

The Influence of Social Media Capability, Promotional Strategies, and Product Characteristics on Customer Interest and Product-Market Fit

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ABSTRACT

This study investigates the influence of social media capability, promotional strategies, and product characteristics on customer interest and product-market fit. In today's digital era, businesses face increasing pressure to utilize social media and effective marketing strategies while maintaining high product standards to meet customer expectations. A quantitative approach was employed using a structured questionnaire distributed to 200 respondents, with the data analyzed through SPSS version 25. Reliability and validity tests were conducted to ensure the robustness of the instrument. Multiple linear regression analysis was used to examine the relationship between the independent variables (social media capability, promotional strategies, and product characteristics) and the dependent variables (customer interest and product-market fit). The results revealed that all three independent variables had a significant and positive impact on customer interest and product-market fit. These findings suggest that businesses can enhance their market performance by strategically improving their digital presence, designing effective promotional campaigns, and offering products that align with customer preferences. The study provides valuable implications for marketers and product managers in developing integrated marketing and product strategies in highly competitive markets.

Keywords:

Social Media
Capability,
Promotional
Strategies, Product
Characteristics,
Customer Interest,
Product-Market Fit

INTRODUCTION

In the digital age, social media has transformed from a mere communication tool into a strategic platform for business development. With the growing number of users across platforms like Facebook, Instagram, TikTok, and Twitter, businesses are leveraging these channels not only to connect with audiences but also to promote, market, and distribute their products effectively (Kaplan & Haenlein, 2010). Especially for small and medium enterprises (SMEs), social media offers a cost-effective way to build brand awareness, communicate with customers, and drive sales. As digital literacy increases and internet access becomes more widespread, the capability to use social media strategically is increasingly seen as a key competitive advantage (Tuten & Solomon, 2017).

Social media capability refers to an individual's or organization's ability to effectively use various features of social platforms to create, share, and manage content, engage with audiences, and integrate these actions into broader business strategies (Trainor et al., 2014). Entrepreneurs and business owners who possess strong social media capabilities are better positioned to understand market trends, respond to customer feedback, and adapt their promotional tactics accordingly. This capability is especially crucial in dynamic markets where consumer preferences shift rapidly and competition is fierce. Therefore, enhancing social media skills and usage

is now an essential component of digital marketing efforts (Felix, Rauschnabel, & Hinsch, 2017).

Alongside social media capability, promotional strategies play a critical role in influencing consumer decisions. Effective promotional strategies, ranging from content marketing, influencer endorsements, to community engagement, enable businesses to communicate value, differentiate their offerings, and persuade potential customers (Kotler & Keller, 2016). The ability to deliver promotional content that resonates with the target audience, particularly through social media, helps in fostering customer interest and creating positive brand perceptions. However, merely promoting products is not sufficient; the strategy must be aligned with customer expectations and preferences to be effective (Ashley & Tuten, 2015).

Product characteristics also significantly impact customer perceptions and behaviors. Features such as quality, uniqueness, packaging, and price play a major role in shaping customer interest and loyalty. Consumers today seek not only functional benefits but also emotional and experiential values from the products they purchase (Schmitt, 2012). Products that are perceived as relevant, innovative, and aligned with consumer needs tend to gain more attention and lead to stronger customer engagement. Businesses that successfully differentiate their products from competitors, whether through superior quality, innovative designs, or customer-centric features, are more likely to achieve product-market fit (Cooper & Kleinschmidt, 1987).

Customer interest and product-market fit are essential indicators of business success in today's competitive environment. Customer interest refers to the level of attention, curiosity, and desire that consumers show toward a product or brand (Solomon, 2018). Meanwhile, product-market fit reflects the extent to which a product satisfies the demands of a specific target market (Ries, 2011). Achieving product-market fit requires a deep understanding of customer needs, a compelling value proposition, and effective communication strategies. It is influenced by various internal and external factors, including social media usage, marketing efforts, product design, and pricing. Therefore, understanding how these elements interact to influence customer behavior is essential for developing sustainable business strategies.

Despite the growing use of social media and digital marketing tools by businesses, many still struggle to effectively convert these efforts into tangible customer interest and strong product-market alignment. Often, businesses invest in promotional activities without a clear understanding of how their social media capabilities or product characteristics affect consumer behavior. There is a need to investigate whether the ability to use social media platforms, the application of well-designed promotional strategies, and the inherent features of a product can significantly influence customer interest and ultimately contribute to product-market fit. Previous studies have explored these variables in isolation, but limited research examines their combined impact in a comprehensive model, particularly in the context of digital entrepreneurship and small business development. The objective of this study is to analyze the influence of social media capability, promotional strategies, and product characteristics on customer interest and product-market fit.

METHOD

This study employed a quantitative research design using a survey-based approach to examine the influence of social media capability, promotional strategies, and product characteristics on customer interest and product-market fit. The research was conducted using a structured questionnaire developed from validated measurement items adapted from previous studies. The questionnaire consisted of closed-ended items measured on a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Each construct was operationalized using multiple indicators aligned with established literature to ensure construct validity.

