COMMUNITY SITES' EFFECTS ON ON-LINE SALES

Katalin TARI
Szent István University, Gödöllő, Hungary
E-mail: katalintari@gmail.com

Summary: In today's business life, we have to be continuously innovative and competitive. We have always need to carry out surveys to define our target audience to keep our products/services/brand competitive compared to our rivals. Facebook and other social networking websites are the perfect virtual scenes, where businesses can be found easily. Potential costumers spends a lot of their free time surfing on these websites and because of this, there is a perfect chance for them to learn more about various organisations advertised on these types of websites. With the Internet becoming more and more popular and accessible, the relationship between companies and their customers has drastically changed. The sale process have becoming a more two-way communication relationship. However, the social networking sites cannot only be used by companies to sell their products, but they can be used by potential customers to buy as well. Customers can easily interact with others, share their experiences and opinions about a product or a service. Facebook plays a very important role in brand building because it can have huge effects on the image I am trying to build. After finishing my research, I believe that the increasing lack of personal face-to-face communication can be replaced either by a virtual representative or by a customer service on-line chat function.

What picture does the increasing lack of face-to-face human interaction and communication paints about our future? Which are the most popular on-line ways for advertising? What effect does the social site advertisement has on sales? What kind of products or services should be advertised by using this channel and what do not?

These are the main questions that I am looking for to answer through my research done by conducting in-depth interviews with five individuals working in on-line marketing and sales, as well as a survey answered by 201 social media users. The group of 201 social media users were divided by age, gender and regions. Then, a comparative analysis was carried out using the SPSS statistical software.

The results I received during my research helped me to successfully establish that the two channels – social media sites, online sales – precisely and in parallel represent the target audience. I also received answers for most of the foresaid questions, which I will describe in this publication.

In summary, it can be stated, that companies that do not use Internet for marketing purposes, have a disadvantage compared to other companies that have a bigger on-line presence.

Keywords: on-line marketing, on-line target group, community sites, e-commerce

1. Problem statement and goal setting

Within a few years, our world has undergone a radical change in the way we view our social values and consumer society. It is difficult to predict the outcome of these changes in an accurate manner. Internet was only used as a source of data a couple of years ago. However, the Web 2.0 revolution has completely changed the nature of human communication. Also by now it is not just about collecting dataform on the Internet but exchanging data between users also. Today's business life means innovation and continuous competition. Companies have to

needs-assessment and define their target all the time (in many ways) in order to keep products/services/brand competitive compared to the market. The Facebook and other social networking and media sites are the channels, where companies can easily be found. In today's world, potential buyers spend a lot of their time on-line, especially on social media sites, and this is where they have the opportunity to get to know the respective companies. The advent of internet there is a brand new, changed relationships between companies and customers. The sales processes are becoming into two-way communication relationships. With the social networking sites not only to the sellers, but also another potential buyer can interact, share their experiences, opinions and impressions on customers.

Keep in touch!

This short sentence serves as an ending to most of the English-language private and even business conversations. Today, worldwide approximately 4 billion people use the Internet for both, personal and business purposes. In Hungary, 62% of population aged between 15 and 69 can be classed as Internet users. This Means that 4,6 million of people go on-line at least once in every month. These Internet users spend a lot of their time on Facebook, Twitter, various on-line forums, social media and networking platforms. According to the data published by the Social Times, the number of Hungarian Facebook users can reach 4,4 million people, which represents 14th place in Europe and 39th place worldwide (http://socialtimes.hu/)

These numbers are on the rise and this provides a greater opportunity for the players of the consumer society. It is very common between consumers to obtain information about a product or service before purchasing. It is therefore, a legitimate question whether the on-line advertising through social media is an investment that pays off. The use of social media became very fashionable today. Almost all companies, large and small, can be found on Facebook. The Facebook IMEDIA PR Analytics lists an average of 12,271 Hungarian business related Facebook pages (http://hvg.hu/tudomany/20110613_facebook_marketing). Therefore, it is very important that companies know the shopping habits and identities of individuals using their social media sites, especially Facebook. Only companies that know what the members of their various fan sites want and how to provide them with a best possible offer can be successful in the on-line marketing used on social media pages.

2. Location and method of own test data

The requiring decision problems are in a mutual relationship with the marketing plans and with the marketing information systems. In the first step I have collected the problems identified of my research, thus I examined the use of online sales and social networking sites - and then I had to sketch the decision alternatives. Than the precise hypotheses were formulated.

