# A Review of the Function of Social Networks in Marketing

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**ABSTRACT:**

Taking into account the importance of social networks (media) and their utilization in marketing, a comprehensive study was carried out on this topic, and the challenges and opportunities produced by social networks were investigated. Social networki are instruments for building virtual communities, or social networks,for individuals with similar education, lifestyles,interests, or activities. Also, the performance of users as the main factors in this field as well as social networks' importance were studied. Opinion leaders were as well referred to as the effectiveness factor in social networks. In the end, some prevalent mistakes as regards utilizing social networks were introduced that organizations and businesses must take into account.

**Keywords:** Marketing, social networks, social media, social network users, opinion leaders

**INTRODUCTION**

Although Internet was in the past used as a tool for searching information, in the past decade its quick development has provided a lot of opportunities to the users that is beyond a simple search. Apart from the common use of Internet for searching and bilaterally communicating regardless of geographical boundaries, today the possibility is provided for the users to express their emotions, opinions and thoughts through social networks (media). This is a significant issue in the field of marketing, since users have increasingly turned to social networks [Babak Hzaveh Hesar Maskan and Mahdi Ashkani, 2013]. Generally talking, the social media marketing includes a series of activities that use the social relations established among individuals to boost organizational sales. Various types of social media marketing include word-of-mouth marketing, innovation diffusion, buzz marketing and viral marketing [niyosha Jafari Momtaz, 2011].

**1-1    Social media status**

Social media have deeply entered our life in a way that %82 of the global internet population are above 15 years old. Also, US corporate spent 5.1 billion $ for publicity in 2013 through social media in order of introducing their products and services; this sum is forecasted to reach 15 billion $ in 2018 [Yu-Qian Zhu and Houn-Gee Chen, 2015].

A study carried out on about 26000 Internet users in 47 markets shows that the suggestions made by users in social media have been the most important type of the publicity in %78 of the cases. Based on another study, %82 of the customers who have studied the review results of other viewers have expressed that such reviews have had direct relationship with their purchase choices[niyosha Jafari Momtaz, 2011]. Also, more than one billion individuals throughout the world use social media services for business and personal uses. Today, Customer Relationship Management is being changed into Customer Managed Relationship [Vedran Podobnik and Ignac Loverk, 2015].

Based on a theory presented by Bernoff and Schaler, for each business to be successful, there is a need of the Highly Empowered and Resourceful Operative (HERO) factors. By investigating the world's greatest Companies, cellphone devices, effective videos, cloud computing and social technologies, they have produced a lot of competitive advantages. They

easily listen and respond to their customers' needs and turn them into loyal customers. This is also possible for them to distribute the publicity videos of their companies among others and search their own needs.

**Table 1. A comparison of social media**

|  | Based on the profile | Based on the content |
|---|---|---|
| Important factor | Unique member | Content posted |
| Information | Titles associated with an individual | Discussions and explanations presented based on the content |
| Main objective | Communicating with other users because they are interested in the user's profile | Communicating with other users because they are interested in a content and the profile produced |
| Example | Facebook, Twitter, Line, Whatsapp | Flicker, Instagram, Pinterest, YouTube |

**Table 2. A comparison of messages delivered in social media**

|  | Mass-delivered messages | Special messages |
|---|---|---|
| Based on the profile | Being self-published | Relationship |
|  | It allows the users to widely share their updated information with others. For example, the username White House has 4 millions of followers at Twitter. The examples are Twitter, Weib and the likes. | It makes possible to join or rejoin and establish communication. People can put explanations or send a customized message to one person or a small group of their friends. ( Facebook Linkedin,Line and such as Whatsapp) |
| Bas | Innovation threshold | Cooperation |

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| It makes possible for the users to share their interests, creativities and hobbies together. The examples include Youtube, Flicker, Foodily and Pinterest. | It allows the users as a group to find responses, comments, tips and research results. The examples are Quora, Reddit, and Yahoo! |
|---|---|

### 1-2    Classifying social media

Social media can be classified as regards their innate characteristics.

