USING ONLINE SOCIAL NETWORKING SITES FOR DOING BUSINESS - A MARKETING RESEARCH

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ABSTRACT: *The developments of the information and communication technologies of the last decades (especially the Internet and the online social networks - OSN) have created a new environment for the development of new business opportunities or for the expansion of the older ones. Through these new changes, new challenges have arisen, faster communication, the need to be out there 24/7, a greater care of what you offer to the market. Our paper presents a small part of a marketing research (qualitative and quantitative) which aims to understand how the online social networking sites can be used by the companies for developing their businesses. We are presenting a short introduction a literature review in the field of OSN its evolution and its types followed by the research methodology and the research results. At the end of the paper we are presenting several conclusion of the research and how can the OSN be used for doing business.*

Keywords: online social networks; marketing research, consumers, managers, business

JEL Codes: M30, M31, M39

Introduction

The strong development of the Internet in the last two decades has created a new method of reaching and communicating with the consumers. This has created new opportunities for the companies, for their managers and in the same time it has delivered new actual and potential consumers. But this new business environment has gone even further by the development of the online social networking sites of the last decades. The companies have found that the online social networking platforms are almost the perfect method of reaching hundreds of thousands and millions of potential consumers cheaply and easily. Our paper, which is just a part of a larger marketing research, is presenting quantitative marketing research were we aim to understand how the online social networking sites can and is used by the companies for developing their businesses. We have divided our paper in 5 parts: (1) Introduction; (2) Literature review; (3) Research methodology; (4) Research results; and last but not least (5) Conclusions and acknowledgments.

Literature review

The digital world has become in the last two decades a new environment for organizations through which they can promote their products, services and even the organization at a global level. The internet has offered the possibility for the consumers to become informed faster, at any hour and almost in every corner of the world. Over the years, the literature in the field of online marketing, social media marketing and e-commerce has developed greatly.

Before presenting several opinions regarding the concept of online social networking sites, we must underline certain aspects related to the concept, evolution and the development of the Internet. According to the Online Oxford English Dictionary (2014), the Internet represents *a global*

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computer network providing a variety of information and communication facilities, consisting of interconnected networks using standardized communication protocols.

This communication system was created by DARPA in 1969 and was named ARPAnet (Advanced Research Projects Administration Network), and was intended to create a secure link between the US Department of Defense and US Military contractors (Gorski, 2008).

Probably the greatest step forward in the world wide development of the Internet, took place in the opening year of the '90s, when the first web page was created by Tim Barnes Lee. In 1991, the creation of the www (WorldWideWeb), the general population was able to access the Internet. Another important step in the development of the Internet as a business environment was the creation of the Windows Operating Systems in 1995 which included the Internet Explorer web browser. It allowed the individuals to access the Internet form a computer that had access to this communication network.

The internet is, especially in the context of the global economy, a business tool (Fisher, 2001) that has become vital to every manager in order to reach success in his / hers daily business. In the new web 2.0 environment, the Internet has become the backbone of commerce. It comes before the consumers' (individuals or organizations) needs with information, speed, promises of bettering the communication between departments, functions, processes and clients (Damsgaard and Scheepers, 1999).

Like stated before, the development of the Internet has created new concepts in the literature review. One of these concepts was the concept of electronic marketing or e-marketing (Kotler and Keller, 2008) which represents *the efforts of a company to inform the market, of communicating messages, promoting and selling their products or services through the Internet.* Starting from the concept of e-marketing, with the help of new communication platforms / medias, new concepts have been developed: online marketing, internet marketing, e-mail marketing, and mobile marketing and of course many others.

In the past decade, what marketers do to engage customers has changed almost beyond recognition. With the possible exception of information technology, we can't think of another discipline that has evolved so quickly. Tools and strategies that were cutting-edge just a few years ago are fast becoming obsolete, and new approaches are appearing every day (Swaan Arons et. al, 2014).

But, according to Boyd and Ellison (2007) in the second part of the '90, a new type of internet communication has appeared: online social networking sites, which have created in the last years a new type of marketing: *social media marketing.* The evolution of internet technology has led to the development of a collection of technologies known widely as the Web 2.0 (Kasavena et. al, 2010) and by some authors (Kotler et. al, 2010) as Web 3.0.