2.1. Hypotheses

- 1st hypothesis (H1) is that with the popularity of social networking sites increasing, the proportion of on-line sales increased too
- 2nd hypothesis (H2) is that men became more open to the possibilities offered by on-line shopping earlier than women
- 3rd hypothesis (H3) is that higher educated people with a bigger prestige, are buying more through the Internet. My last two hypothesis are looking at possible ways to advertise through social media and networking sites.
- Under the 4th hypothesis (H4) it is worth to advertise through Facebook, as this ways companies can attract costumer attention towards their products or services.

- According to 5th hypothesis (H5) a company's/product's/brand's long-term goals and success can be well supported through on-line marketing campaigns.

After stating the hypotheses, I recorded the boundaries of research and the available research information. Research of the available information focused on already existing published researches and those available on-line. The next step was the detailed planning of the research.

2.2. Customer survey

A research project is made up of more step constitutes each other roots, each of which are non-hierarchical, but also functionally related, such as consumer queries we continued our work. This was done via a quantitative method, using a questionnaire. The polling took place between 1st August and 1st of September 2013. The surveyed participants took part in the research through a well-known social networking site (Facebook) and were selected at random. The questionnaire contained 19 questions, which can be divided into four parts.

   Part 1: Internet usage patterns (questions 1-4)
   Part 2: the relationship between social media and networking sites and on-line shopping (questions 5-6)
   Part 3: on-line shopping habits (frequency, location and popularity. 7-17 issue) and
   Part 4: vision (18/19 issue)

For surfing habits, social networking sites (Facebook) and shopping on-line testing variables based on gender (male-female) statistical analysis of parametric independent sample t-test or non-parametric tests Mann-Whitney U test and cross tabulation (contingency tables) procedures used Chi 2 -tel. For some variables to examine the differences between the age groups (4 groups) ANOVA (one-way analysis of variance) or nonparametric Kruskal-Wallis H test was used and cross tabulation analyses Phi & Cramer's V coefficient. The correlation between the variables for testing - Facebook usage and on-line shopping habits - Pearson's correlation was used. Statistical analyses were performed using SPSS 19.0 for Windows program has helped.

3. Results

H1 hypothesis is that with the popularity of social networking sites increasing, the proportion of on-line sales too.
The hypothesis is only partially confirmed because neither subjects of in-depth interviews nor survey respondents have gave clear answers. In my opinion social media advertising is rather for awareness-raising than increase sales effectiveness.
The result of this question is precisely 3,41 which means an intermediate result on the basis of 201 case's reviews. Respondents have quoted the difficulty of measurement at question no. 9 because it's nearly impossible to measure it about many components that effects on it.
In case of banners click rate is about 1-2 % at normal websites. Social media platforms have a great ability to put advertisements especially for target audiences. This makes declaring find their ways to target groups and this effects higher click rates as well.
H2 hypothesis is that men became more open to the possibilities offered by on-line shopping earlier than women.
The hypothesis is true because question no. 9 had a significant result on the basis of gender. The question: „When did you buy the first time via Internet?" has resulted that men used to buy on the Internet for a long while significantly, which means about 1 year on the average.

H3 hypothesis is that higher educated people with a bigger prestige, are buying more through the Internet. My last two hypothesis are looking at possible ways to advertise through social media and networking sites.

It has resulted a partly verification because there's no relevant differences in online shopping statistically, but there're tendencies showing people with MA (or more than MA) qualification buy via Internet more often (quarter terminally). People with BA or secondary school / technical college usually buy more infrequently (semi annually).

Under the H4 hypothesis, it is worth to advertise through Facebook, as this ways companies can attract costumer attention towards their products or services.

It's true on the basis of answers for question no. 5 which has resulted people find well positioned and nicely targeted (so which is able to reach the potential target audience) social media marketing quite effective. However, it is important to note that there is no place for every brand on social networking sites.

According to H5 hypothesis, company's/product's/brand's long-term goals and success can be well supported through on-line marketing campaigns.

My primary conclusion is that users do not even prefer advertisements used on social media pages, and the major drawback in online sales is the lack of personality. My secondary conclusion is that in online communities personalities cannot be separated sharply for private and business-like. The conclusion of the in-depth interviews is that the honest, open space of Internet, avoidance of subservience / superordinate and angles of humanity are the most important is social media advertising.

I consider my research successful and hope that I will have chance to work with social media marketing in the future to search and find new trends.

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