagram ads have a significant effect on attracting Iranian carpet customers. They also do not have a significant impact on the development of internal marketing. Customer attraction has a significant effect on domestic marketing and as a result, Instagram advertising has a significant effect on the development of the domestic carpet market in Iran with the mediating role of customer attraction.

Keywords: Carpets, Social Networks, Instagram advertising, Domestic market development.

Introduction

Advertising of goods and services in social networks of the virtual world has faced a significant increase for several years and has had positive and significant reflections on the development of the market for various goods. The same growth of technology and communication leads to the development of the market of many goods and services that Iranian carpets are not without. Iranian carpet, which is one of the cultural, artistic and commercial products and is considered as a luxury product, until the last one or two years, has traditionally been in the process of production and sale. That is, the producers produced their carpets according to the demand and taste of the market, and the buyers of carpets inevitably went to the market and the shops and the order of carpet sellers, in order to find and buy the desired carpet. Of course, there are still those who produce, advertise and sell in the same way as before. But in recent years, the growth of virtual social networks and the transformation of people's communication, has created a new field for young people against the traditional form of production and sale of products, which has also cast a small shadow on the carpet. But few carpet manufacturers and traders are on social media, or if they are, they have personal profiles that are not relevant to their business.

Facebook, Twitter, Viber, WhatsApp, Telegram and Instagram networks, etc., in each of which users can advertise, market and sell their goods and services. In this research, we focus on the Instagram network. Users these days are promoting their own and others' carpets on their Instagram pages. In this research, we want to know whether the carpet advertising and marketing activities in the Instagram network have been able to attract customers and sales [9]. This issue may seem obvious to other products, but given that most traditional marketers and manufacturers believe that carpet is a product that should be searched, selected and bought in stores, so in order to clarify this issue. Therefore, the

main purpose of the study is to investigate the impact of Instagram advertising on the development of the domestic market of Iranian carpets.

Research literature

Advertising is any presentation or promotion of an impersonal idea, product or service by an advertiser that requires a fee [2]. Advertising is the presentation and promotion of a message, idea, product or service impersonally, by a specific medium [8]. Retailers, merchants, and the private sector, with the growth of mass communication and social networks that are the subject of our discussion, have also personally entered the advertising of their goods and services. William Wells and others have categorized different advertising roles into four categories [10]:

The role of marketing, Communication role, Economic role, Social role.

It is obvious that advertising depends on the type of brand, retailer, political, guidebook, business, institution, public service, etc. and depending on various tools (television, radio, newspapers and magazines, city billboards, Internet and social media, etc. (will affect the size of the impact of each of these four roles mentioned. In this study, the largest share of the role of advertising on the Instagram network in the field of handmade carpets, respectively: marketing, social, communication and economic. Today, most public and private organizations and companies use sales promotion incentives. Cutler has defined it this way: "Sales promotion advertising consists of a variety of diverse and often short-term stimulus tools designed and used to motivate consumers or the business sector to buy faster or more goods or services,". Sales promotion ads include; Consumer promotional tools (sample goods, coupons, partial refunds, discounts, promotional items, prizes, loyalty rewards, free trial items, warranties) and commercial promotional tools (discounts, promotional and promotional grants, merchandise Free) and promotional tools for sales staff (trade fairs and conferences, awards for sales representatives and dedicated promotions) [9].

The word marketing should not be interpreted in the old sense, that is, simply to sell meaning. The new meaning of this word is to meet the needs of the customer. After sales is one of the many and not the most important marketing tasks. If and only if the marketer

succeeds in identifying customer needs, producing the desired product, pricing, distribution and promotional advertising, then the product will be easily sold. Peter Drucker gives such a definition of marketing: marketing means the whole company (or factory) (from the customer's point of view) This is a definition that reminds you that your view from within the company may be very different from the customer view. Elsewhere he states: The goal of marketing is to increase sales. The goal is to know and understand the customer in such a way that the product or service offered is exactly right and sells itself [9].