The development of the online social networking sites (OSN) has sparked the interest of managers, marketers and of course of the scientists, among the most recognised definition of the OSN is that of Boyd and Ellison (2007) which states that an online social networking site *is a web-based service that allows individuals to (1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system.* OSN sites (Kasavena et. al, 2010), are a platform that enables users to publicize personal information and to connect with others with similar interests, is one of the primary activities of Web 2.0 technologies. With continuous advancements in information technology, it is expected that OSNs will play a crucial role in future personal and commercial online interactions, as well as the location and organization of information and knowledge.

The question that rises is: why should the companies use online social networking sites? The answer lies with the results such a marketing campaign would bring to the company. According to Dutta (2010), there are three main reasons for using OSN sites: (1) the social media networks provide a low - cost platform on which to build a personal brand; (2) they allow a rapid and simultaneous engagement with peers, employees, customers, and the broader public, especially younger generations, who will become the target population (3) they offer the opportunity to learn

from instant information and unvarnished feedback. Active participation in social media can be a powerful tool—the difference between leading effectively and ineffectively, and between advancing and faltering in the pursuit of your goals.

The development of online social networking sites has started according to Boyd and Ellison (2007) in 1996 with the creation of sixdegrees.com (a site now closed) and has really taken off after the creation by Mark Zuckerberg of Facebook.com which in 10 years (2004 – 2014) has jumped from several hundred users to more than 1,3 billion users worldwide (Facebook.com, 2014).

Over the years, several types of online social networking sites have emerged. Philip Kotler stated (Kotler et. al, 2010) that there are two generic types of OSN sites: (1) social media system destined for expressing one's self (blogs like Twitter or YouTube and OSN sites like: Facebook, MySpace, Flickr etc.); (2) social dialog means based on collaboration (Wikipedia). Other authors (Ulmaru, 2011) divides online social networking sites in: Collaboration projects, Blogs, Comunities dedicated to producing content (Kaplan and Haenlein, 2010). While there are many types of OSNs (Facebook, MySpace, Orkut, Facebook, Plaxo, Social Picks,iVillage, and LinkedIn), the five generic business models of OSNs include (Lenard, 2004):

- *General* - OSN to meet and socialize with friends, share content, schedules, and interests. (e.g. MySpace, Orkut, and Facebook);
- *Practice* - a network of professionals and practitioners, creators of artifacts such as computer code or music. (e.g. JustPlainFolks, Plaxo, and LinkedIn);
- *Interest* - a network built around a common interest, such as games, sports, music, stock market, politics, health, finance, and foreign affair (e.g. E-democracy.org "political discussion group," SocialPicks "stock market site");
- *Affinity* - a network of people who self-identify with a demographic or geographic category, such as women, African American, and Arab Americans (e.g. iVillage "focusing on women").
- *Sponsored* - community created by commercial, government, and non-profit organizations for a variety of goals. (e.g. Nike, IBM).

Of course, through the development of online marketing a new type of business has developed greatly in the last decade or so the e-commerce. Over the years, the electronic commerce has greatly changed the way companies do business, an important number of them have created on their websites or new websites through which they sell their products and services (Ulmanu, 2011).

According to Kotler and Keller (2008), electronic commerce (E-commerce) is the process by which the company's website offers online selling of goods and services. From this type of e-commerce two new types of activities have stemmed: (1) E-purchasing – were companies buy goods or services from different online suppliers and (2) E-marketing – describes the efforts of the company to inform the market, to communicate and to promote, to sell products and services online.

Having clarified the concept of online marketing, online social networking sites and e-commerce, we can clearly see that the world of business either adapts or it dies. Companies and their managers must and should use the new opportunities offered by the new communication and information technologies for business. More and more in the last 6 to 7 years, the companies from all over the world, Romania included have started using online social networking sites for making contact with the consumers, for promoting their product, services and even their public relation events. Like it was stated in the first part of our paper the aim of our marketing research was to identify how the consumers feel about online social networking sites and how can they be used for doing business.

