An Exploratory Study of Marketing In Social Networking Sites Facebook and the Advantages to the Business

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ABSTRACT
Background: The application of Web 2.0 has attain social networks users to communicate, share knowledge, review and rate products or services. Apparently, with the astounding popularity of Facebook as social networking, businesses try to gain attention from users by starting their marketing strategy. Some of people that doing sole business do not have organizations and only do online business by utilize Facebook as medium to market their product. On the other hand established company might use Facebook as complement to their traditional marketing to positioning their product brand among Facebook users. Therefore, this paper represents an exploratory effort to identify Facebook as marketing tools because it holds a potential success for businesses expand their market.

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INTRODUCTION

Nowadays, mostly business strategy in any firm is not complete without considering the role of technology, the internet and intuitive ways to reach both local and international consumers. In other words, companies need to think beyond the traditional channels of marketing to get along the changes. The introduction of the internet has opened great chances for marketers and firms to increase their marketing without borders. The core of any business is the customers and social networking represents a chance to promote and branding their services and product to the final consumer. In fact, company may build even closer and more profitable relationships with customers. Therefore, company must respond to this change and start strategies their product and services through Social Networking Site (SNS). The most important change that the internet and its major component is the World Wide Web (WWW), brought about is the principally new ways for value creation in a company [4]. According to the [14] Web 2.0 is the Internet that focuses on human-centric character, with its basic elements of SNS (Social Network Service) and UGC (User Generated Content). Therefore, by using SNS there will more interaction between both sides. In fact, customer will receive more information through SNS communities regarding the company and its products.

Furthermore, as more users connect to the SNS, it shows that social media has increasingly accepted as mode of communication for the internet audience. They use SNS as medium for promoting brands, products and services. According to the [12] the most visited online social network is Facebook, founded in 2004 and with over 600 million users and presence in over 70 countries. In 2011, nearly 11 percent of all online advertising spending in the US was predicted to go to SNS, and SNS ad revenues will continue strong growth, making this form of advertising the most popular type of marketing within the social media domain. The growing popularity of SNSs in marketing is hardly surprising as these sites are by far to be most popular social media application among consumers [3]. Marketers of customer goods and services, particularly of products targeted at younger age groups because their target audience spends a great deal of time online, interacting with friends and family.

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through such media. Marketers usually have established business and have their own organization but some of them also stands alone to do online business and only use Facebook as their marketing tools.

**Research Objectives and Research Question:**

The research objective was chosen to identify what perceived benefits that Facebook marketing has brought to the companies. In order to explore this area, the study first reviewed existing research in the area of social media marketing and determined the types of benefits most commonly reported in the literature. The types of benefits most reported relate to research are competitive advantages, brand awareness, low cost of marketing, increased collaboration and contact with consumers. With regards these perceived benefits, this study aimed to explore whether the targeted participant’s responses aligned with existing findings or offered alternatives views on the subject. There is sole research question that arise in this research; “What are the perceived benefits of using social media marketing on Facebook to the business”?

**Problem Statement:**

Nowadays, firm seems now to be a similar enthusiasm present with respect to the acceptance of social media. It is because with enormous of social networking or social media that use to interact with other people, business have create the marketing opportunity of their respective brand. Marketing activity facilitated and enabled by new technology such as web 2.0 is emerging the new way of doing business. It occupied firms the opportunity to create more intimate relationships with customer with two way interaction. At this interface, with marketing and technology, firms may realize mass customisation highly possible since firms have potential to exploit the capabilities afforded by technology to provide unique content of direct relevance to individual customers.

Until now, research on the effects of SNS advertising has been scarce, although marketers spend a growing part of their online marketing budgets on this advertising tool [3] Therefore, this paper will explore the concept of SNS Facebook-centric as marketing tools and also the benefit from this practice to the business.

**Literature Review:**

**Web 2.0:**

Web 2.0 applications, particularly online social networks have made a remarkable initiation in the last decade. Apparently, there is spectacular number of users in such network and some of users that use as marketing tools in order to promote their business. This is mainly due to the spread of the social media applications supported by Web 2.0. According to the [6] Web 2.0 is more a social movement that enables the use of World Web Wide breaks the social order of how things were done in the Web 1.0. [2] refer Web 2.0 as a popular term for advanced internet technology and applications including blogs, wikis, RSS and social references. These authors emphasize the fact that Web 2.0 applications are made for people and by people. This application was reassigned human approach to the web and interconnectivity among users using internet [5].

Furthermore, Web 2.0 applications tend to be oriented towards mobile devices due to the increase in reach of the internet in recent years. This situation made people able to do their business in SNS anytime and everywhere using their mobile phone. People may use SNS that supported by Web 2.0 to engage in online mode to share their interests with or without real life connections in commerce related activities. This advancement has also elevated online communities to a level where new business plans can be developed and implemented through social media marketing. This online environment has changed the passive behaviour of users to become active content creators on the internet [5]. In addition, with the emergence of Web 2.0 and social relationships in social networking, it is now being welcomed into business studies.