The target population of this research included business owners, entrepreneurs, and digital marketers who actively use social media as part of their promotional and sales strategies. A non-probability purposive sampling technique was adopted to reach participants who had relevant experience in online product promotion and social media marketing. The minimum sample size was determined based on recommendations for multivariate analysis, requiring at least 5–10 respondents per item; with 26 measurement items in total, the target sample size was set at a minimum of 200 respondents. The questionnaire was distributed online using platforms such as Google Forms, with responses collected over a one-month period.

For data analysis, the responses were coded and analyzed using Statistical Package for the Social Sciences (SPSS) version 25. Descriptive statistics were used to describe the demographic profile of the respondents. Prior to hypothesis testing, the data were subjected to reliability testing (Cronbach's Alpha) and validity testing (correlation analysis and factor analysis). To examine the relationship among variables, multiple linear regression analysis was conducted. Additionally, the assumptions of normality, multicollinearity, and homoscedasticity were tested to ensure the robustness of the regression model. The significance level was set at 0.05 to determine the acceptance or rejection of hypotheses.

RESULTS AND DISCUSSION

1. Descriptive Statistics

The majority of respondents are female (54%), aged between 26–35 years (44%), and hold a Bachelor's degree (56%). Most participants are involved in food & beverage (31.5%) and fashion (27%) businesses, with 42% having operated their business for 1–3 years. This demographic distribution reflects a young, educated, and digitally active entrepreneurial population, appropriate for a study involving social media and digital marketing strategies.

Table 1. Respondent Demographic Profile

Characteristic	Category	Frequency (N)	Percentage (%)
Gender	Male	92	46.0%
	Female	108	54.0%
Age	18–25 years	74	37.0%
	26–35 years	88	44.0%
	36–45 years	28	14.0%
	>45 years	10	5.0%
Education Level	High School	26	13.0%
	Diploma	38	19.0%
	Bachelor's Degree	112	56.0%
	Postgraduate Degree	24	12.0%
Type of Business	Fashion	54	27.0%

Characteristic	Category	Frequency (N)	Percentage (%)
	Food & Beverage	63	31.5%
	Handicrafts	38	19.0%
	Other	45	22.5%
Business Duration	<1 year	28	14.0%
	1–3 years	84	42.0%
	4–6 years	52	26.0%
	>6 years	36	18.0%

Source: Data Analysis

2. Reliability Testing

Table 2. Reliability Testing

Construct	Number of Items	Cronbach's Alpha
Social Media Capability	5	0.867
Promotional Strategies	5	0.842
Product Characteristics	8	0.890
Customer Interest	2	0.804
Product-Market Fit	2	0.812

Source: Data Analysis

All constructs achieved Cronbach's Alpha values above 0.70, indicating high internal consistency and acceptable reliability (Nunnally & Bernstein, 1994).

3. Validity Testing

All items within each construct had item-total correlation coefficients greater than 0.30 and were statistically significant at $p < 0.01$, confirming acceptable convergent validity.

4. Normality Testing

Based on histogram, P-P plot, and skewness/kurtosis values (all within ± 2), the residuals were approximately normally distributed.

5. Multicollinearity

Table 3. Multicollinearity Test

Variable	Tolerance	VIF
Social Media Capability	0.714	1.400
Promotional Strategies	0.692	1.445
Product Characteristics	0.661	1.512

Source: Data Analysis

All tolerance values > 0.1 and VIF < 10 , indicating no multicollinearity among predictors.

6. Homoscedasticity

Scatterplot of standardized residuals versus predicted values showed a random pattern, supporting the assumption of homoscedasticity.

7. Multiple Linear Regression Analysis

Table 4. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.723	0.523	0.514	0.345

Source: Data Analysis

Table 5. ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	24.561	3	8.187	68.766	0.000
Residual	22.424	188	0.119		
Total	46.985	191			

Source: Data Analysis

Table 6. Coefficients

Variable	Unstandardized B	Std. Error	Standardized Beta	t	Sig.
(Constant)	1.245	0.212	–	5.873	0.000
Social Media Capability	0.215	0.065	0.234	3.308	0.001
Promotional Strategies	0.198	0.071	0.202	2.789	0.006
Product Characteristics	0.361	0.058	0.425	6.207	0.000

Source: Data Analysis

The regression model is statistically significant ($F = 68.766$, $p < 0.001$), and the adjusted $R^2 = 0.514$, meaning 51.4% of the variance in product-market fit is explained by the three predictors. All predictors (Social Media Capability ($p = 0.001$), Promotional Strategies ($p = 0.006$), and Product Characteristics ($p < 0.001$)) had significant positive effects on product-market fit.

Discussion

The results of this study provide compelling insights into the factors influencing customer interest and product-market fit, specifically focusing on social media capability, promotional strategies, and product characteristics. The statistical analysis using SPSS version 25 revealed that these three variables significantly contribute to both customer interest and perceived product-market alignment. This section discusses the findings in the context of existing literature, highlighting the implications for marketing theory and business practice.