Research methodology

After several initial researches (Fuciu et. al, 2012; Fuciu and Gorski, 2012) and a qualitative marketing research developed previously (Fuciu et. al, 2014, we have continued our research in this field by developing a quantitative marketing research were we aimed to understand how the online

social networking sites can be used by the companies for developing their businesses. Following the scope of the research, we are presenting in this paper only some of the specific research objectives like:

- O_1 – Identifying the period of time since the respondents have become Internet users.
- O_2 – Determining the Internet frequency of use.
- O_3 – Determining the time spend by the respondents online;
- O_4 – Knowing the main type of web pages visited by the respondents.
- O_5 – Determining the main OSN sites known by the respondents.
- O_6 – Determining the OSN frequency of use and the time spent online
- O_7 – Identifying the main activities that the user undertakes on an OSN;
- O_8 – Determining the main OSN pages visited by the OSN users;
- O_9 – Determining if the Internet and the OSN can be used as an income sources for companies and individuals;
- O_{10} – Identifying the main types of products or services that were bought over the internet.

In order to meet the objectives of the research we have used a quantitative marketing research based on a questionnaire, which had several structured questions in order to answer the hypotheses that were issued previously. In order to verify and pre-test the questionnaire for the quantitative research we have organized a qualitative research in the form of a focus group and certain semi structured in-depth interviews with OSN users.

During the focus group we have presented the draft of the questionnaire for the quantitative research and with the help of the participants, we have analyzed whether the questions are fulfilling the objectives of the research or not. Following the suggestions made by the participants we have developed the final version of the questionnaire that was used in the quantitative research. The questionnaire for the quantitative research is formed of: 37 questions divided in 4 parts (Internet usage; Using OSN; The Internet as a business environment; Demographic profile) from which: 19 closed questions, 11 closed questions using 5 step Likert scale, 2 mixed questions and the rest of the questions are closed demographic questions. We have established a representative sample of 267 respondents (with margin of error of 6 %) representing OSN and Internet users of Sibiu County, using the following formula (Cătoiu, 2009):

$$ n = \frac{t^2 * p * q}{e^2} \ (1) $$

Where: n – The dimension of the sample; t – The probability coefficient associated with guaranteeing the results of the research; p – The non percentage share of the sample components which are characterized by one attribute; q – The non percentage share of the sample components which are not characterized by one attribute; e – Margin of error. In our case we have distributed 788 questionnaires, and only 283 respondents have filled out the questionnaire, which represents a response rate of 35.91%.

Results of the research

Following the elimination of the invalid questionnaires, the codification of the answers and using the SPSS 19 programme, we have analysed the date collected by the research operators. After the analysis of the data and the interpretation of the information collected we can present the following results of our research:

*a) O1 – Identifying the period of time since the respondents have become Internet users.*

Regarding the period of time since the respondents have started using the internet, we can see the results distribution on figure no. 1. The results show that 64% of the respondents have started using the internet over 9 years ago, 28% of them started using the Internet between 7 – 9 years ago and the rest of 8% have been using the internet for 4 – 6 years.
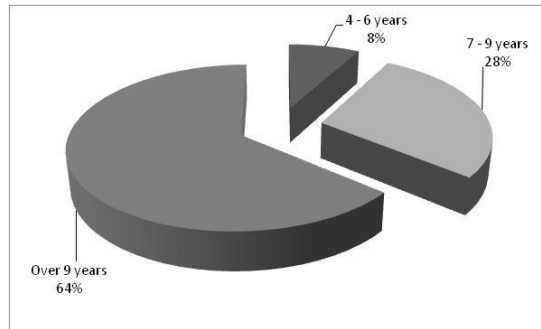
***Fig. no. 1* Time since the respondents have become Internet users**
(Source: Authors' computation)

b) O₂ – Determining the Internet frequency of use.

The second objective of our research, deals with the frequency of Internet use. As we well know, more and more people stay connected or use the Internet more and more every day. Our result (figure no.2) shows the following.
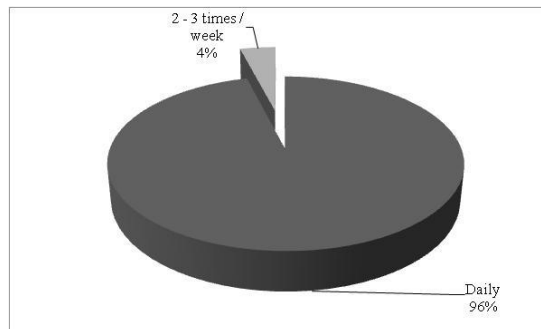