The market development strategy has two versions: you can expand your sales market by finding new customers for your current product. This means going to a new geographical area, or trying to sell a new product to your customers and your current market [4].

Social media marketing, by turning the social network into a huge machine that spreads word of mouth, makes the advertising product visible to everyone. A company's promotional message can be significantly increased by encouraging customers to introduce that company to friends and acquaintances [5].

Interaction with the customer creates a relationship and this relationship can be used. But one should not think that this relationship will be created overnight and requires time, constant effort and creating interest for the customer. Creating creative content that engages the user and encourages them to follow the company's other activities (free of charge) is the key to building a customer relationship. If the company cannot do this, it is better to consult a consultant, otherwise, the negative reputation resulting from inactivity in the social network, is more harmful than its reputation, and it is better that the company does not enter these networks at all. Content sharing and creating interest for the user in any company and organization, even if it produces the best services and products, will eventually lead to marketing failure and all the credibility of that company in the realm of virtual network will be lost. This credibility can be maintained by being careful about your behavior. If a company wants customers to come to its page, it must also visit the customer page and follow their content. Therefore, you cannot expect to enter the social network and see a line of customers requesting to join your page. Social networking does not mean

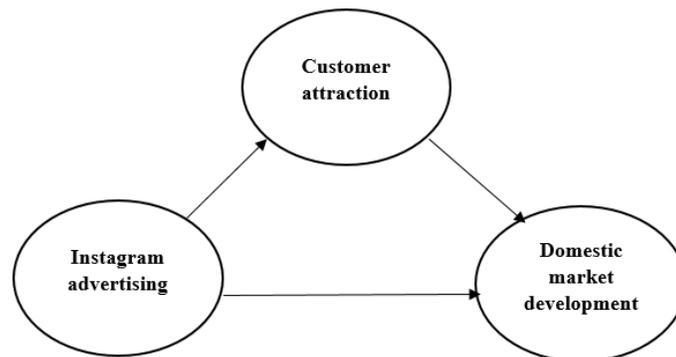
moving alone and you have to join other people's pages. The benefits of marketing through existing social networks [6]:

1. Increase product and brand awareness
2. Increase the number of visitors to the website
3. Improving the company's position in search engines
4. Increase customer loyalty
5. Increase the success of the new product
6. Increase the number of target contacts

Eight common mistakes in Social Media Marketing that can be counted []:

1. Incomplete profile
2. Unwanted content
3. Spam
4. No separation of personal issues from business
5. Unrelated images. Communication and friendship with irrelevant people and inactive users
6. No commitment to content
7. Lack of search engine support for social networks

The proposed model to determine the effect of Instagram advertising on the development of the domestic carpet market based on the research findings of the most index taken from Hosseini and Khaliq (2019), Hayam (2011), Jalilian and Mejani (2011) and Jalali et al (2016) are as following:



Assumptions

Instagram ads have a significant impact on the development of the domestic market.

Instagram ads have a significant effect on customer attraction.

Customer attraction has a significant impact on the development of the domestic market.

Instagram ads have a significant impact on the development of the domestic carpet market with the mediating role of customer attraction.

Objectives

Determining the impact of Instagram ads on the development of the domestic market.

Determining the effect of Instagram ads on customer attraction.

Determining the impact of customer attraction on the development of the domestic market.

Determining the impact of Instagram advertising on the development of the domestic carpet market with the mediating role of customer attraction.

Research method

This research is a descriptive survey research in terms of how to obtain the required data. In terms of data collection, it is a survey type and tests a specific model of the relationship between variables such as causal modeling or structural equation modeling.

Statistical population of sample size

The statistical population is a number of desirable elements that have at least one characteristic trait. A characteristic adjective is an adjective that is common to all elements of the statistical community and distinguishes the statistical community from other societies [7]. The statistical population of all these users are the pages of companies and carpet sellers. The sample is a limited number of members of the statistical community that express the main characteristics of the community. Numerous samples can be selected from statistical communities [1]. The statistical population of all users who use the Instagram page of carpet companies and are in unlimited numbers. The Cochran's formula

has been used to determine the number of samples, which according to this formula and at a 95% confidence level of 384 samples.