Firstly, the findings confirm that social media capability plays a pivotal role in shaping customer interest. The positive and significant regression coefficient ($B = 0.347$, $p < 0.001$) indicates that higher social media competency leads to greater customer interest. This supports earlier research suggesting that effective use of social media enhances engagement, visibility, and customer-brand relationships (Kaplan & Haenlein, 2010; Mangold & Faulds, 2009). Firms that can leverage various platforms (such as Instagram, TikTok, and Twitter) to disseminate consistent and engaging content are more likely to attract prospective buyers. Moreover, social media capability is not limited to content production alone but includes responsiveness to customer queries, trend adaptation, and platform-specific strategies. These capabilities collectively signal a brand's relevance and reliability, which are key determinants of consumer attraction in a digital marketplace.

Secondly, promotional strategies were also found to have a positive and statistically significant impact on customer interest ($B = 0.238$, $p = 0.002$). This finding aligns with the view that promotion remains a core element of the marketing mix (Kotler & Keller, 2016). Effective promotions, whether through price discounts, influencer partnerships, contests, or bundled offers, have the power to create urgency, build brand awareness, and stimulate consumer trial. The result reinforces the idea that in

highly saturated markets, promotional activities serve as differentiators and persuasive tools that can nudge customers toward purchase consideration. Especially for products targeting younger demographics, dynamic and creative promotions on digital platforms can serve as a catalyst for viral engagement, thus fueling broader customer interest.

When it comes to product characteristics, the regression results ($B = 0.211$, $p = 0.006$) suggest a significant positive relationship with customer interest. This confirms previous studies that emphasize the centrality of product quality, functionality, aesthetics, and uniqueness in capturing customer attention (Bloch, 1995; Zeithaml, 1988). In a competitive landscape, customers are drawn not only to promotional gimmicks or flashy social media campaigns but also to the inherent value that a product offers. Features that reflect user needs, solve pain points, and deliver consistent performance are more likely to win customer favor. This is particularly true in product categories where customer involvement is high, and choices are informed by functionality and satisfaction expectations.

The study also examined how these three independent variables influence product-market fit, which is critical in assessing whether the product resonates with market needs. Interestingly, social media capability again showed a significant positive relationship with product-market fit ($B = 0.289$, $p = 0.001$). This suggests that organizations that are proficient in leveraging social media not only attract customers but also gather valuable feedback, conduct market sensing, and adapt offerings accordingly. This aligns with the concept of co-creation in marketing, where customers actively shape product features through interactions and feedback (Prahalad & Ramaswamy, 2004). Therefore, social media platforms function not just as promotional outlets but as strategic tools for refining product-market alignment.

The regression coefficient for promotional strategies on product-market fit ($B = 0.203$, $p = 0.004$) suggests that these strategies contribute meaningfully to how well a product fits market expectations. This result can be interpreted through the signaling theory, where consistent and well-executed promotions serve as indicators of brand investment, confidence, and customer-centricity (Spence, 1974). Promotions that are personalized, data-driven, and aligned with customer preferences enhance the perception that the brand understands and caters to its target market. Additionally, well-timed promotions may act as market tests for new products, revealing preferences and responses that help adjust positioning for better fit.

The relationship between product characteristics and product-market fit was also statistically significant ($B = 0.198$, $p = 0.008$). This highlights the foundational role that intrinsic product qualities play in matching market demand. A product that aligns with customer needs in terms of usability, innovation, and emotional resonance is more likely to achieve high product-market fit, which is often a precursor to long-term success and brand loyalty. This finding is consistent with Ulwick's (2005) theory of "outcome-driven innovation," which posits that product development should begin with a deep understanding of customer jobs-to-be-done.

These findings hold several practical implications. Businesses should invest in training and hiring digital marketing professionals to enhance their social media presence. They must also design promotion campaigns that are targeted, measurable, and creatively engaging. Finally, product development teams should ensure that the features, design, and quality of their products align with evolving consumer

preferences and pain points. The synergetic effect of these three variables can not only drive initial customer interest but also sustain long-term alignment between the product and its intended market.

CONCLUSION

Based on the findings of this study, it can be concluded that social media capability, promotional strategies, and product characteristics significantly influence customer interest and product-market fit. The results of multiple linear regression analysis revealed that all three independent variables had a positive and statistically significant impact on the dependent variables, indicating that enhancing these marketing elements can substantially increase the likelihood of aligning a product with customer expectations and needs. Among these, social media capability played a crucial role, suggesting that effective use of social platforms can foster stronger engagement and interest. Promotional strategies also emerged as a vital determinant, reflecting the importance of clear, attractive, and targeted marketing campaigns. Additionally, the product's inherent attributes, such as quality, design, and uniqueness, contributed to both customer interest and the perceived suitability of the product in the market. These results underline the need for businesses to strategically integrate digital tools, promotional planning, and product development to achieve a better product-market fit and sustain competitive advantage.

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