**Social Network, Social Media and Social Networking Site:**

Social networks originate from sociology and in a business context, refer to two or more connected business relationships, where an ‘exchange’ exists between business allies. The notion of a ‘network’ is based on the formation of ties between individuals, groups of people, organizational departments or corporations, that leads to the creation of social networks [7]. Therefore, social networks are a way of promoting and sharing views and descriptions with other people by dissolving the geographical separation. It also highlights the phenomenon of globalization, across the various existing platforms, where Facebook stands out for this dimension.

Formally, social media is “any tool or service that uses the Internet to enable conversations” [13]. According to [2] social media can be described as series of internet based applications that allow for the collective sharing of ideas, experiences and opinions through user generated content. Social media differentiates from traditional media in many ways, in particular, flexibility, frequency, reach and quality. Possibly more important of all though, is the ability for two-way social communications, which allows for seller and buyer are flexible and on the go interactions about the product.

Social networks are also changing the nature of online shopping and purchase interaction of consumer. The evolution of social networks along with web and mobile technologies has provided an extraordinary opportunity
for people to engage in online and social commerce activities, including online shopping and purchases [16]. This creation of interactions forms online communities where interface and socializing are the main focus, with members sharing similar interests of social commerce activities and learning about each other by trading information. What once was limited to buying and selling through a website with no sharing of purchase habits or social influence from other buyers has now changed to include constant feedback, reviews and recommendations from other customers. According to [16] customers are no longer passive information takers and often influence the purchasing behaviour of other shoppers [5]. In addition, social network marketing specifically in Facebook user are offering advertising opportunities for businesses. It becomes the top of online social media in cyberspace with most user around the world interact using Web 2.0.

Facebook as Marketing Tools:
Facebook societies where there are more users around the world are the most relevant for marketers. Through these communities, marketers are able to identify consumer tastes and likes, which is essential in helping to create market segmentation and targeting and positioning strategies [12]. Marketers can gain valuable information on community members’ profiles about their preference based on their photo, friends and personal information. On top of that, marketers may get information from the news feed statements that users post on their walls and pages. This information then may be used for direct marketing purposes.

Marketing using Facebook can be achieved by several ways [12]:
a) Facebook profile: A strong profile of the organization can be established on Facebook with its vision and mission statement stated and clearly defined.
b) Facebook group: The following are the most important aspects that can be used to attract consumers: the name of the group, the group topic and image of the group.
c) Business/Fan pages: Fans will receive updates from the company as new information is posted. The organization can regularly post information on the business/fan page on upcoming events, articles, games, blogs, podcasts, videos and links.
d) Sharing events: The organization can advertise its upcoming events on Facebook.
e) Social ads and polls: Social ads can be placed on Facebook according to the age, sex, location, workplaces and education level of the users. Polls can also be organized on Facebook to obtain valuable feedback from users.
f) Facebook messages can be tailored and sent to individual users

SoLoMo Concept:
In addition, the raising and popular conception of business in social network may relate with SoLoMo appearance. This concept emphasizes according to the three characteristic of modern consumer such social, local and mobile. It means that, consumer may access social network site anywhere and everywhere using their smartphone with internet existence. It will make the numbers of consumer of online user of Facebook increase. This is a good sign of marketers in order to positioning their product to create brand awareness among users. Therefore, according to the [11] some researcher even interpret SoLoMo conception as “extension of social commerce that selling or marketing that utilizes social platforms with the added context, courtesy of the mobile phone, of location”.

SoLoMo conception emphasizes three key aspects of consumer:

<table>
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<th>Social</th>
<th>Local</th>
<th>Mobile</th>
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<td>● This concept aims for consumer online to interface and exchange information with other consumers, friends or people interested in the same topic brand or service.</td>
<td>● This concept of local emphasizes consumer interest in local deals. Geocentric technology abilities to track and to obtain points and rewards from all around world. Consumers are interested in buying products that they get immediately or at a relative short time which lead to local offers.</td>
<td>● Mobiles in this concept needs for mobile and small technology deployment during the purchasing process as it allows purchasing at any time in any place. It requires from companies adaptation to mobile environment considering mobile environment features.</td>
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Sources: Rimantas & Audrone (2014)

SoLoMo conception features are close related to social commerce. In social commerce [15] presents in his study, social commerce is a broad concept that not only refers to social shopping with the use of a definite business model, but includes sharing of shopping information through multiple marketing activities. From this, it can be seen that gathering consumers and sharing shopping information will promote electronic commerce, and format a new paradigm in SNS cited from [15]. Therefore, with on-going technological development and
Advantages of Facebook Marketing:

According to [12], customers are presently switching to usage of social networks and they are spending more time with online marketing compared with any other marketing channel. Facebook allows companies or salesperson to connect with many people more often compared to approach through phone calls, emails or meetings [12]. By using Facebook as medium of marketing, firm can get competitive advantage through advertising campaign. The active use of social media can be a source of competitive advantage for organizations which is hard to replicate by others due to the connective manner to the company itself. It occupies a strategic role at the level of product differentiation or cost leadership, instead of a merely presence role of product to compete with other brand. The social networking phenomenon, allied to the speed of online events and their potential for organizations, has created a dynamic business that has generated a great deal of information about optimizing social media marketing for businesses. Moreover, when business use Facebook to market their product, one of the foremost benefits of social networking for organizations is lower marketing costs in terms of monetary and personnel [8]. Social media marketing can be economical way to promote a company rather than putting together a huge marketing team or excessive budget. Furthermore, with the economic fluctuation, many companies are trying to find ways to cut their spending budget on marketing. Thus, social networking sites are the best way for them to market their businesses and reduce their costs as the marketing can spread away in SNS through social interaction among users. Costs of communication have fallen drastically with Facebook and other social networking sites; therefore it was creating opportunities for organizations to communicate directly, quickly and consistently with millions of individual customers [8].

Besides that, businesses would have a benefit of brand intelligence when it conducted on social networks [1]. It is because there are many differences of background users of Facebook that obviously have different opinion to such product. Thus, businesses can collect consumer feedback, establish a brand presence, or perhaps, just observe the way their brands are discussed and perceived. Moreover, via Web 2.0 features, it gives a business capability to develop a trusting relationship with a customer by direct interaction, address their needs and concerns, or even conduct market research. In fact, according to [1], the main advantage of having a social network presence is company can gain the amount of information about its customer base. They may collect information regarding all sorts of trends, including product, customer feedback and personnel opinion about the certain brand. Apart from this, business can conduct market research and transform to a business strategy such product development, product differentiation and customer segmentation to improve their marketing to be better.

According to the [9] social media applications are technologies that invite the participation of both consumers and brands and that have the ability to maintain the communication and collaboration among its users. In addition, [9] said that “brands are complex entities, but ultimately they reside in consumers’ minds” and this is why their value for the company is truly achieved only through the contacts with the consumers. Contact and connection through communication of marketer to get in depth information about the brand will made consumer get familiar with the brand before the purchasing process held. Creating an online presence for the brand should become a part of the communication strategy in order to sustain the long-lasting customer relationship. In this context, the adapting of the necessities and features of the users will create the relationship with the brands through social media applications. Marketing within communication in social media is a relational process and therefore companies should focus on creating connections with consumers and studying the consumers’ opinions should become a priority for the business.

Methodology:

This paper will use a qualitative framework. Qualitative research is a type of research that covers a number of philosophical orientation and approaches. In this case study on Facebook, the type of study being undertaken is an evaluation of social media marketing which looks at the benefits of marketing use social network site Facebook. Qualitative research was undertaken in order to explore in an in depth manner, the benefits of Facebook as marketing tools. The data process collection used different empirical materials to support the observation and interviewing methodology telephone, e-mails and face-to face approaches. This is continuing by structured interview and in other cases a semi-structured interview supported both by an interview guide with closed and open ended questions. The data process collection used different empirical materials to support the
observation and interviewing methodology through telephone, Skype, electronic devices (table and computers) and face-to-face approaches; following in some cases, a structured interview, and in other cases, a semi-structured interview supported both by an interview guide with closed- and open-ended questions. As these effects are individual to the company, qualitative methods were used in order to allow each participant to tell the story of how Facebook marketing gives benefit to the business. This type of approach was adopted in similar in online social networking study of Facebook by [8]. Last but not least, the primary intention was to understand the Facebook contribution as a marketing tool for business and find out how participants interpret their experiences and the way they structure their product brand image in Facebook as a one of marketing strategy.

Conclusion:

Social networks site are popular places for people from different backgrounds and places to meet. For instance Facebook is becoming popular among other social communication. This social networking not only connect people to socialize but now this medium could be powerful tools for businesses to establish brand presence, build brand awareness, as well as save advertising costs in economically dismal times. Through advertising campaign within this medium there are opportunities for businesses to grow public awareness and get involved in the communities. Facebook will be the crucial of marketing for the individual and business that have business to exchanging and spreading information, trading products or services. They could stay close to the current and potential customers, acquiring a better understanding of their customers through their preference on Facebook. Nowadays, the increase of communication flow of information among customers together with the increased availability of assorted communication channels is creating a new phase for marketers to promote their brand. Facebook does not replace the traditional marketing tools but can be used as a complement to existing traditional promotional tools. Suggestions for future research may examine the ethical issues regarding marketing in social network.

REFERENCES