***Fig. no. 2* Internet frequency of use**
(Source: Authors' computation)

The analysis of the data for the 2nd Objective, shows that 96% of the respondents are using the Internet on a daily basis and just 4% of them have stated that they use the Internet only 2 or 3 times per week.

c) O₃ – Determining the time spend by the respondents online;

Linked to the second objective of the research, we have asked a follow-up question regarding the time spent online during one visit. The analysis of the data has allowed us to present the following results (fig. no. 3).
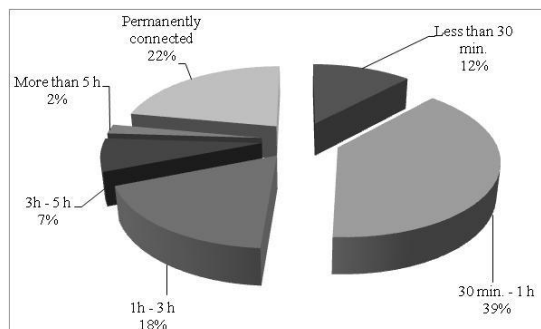

***Fig. no. 3* Time spent online / visit**
(Source: Authors' computation)

The distribution of the results is as follows: 39% of the respondents state that they spend between 30 min. – 1 h / visit; 22% of them are permanently connected to the internet via Smart phones or tablets; 18% of the respondents mentioned that they spend between 1 – 3 hours / visit; and the rest of 9% stated that they spend more than 3 hours online.

d) Knowing the main types of web pages visited by the respondents.

As a continuation of the previous questions, the following objective and question was developed in order to identify the main types of web pages visited by the Internet users. The respondents have had the opportunity to choose for a multiple answer question and the results are (fig. no. 4). The distribution of the responses given by the participants at the marketing research shows the following results:
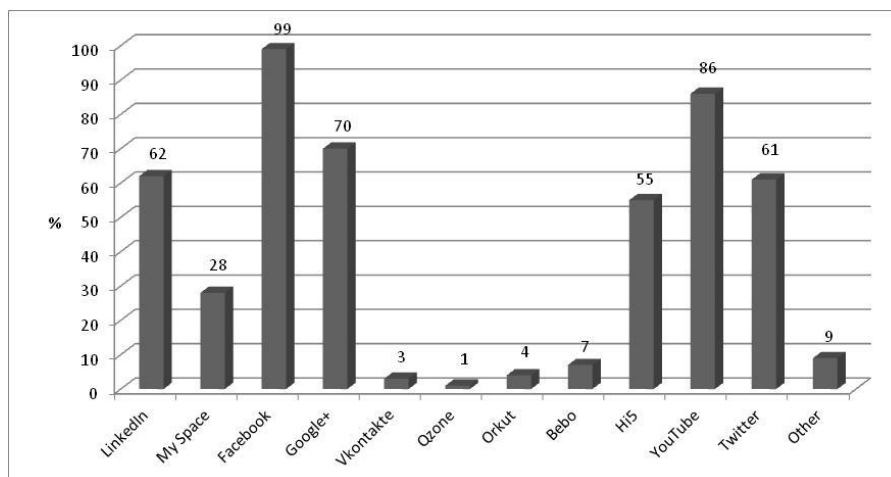
- Online social networks – 88%;
- Web mail (yahoo, gmail, hotmail etc.) – 82%;
- News sites – 57% ;
- Encyclopaedias – 46%
- Online shops – 42% ;
- Companies pages – 38%;
- Entertainment pages – 22%;
- Project pages / public administration – 17%;
- Online auctions – 4%;
- Other pages – 4%.
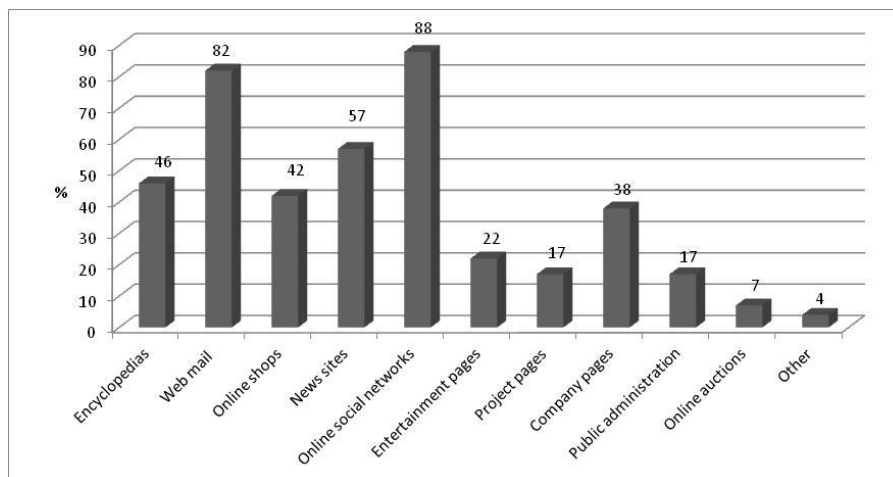
Fig. no. 4 **Main pages visited by Internet users**
(Source: Authors' computation)