Methods of data collection

In this research, to collect data in the fields of theoretical foundations and compile research literature and operational definitions, the library study method is used, including the study of books, articles, journals, dissertations and scientific resources available in universities and scientific centers. Regarding the collection of data to answer research questions from the field method using the Liked spectrum questionnaire will be randomly distributed.

Research findings

1. Model estimation and fitness evaluation

Reliability and validity of PLS method are checked in two parts:

A (section related to measurement models. B) section related to structural model.

Three things are used to examine the first part: index reliability, convergent validity.

The reliability of the index is measured by three criteria:

1) Cronbach's alpha; 2) combined reliability; 3) Factors of factor loads.

Convergent validity is the second criterion used to fit measurement models in the PLS method. Criterion

AVE represents the average variance shared between each structure with its own indicators. In the case of AVE value

The critical is 0.5. This means that a high value of 0.5 indicates acceptable convergent validity.

2. Fitting the measurement model PLS method for evaluating structural equation models covers three parts: 1) The structural part is checked by significant t-numbers. If these numbers are greater than 1.96, it indicates the correct relationship between the structures and therefore Confirmation of research hypotheses is at 95% confidence level. 2) R² is a criterion used to connect the measurement part and the structural part of structural

equation modeling and shows the effect that an exogenous variable has on an endogenous variable. The higher the value of R² related to the endogenous structures of a model Be a sign of better fit of the model. Three values of 0.19, 0.33 and 0.67 represent three owner values for weak, medium and strong values of R².

3. We evaluate the evaluation of the general part by the GOF criterion, which means that by this criterion, the researcher can control the fit of the general part after examining the measurement part and the structural part of his general research model. The GOF criterion is calculated according to the following formula:

$$GOF = \sqrt{\text{Communalities} \times \overline{R^2}}$$

According to the data analysis algorithm in PLS method, after measuring the factor loads of the questions, it is time to calculate and report Cronbach's alpha coefficients and AVE value.

Table 1- Cronbach's alpha research model fit index

Estimated values	Standard values	Fit index of Cronbach's Alpha
0.853267	More than 0/7	Instagram advertising
0.863980	More than 0/7	Customer attraction
0.899376	More than 0/7	Domestic market development

As can be seen in Table 1, the value of these criteria for all 3 structures is higher than 0.7, which indicates the appropriate reliability of the model.

Mean variance shared AVE

Table 2- Convergent narrative fit index

Estimated values	Standard values	Fit index of AVE
0.736419	More than 0/5	Bank advertising
0.631914	More than 0/5	Customer loyalty
0.692091	More than 0/5	Brand performance

As can be seen in Table 2, the value of these criteria for all 7 structures is higher than 0.5, which indicates the appropriate convergence validity of the model.

Structural model fitting

According to the data analysis algorithm in PLS method, after examining the fit of measurement models, it is time to fit the structural model of the research. As mentioned before, the structural model section does not deal with questions and only the hidden variables and the relationships between them are examined.

- Significance
coefficients Z (value-t values measures)

Table 3- Model fit index

Estimated values	Standard values	T-value measures
3.170	More than 1/96	Instagram advertising
3.433	More than 1/96	Customer attraction
2.498	More than 1/96	Domestic market development

As shown in Table 3, the value of these criteria for all structures is higher than 1.96.

- Criteria of R
Squares

As previously mentioned 0.19, this criterion indicates the effect of an exogenous variable on an endogenous variable and three values of 0.33 and 0.67 are considered as three owner values for weak, medium and strong values of R².

Table 4- Convergent validity fit index

Estimated values	Standard values	R Squares measures
0.778416	0.673, 0.333, 0.190	Instagram advertising

0.824591	0.673, 0.333, 0.190	Customer attraction
0.772893	0.673, 0.333, 0.190	Domestic market development

According to Table 4 - the value of R2 for endogenous instruments, according to the three values of the owner, confirms the suitability of the structural model fitting.

