

Midocean University
Management College
Project Management



The Effect of Social Media Marketing on Sales Performance on Amazon in Saudi Arabia

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1: Introduction

The quick development of digital technologies has significantly transformed contemporary business environments, particularly in the area of electronic commerce.

Organizations across industries are increasingly relying on digital platforms to expand market reach, improve operational efficiency, and enhance customer engagement.

Among these developments, social media marketing has come out as one of the most powerful tools shaping modern marketing strategies and competitive positioning.

In parallel, online marketplaces such as Amazon have created new opportunities for small and medium-sized enterprises (SMEs) to participate in national and global markets.

However, operating within such platforms requires more than product availability; it demands strategic alignment, structured governance, operational readiness, and effective performance monitoring.

Sales performance in digital marketplaces is influenced by multiple interconnected factors, including marketing effectiveness, supply chain efficiency, risk management practices, and managerial decision-making.

While social media platforms provide sellers with direct access to large audiences, the effectiveness of these platforms in generating measurable sales outcomes remains a critical managerial concern.

Many businesses report high engagement levels without corresponding improvements in revenue or order volume.

This raises important academic and practical questions regarding the true impact of social media marketing on sales performance and the conditions under which such impact becomes sustainable.

Therefore, this study aims to examine the effect of social media marketing on sales performance among small and medium-sized Amazon sellers in Saudi Arabia, using an integrated framework that absorb strategic management, project governance, risk management, business analysis, procurement and operations management, organizational behavior, and stakeholder management perspectives.

This introduction sets the foundation for the subsequent sections, which present the research background, research problem, theoretical and practical gaps, research significance, and supporting academic references.

2:Research Background

Over the last 20 years, electronic trade has become a core component of modern business strategy.

Globally, e-commerce sales represented less than 5% of total retail sales in the early 2000s, whereas recent reports indicate that online sales now account for over 20% of global retail transactions.

This growth demonstrates a significant shift in how organizations design competitive strategies, manage operations, and deliver value to customers.

In Saudi Arabia, the growth of e-commerce has been particularly quick.

National statistics show that more than 95% of the population has access to the internet, and over 90% use smartphones, creating a highly supportive environment for digital commerce.

As part of Saudi Arabia's Vision 2030 and digital transformation initiatives, online platforms such as Amazon have become major marketplaces that facilitate commercial activity for local and international sellers.

From a strategic management perspective, Amazon represents a highly competitive business environment rather than a simple sales channel. Small and medium-sized enterprises operating on Amazon must make strategic decisions related to pricing, product differentiation, customer value, and competitive positioning. Sales performance on Amazon measured through sales growth, order volume, and revenue reflects the effectiveness of these strategic decisions.

At the same time, social media platforms have transformed marketing practices. Studies indicate that businesses allocate approximately 30~40% of their digital marketing budgets to social media marketing. In Saudi Arabia, platforms such as Instagram, TikTok, Snapchat, and Twitter have millions of active users, making them powerful tools for demand generation. For Amazon sellers, social media marketing serves as a strategic and operational mechanism to attract customers and direct traffic to product listings.

However, increased marketing activity does not automatically result in improved sales performance. Many Amazon sellers experience high levels of social media engagement without proportional increases in sales revenue or order volume. This highlights the importance of business analysis, as sellers must evaluate whether marketing investments generate measurable business outcomes.

From an operations and procurement management perspective, social media-driven demand places pressure on inventory management, supplier coordination, and order fulfillment. Sellers who fail to align marketing campaigns with operational capacity risk stock shortages, delivery delays, and customer dissatisfaction, which can negatively affect sales performance.

Additionally, social media marketing initiatives can be viewed as projects that require proper project governance, risk management, and stakeholder coordination. Stakeholders such as influencers, logistics providers, marketing partners, and customers play essential roles in determining campaign outcomes. Behavioral factors, including managerial decision-making, risk perception, and responsiveness, further influence the effectiveness of marketing strategies.

Therefore, understanding the effect of social media marketing on sales performance is essential for small and medium-sized Amazon sellers in Saudi Arabia when examined through integrated perspectives of strategic management, project governance, risk management, business analysis, operations, organizational behavior, and stakeholder management

3:Research Problem

In spite of quick digital growth and increased selection of social media marketing, many SME Amazon sellers in Saudi Arabia face continuing challenges in achieving sustainable sales performance. Although marketing activities are widely implemented, consistent improvement in revenue and order volume remains limited for many sellers.

Marketing campaigns often generate notable engagement metrics such as likes, shares, comments, and video views, but these metrics do not consistently translate into improved sales performance. This indicates potential inefficiencies in strategy alignment, governance structures, performance measurement systems, and operational integration.

From a strategic perspective, some sellers implement marketing tactics without clear linkage to competitive positioning or long-term objectives. Reactive promotional activities may create short-term visibility but fail to establish sustainable competitive advantage.

From a project governance perspective, marketing initiatives may lack clearly defined objectives, measurable key performance indicators (KPIs), and accountability mechanisms. Weak governance structures reduce the ability to monitor performance and implement corrective actions.

Risk management challenges further complicate the situation. Social media marketing involves uncertainties such as fluctuating advertising costs, algorithm updates, and evolving consumer behavior. Without structured risk identification and mitigation strategies, sellers may experience inconsistent performance.

Operational misalignment also contributes to the problem. Demand increases generated by marketing campaigns may exceed inventory availability or logistics capacity, resulting in delivery delays and customer dissatisfaction. Such operational failures directly affect sales performance and brand reputation.

3.1 Theoretical Gaps

Although prior research has tested social media marketing and consumer engagement extensively, several theoretical gaps remain relevant to this study:

1. Many studies focus on engagement metrics rather than measurable financial performance indicators such as revenue and order volume.
2. Limited research integrates marketing performance with governance, risk management, and operations management within a single systematic framework.
3. Few studies focus specifically on third-party sellers operating on Amazon platforms.
4. Research within the Saudi Arabian e-commerce context remains comparatively limited.

These gaps justify the development of an integrated model tailored to SME Amazon sellers in Saudi Arabia.

3.2 Practical Gaps

From a practical perspective, SME sellers often face:

- Limited systematic evaluation of marketing return on investment.
- Weak governance mechanisms for campaign monitoring.
- High exposure to digital marketing risks.
- Insufficient coordination between marketing and operations.
- Insufficient stakeholder management with influencers and logistics providers.
- Managerial decisionmaking based on intuition rather than structured analysis.

These practical gaps contribute to inconsistent sales outcomes.

4:Research Significance

4.1 At the theoretical level

This study contributes to academic literature by integrating multiple management disciplines to explain sales performance in digital marketplace environments. By conceptualizing social media marketing as a strategically governed and risk-managed project activity, the study extends beyond traditional marketing engagement models and emphasizes measurable business outcomes.

The integration of strategic management, project governance, risk management, business analysis, operations management, stakeholder theory, and organizational behavior provides a inclusive theoretical framework suitable for digital commerce research.

4.2 At the practical level

This research offers practical guidance to SME Amazon sellers in Saudi Arabia by:

- Enhancing strategic alignment between marketing and competitive positioning.
- Strengthening governance mechanisms for marketing performance monitoring.
- Improving risk awareness and mitigation strategies.
- Supporting operational coordination with procurement and logistics.
- Encouraging data-driven decision-making.
- Promoting effective stakeholder coordination and adaptive managerial behavior.

Ultimately, the study provides a structured roadmap to improve sales growth, revenue, and order volume.

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