e) O_5 – Determining the main OSN sites known by the respondents

Continuing from the previous objective and question, we wanted to know the main online social networking sites known by the respondents. Taking into account this purpose, we have asked the next question (see fig. no. 5).

***Fig. no. 5* Main OSN sites known by the respondents**
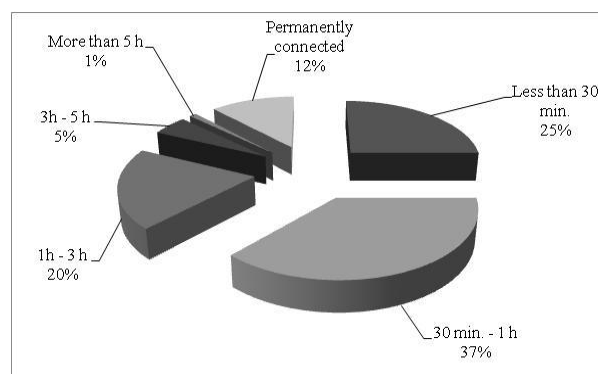*(Source: Authors' computation)*

From the analysis of the data collected from the respondents, we can clearly identify (see fig. no.5) the main online social networking sites known by them. We can observe from the response distribution that there are general purposes OSN platforms (Facebook, Google+), specialized ONS platforms (LinkedIn; Twitter, YouTube) and also OSN sites known to be specific for certain geographical and cultural areas like Turkey, China or Russia (Orkut, Qzone, VKontakte).

f) O₆ – Determining the OSN frequency of use and the time spent online

In order to understand how long and how many times per day the respondents use their preferred online social networking account, we have developed the 6th Objective of the research. The answers of this question will help us understand their online behaviour and after it can give us and the companied the information needed in order to prepare their online marketing and communication strategy using OSN.
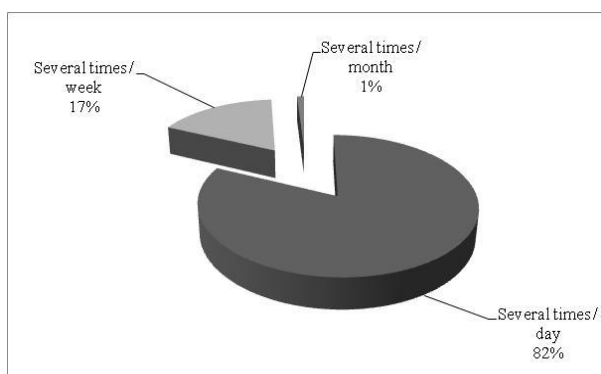
***Fig. no. 6* OSN frequency of use**
(Source: Authors' computation)

***Fig. no. 7* Time spent on an OSN / day**
(Source: Authors' computation)

From the analysis of the data presented in figure no. 6, we can clearly see that the great majority (82%) respondents connect to his / hers preferred OSN account several times / day, followed by 17% of the respondents that connect several times / week and only 1% of the respondent connect rarely than that. Regarding the average time per day spent on his / hers OSN account (s) we can see that 37% of the users connect 30 min – 1 h; 25% of the users connect less than 30 min; 20% of the respondents are connected for 3 – 5 h / day; 12% are permanently connected to his / hers OSN account; and the rest (6%) are connected for more than 3h / day but they are not permanently connected.

g) O7 – Identifying the main activities that the user undertakes on an OSN;

Understanding and knowing the main activities that a user undertakes on an online social networking site is crucial for understanding his behaviour and planning ahead. Therefore we have developed the 7th Objective and have asked the respondents to mention those activities (fig. no. 8).