- GOF criteria

This criterion is calculated using the following formula:

$$GOF = \sqrt{\overline{Communalities} \times \overline{R^2}}$$

Table 5- Common values of Communalities

<i>Communalities</i>	Shared values	Structure
0.660505	2/157	Instagram advertising
	2/356	Customer attraction
	0/063	Domestic market development

So the value of GOF is equal to:

$$GOF = \sqrt{\overline{Communalities} \times \overline{R^2}} = \sqrt{0.66055 \times 0.791} = 0.7228$$

Considering that three values of 0.01, 0.25 and 0.36 are introduced as three values of weak, medium and strong for GOF, by obtaining the value of 0.7228, the overall fit of the model is confirmed.

Structural and measurement models

The two diagrams 1 and 2 show the general output models of PLS software, which include both the structural model and the measurement model, which we will discuss in detail below.

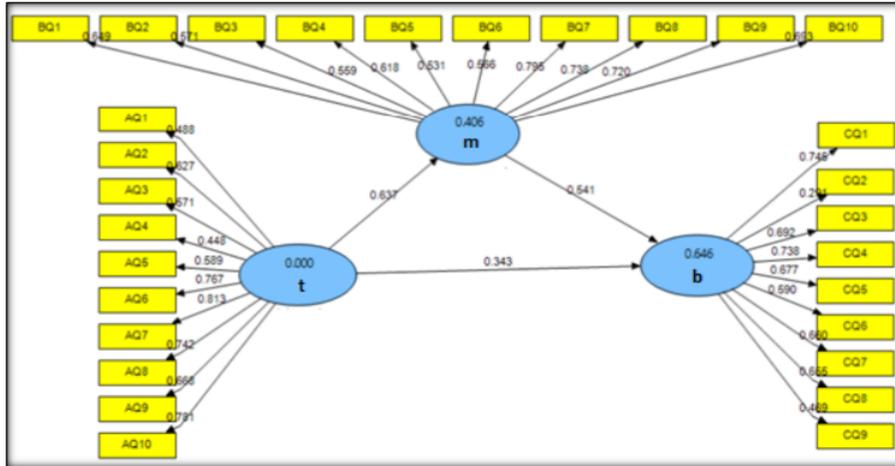


Diagram 1- Basic model with path coefficients

The above diagram shows the amount of path coefficients between the studied variables. Each blue circle represents a variable and each yellow square is one of the items that evaluates the variable. The path coefficient values are shown on each arrow drawn from one blue circle to another.

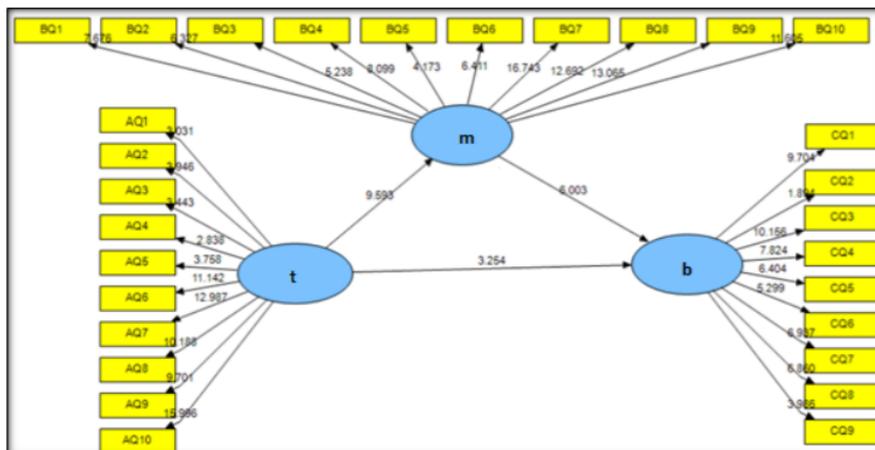


Diagram 2- Basic model with t values

Hypothesis 1

Table 6- Results of standard coefficients and statistics t

Predictor variable	Predictable variable	Estimated coefficient	statistics t
Instagram advertising	Customer attraction	0/343	3/254

According to Table 6, the path coefficient between Instagram ads and customer attraction is equal to 0.343 and the corresponding T value is $3.254 > 1.96$, which according to the Value-T test with a critical value of 0.05 at the 95% confidence level. Hypothesis zero can be rejected, so with 95% confidence, we can say that Instagram ads have a significant effect on customer attraction.