We have analysed the information using a 5 step Likert scale (1 – Very little use; 5 – Use greatly), and we have established the following scores for each type of activities determined: (1) Communicate with friends – 3,753; (2) Watch friends' photos – 3.130; (3) Keep informed of offers for products / services – 2.935; (4) Waste time – 2.70; (4) Comment on friends' activities – 2.35; (5) Plan / organize events – 2.10; (6) Job search – 1,74; (7) Play games – 1.66; (8) Search for new friends – 1.57. After this we have calculate a general score for this question at 2.439.

We can clearly see that the first three activities represent an average use of this activity (especially that of keep informed about products and services – it should be on the minds of the managers and marketers alike), the rest of the activities are used only little and very little (according to the scores).
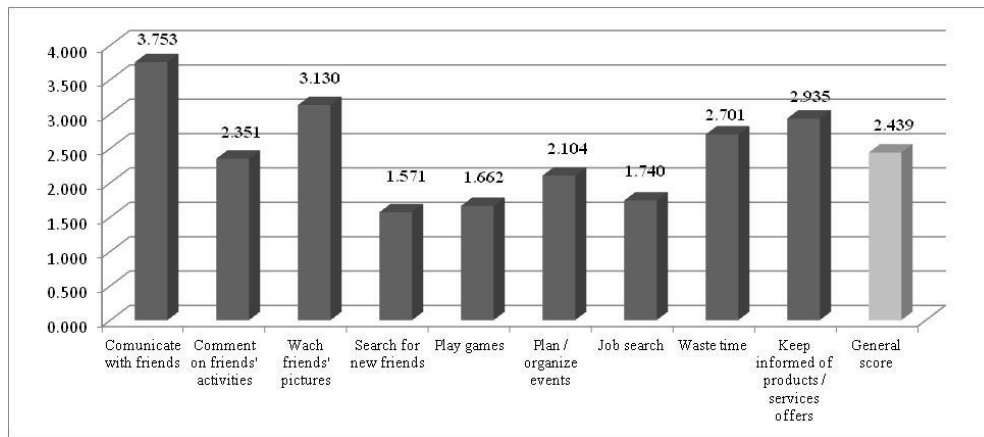

Fig. no. 8 Main activities the user undertakes on an OSN
(Source: Authors' computation)

h) O8 – Determining the main OSN pages visited by the OSN users;

Preparing and targeting specifically the individuals that use the OSN page of a company or of a certain brand is the best manner by which the managers can personalize and communicate directly with the actual and potential consumers. This objective was developed in order to further the knowledge regarding the OSN pages visited by the users (fig. no. 9).
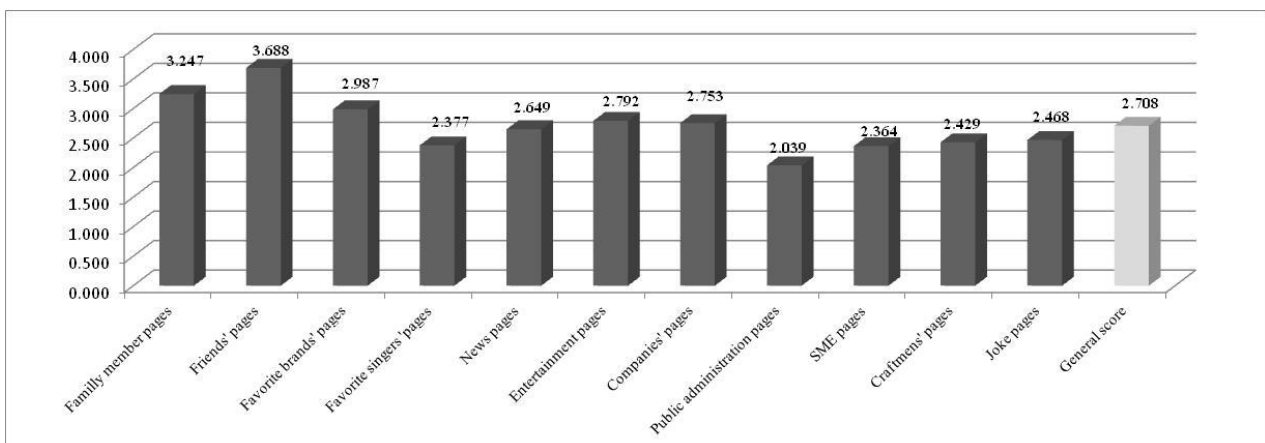
Fig. no. 9 Main online social networking sites visited frequently by the respondents

(Source: Authors' computation)

Using a 5 step Likert scale (1 – Very little use; 5 – Use greatly) we have analysed the data collected from the respondents. Most visited type of OSN pages visited by the users are Friends' pages – 3.68; Family member pages – 3.24; Favourite brands' pages – 2.98; Entertainment and Companies' pages – 2.79, respectively 2.53. The least visited OSN pages are those of Public administration pages – 2.03. The general score of this question is: 2.70.

h) O₉ – Determining if the Internet and OSN can be used as an income sources for companies and individuals

The perception of the Internet and OSN users regarding the possibility to turn these communication and interaction environments into an income source for the companies and for the individuals is extremely important in order to use the full potential of said tools. For this we have developed this objective for which the results are presented in the following figures (fig. no. 10 and 11).

Regarding the perception of income source for individuals the responses:

- 32% of the respondents state that they consider the Internet and OSN as important income sources.
- 29% consider them as having average importance;
- 16% consider the Internet and the OSN as very important;
- The rest 23% consider the platforms as being of little or no importance.

The Internet and the OSN have been evaluated as income sources for companies as follows:

- 45% of the respondents consider them as being very important income sources;
- 29% of the participants consider the Internet and the OSN as important income sources;
- 16% of the responses were for average importance;
- And the rest of 10% was for the opinions little and not important.

From these two options, we have calculated the score with the help of the 5 step Likert scale. The results are as follows: (1) The Internet and the OSN as income sources for individuals – 3.31; (2) The Internet and the OSN as income sources for companies – 4.05.
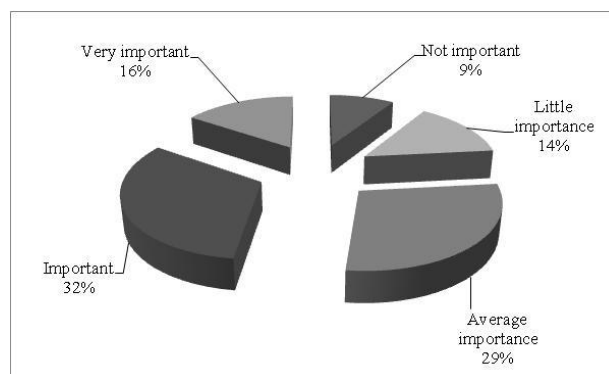
**Fig. no. 10 Internet and OSN as income source (individual)**
(Source: Authors' computation)
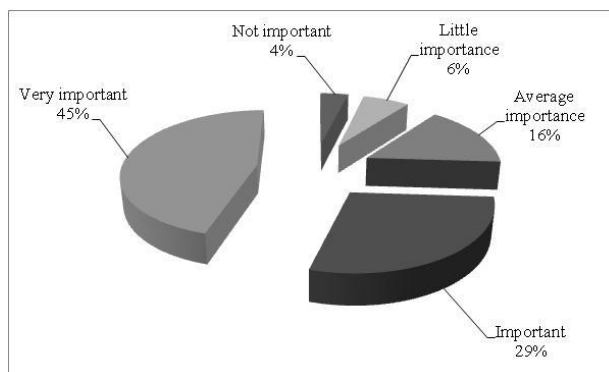
***Fig. no. 11* Internet and OSN as income source (company)**
(Source: Authors' computation)

i) O$_{10}$ – Identifying the main types of products or services that were bought over the Internet