Hypothesis 2

Table 7 - Results of standard coefficients and statistics t

Predictor variable	Predictable variable	Estimated coefficient	statistics t
Instagram advertising	Domestic market development	0/637	9/593

According to Table 7, the path coefficient between bank advertisements on brand performance is equal to 0.637 and the corresponding t value is $9.593 > 1.96$, which according to the Value-T test with a critical value of 0.05 at the 95% confidence level. Hypothesis zero can be rejected, so with 95% confidence, we can say that Instagram advertising has a significant impact on the development of the domestic market.

Hypothesis 3

Table 8- Results of standard coefficients and statistics t

Predictor variable	Predictable variable	Estimated	statistics t
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		coefficient	
Domestic market development	Customer attraction	0/541	6/003

According to Table 9, the path coefficient between the development of the domestic market on customer attraction is equal to 0.541 and the corresponding t value is 6.003 > 1.96, which according to the Value-T test with a critical value of 0.05 at the 95% confidence level, the null hypothesis can be rejected. Therefore, with 95% confidence, it can be said that the development of the domestic market has a significant effect on customer attraction.

Hypothesis 4

Sobel test and mediator variable

The Sobel test is also called the coefficient multiplication approach, the Delta method, or the normal theory approach. The Sobel test for inference about the indirect effect coefficient ab is based on the same inference theory used for direct effect. The indirect effect of ab is a specific sample estimate of the indirect effect in the community ($TaTb$) that is subject to sampling variance. In general, in the Sobel test, the normal estimate can be used to examine the significance of the relationship. By estimating the standard error of the indirect effect, the null hypothesis can be tested against the opposite hypothesis. The other value of Value-Z is obtained from the following equation:

$$Z - Value = \frac{a * b}{\sqrt{(b^2 * s_a^2) + (a^2 * s_b^2) + (s_a^2 * s_b^2)}}$$

In this equation:

a: The path coefficient between the independent variable and the mediator

b: The path coefficient between the mediator and dependent variables

Sa: The standard error of the independent and mediator variable path

Sb: Standard error of mediator and dependent variable path

This calculator subtracts the square of the standard errors from the first two expressions of the equation. Its use is not recommended because of the possibility of negative standard error in Goodman's estimation. The values of a and b and their standard errors can be derived from the output of regression analysis or structural equation modeling. If the value of Value-Z is greater than 1.96, the observed indirect effect is statistically significant.

According to the above equation

$$a = 11/778; b = 0/305; Sa = 0/188; Sb = 12/691; Z - Value: 12/9043$$

Since the value of Value-Z is greater than 1.96, the mediator variable is statistically significant.

Conclusion

As it was observed, based on the results of the analysis of research data in the first hypothesis, at the level of 5% error, the effect of Instagram ads on customer attraction on the carpet is supported and the researcher's claim is confirmed; Therefore, Instagram ads have a significant effect on customer attraction. As observed, based on the results of the analysis of research data in the second hypothesis, at an error level of 5%, the impact of Instagram advertising on the development of internal marketing in the carpet is confirmed and the researcher's claim is confirmed; Therefore, Instagram advertising has a significant impact on the development of internal marketing. As noted, based on the results of the analysis of research data in the third hypothesis at the level of 5% error, the impact of customer acquisition on the development of internal marketing in the carpet is supported and the researcher's claim is confirmed; Therefore, customer attraction has a significant effect on the development of domestic marketing in Iranian carpets. Therefore, it can be concluded that customer attraction as a mediating variable between Instagram advertising and the development of domestic marketing in Iranian carpets.

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