Another important aspect of our research relates to the fact that the respondents consider the Internet and the OSN sites as being important income sources and a good business environment. We have asked the respondents to mention the products or services that they have bought online in the last period of time (fig. no 12).
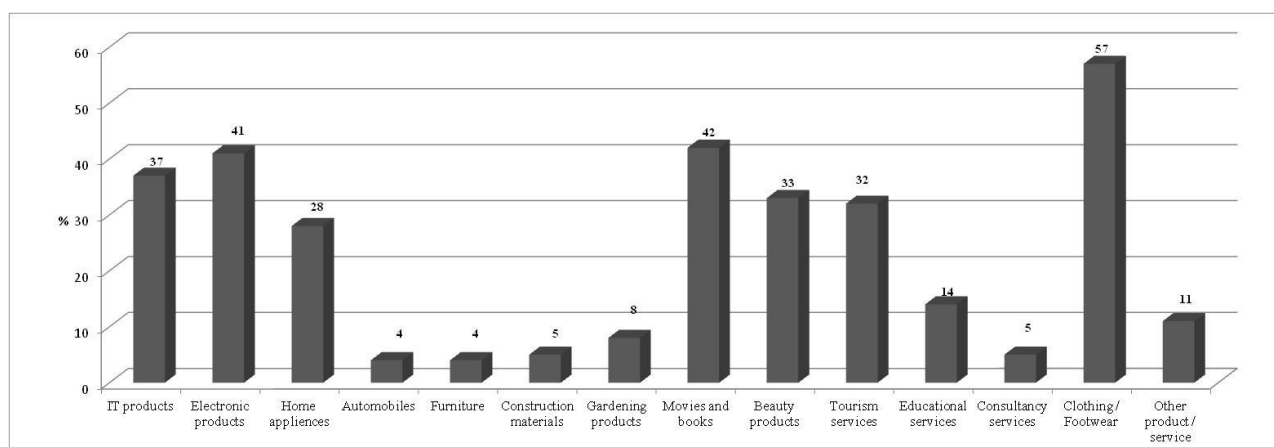
***Fig. no. 11* Types of products / services bought recently online**
(Source: Authors' computation)

The analysis of the collected data has shown that the main types of products or services are: (1) Clothing / Footwear – 57%; (2) Movies and books – 42%; (3) Electronic products – 41%; (4) IT products – 37%; (5) Beauty products – 33%; (6) Tourism services – 32%; (7) Home appliances – 28%.

Conclusions and acknowledgments

The last two decades have constituted a great shift in the way the modern companies are doing business. The changes and developments that have occurred in the field of the information and communication technologies, the new communication platforms offered to the general public, the modern means of connection to the Internet / OSN like Smart phones, Tablets, Laptops or PCs, have opened new opportunities for the managers, the marketers and their companies.

We have presented a marketing research (part of a larger one) which aimed to understand how the online social networking sites can be used by the companies for developing their businesses. The marketing and statistical analysis of the information has shown the following:

- 64% of Internet users have been active for more than 9 years;
- 96% of Internet users have been using the web on a daily basis;

- 39% of them spend between 30 min – 1 h / online visit and 22% are permanently connected;
- The most visited web site page (88%) is the online social networking site;
- Facebook.com is the most recognised OSN;
- 82% of OSN users use their account several times / day;
- 62% of OSN users spend from several minutes up to 1 hour connected to their account;
- Communicating with friends is the main activity undertaken by the OSN users;
- Posting on friends pages and on those of family members is the main OSN activity;
- 61% of the respondents consider the Internet and OSN are important for individuals as an income source;
- 74% of the respondents consider the Internet and OSN are important for companies as an income source;
- 57% of the Internet users have bought clothing and / or footwear online in the last period of time.

As we can see it is mandatory for the managers to understand the need to be present on the web using this new communication and interaction tool. They must use and increase the advantages offered by OSN like cost efficiency, speed, increased brand awareness or the development of a direct and personalised targeting strategies. In the same time they must diminish the disadvantages of this tool (time consumption, certain lack of control regarding the information transmitted via OSN).

The companies also must understand that with the development of the information and communication technologies of the last decades and especially with the birth of OSNs, the consumer are more and more present in the decision making process of the companies. They know exactly what they want and they are no longer afraid to ask for it. In order to develop a successful business, companies must adapt their business strategies in order to accommodate the requirements of the market. In the same time the managers must use the full potential of online social networks in order to promote their products and services at a regional, national, international or global level.

We acknowledge that further research in this matter is needed. This research together with previously developed ones and future ones and especially taking into account the pattern of the OSN users, can reveal interesting information for the companies' point of view and also form the researches point view and this can validate a future marketing model that underlines the influence of online social networking sites on the consumers' buying behaviour.

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