1-2-1 Based on the innate characteristic of information (based on the profile and content)

1-2-2 Based on the innate characteristic of communication (as regards mass and customized propagation)

Also table 1 demonstrates a comparison made among social media based on the profile and content.

Likewise, table 2 demonstrates the comparison made between the two groups of messages above.

Another factor of importance in social media are messages delivered to be divided in the two following groups:

1- Messages customized or produced for an individual or group of users

2- Messages mass-delivered, with every user utilizing them based on the subject of interest

In general, taking into consideration the above-mentioned classification, the social media matrix is extractible based on table 3.

**Table 3. Social media matrix**

|  | Customized messages | Mass-delivered messages |
|---|---|---|
| Target audience | Intended for special individuals, an audience or a specific group | Intended for the general audience |
| Exclusiveness status of the message | Exclusive | Non-exclusive |

| Access rights | Generally associated with access restrictions | Without access restrictions |
|---|---|---|
| Example | Private messages and comments posted at Facebook | Twitter messages |

**1-3    Classifying social media users:**

A research trend classifies social media as follows:

- Silent users are those who have little interaction at websites.

- Tourist users are those who insert explanations but accept no commitments on the network.

- Undisciplined users are those who write down undisciplined explanations.

- Propagators who are quite eager, skillful and expert.

Also, based on another classification, some of social media users have classified Social media in another way:

- Social clickers are those who communicate with their friends, produce contents and view websites.

- Online supporting users are the online interested purchasers who express superiority or advantages of products.

- Influential content individuals are the young individuals who are attached to online hobbies.

Such classifications demonstrate the complications and absence of a unique measurement standard for targeting the users. Also, the studies concentrated on social networks report that the members of virtual networks attend such communities to meet three types of their needs as follow:

- Functional needs (performing special activities)

- Social needs (willingness to offering help, support, transferring ideas, etc.)

- Psychological needs (devotion to the community, membership, etc.)

Hence, it seems that what matters for social media as the tool for marketing is the detection of the market.

Social media play the three following roles in their models including:

• Presentation role: a user's profile includes some information on the user such as the interests and activities he does.

• Communicational role: users' profiles include some links to other members of the social media who are in contact with them being called "direct friendship" or they work as intermediates to connect two users.

• Friend-of-a-friend role: some social media such as LinkedIn provide wider multiple accessibility.

• Dependency role: the profile of a user includes some information on his dependencies on his interested groups [Vedran Podobnik and Ignac Loverk, 2015].

**1-4    Social media**

Social media provides for all of their agents the possibility for receiving information, establishing communication and sharing efforts [Waad Assaad and Jorge Marx Gómez, 2011].

In general, the function of such media includes the three following items:

1-4-1 collecting, valuating and managing Information

1-4-2 managing the network and identifying the factors influencing it

1-4-3 directly or indirectly communicating with other partners on the network



**Fig. 1: Pyramid of social media performance**

## 1.  MARKETING STAGES ON SOCIAL NETWORKS

Marketing is a process through which products and services favored by customers are identified. In this regard, social networks develop marketing by excavating new perspectives on the brand. In fact, making use of social media, companies can follow customers' discussions and viewpoints and participate in them. Social marketing is an effective method of collecting important information that can influence companies' success.

The first step is to determine target customers. Also, other points that can be effective include:

What are the statistical characteristics of the customers' community?

What are the tendencies of the target community?

What are the commodities bought by the customers?

Are the customers confined to a certain geographical location?

The second step is that the marketer must know where the customers go online, and what channels of social media they prefer, what blogs they usually study, what articles they are interested in, and what videos they watch.

The last step is to identify the rivals. The company must know the main player of the market and produce traffic through finding communities (using their keywords). Awareness, trust, profile and reputation are from among the main advantages of using social media for companies to consolidate their market status.

Social marketing provides the possibility for searching the brand or company as well as establishing bilateral relationship with customers. Today, the prevalent social marketing produces and inaugurates the pages of the company's supporters, manages publicity and performs the tasks of public relations and marketing researches [Dilhan Öztamur and İbrahim Sarper Karakadılar, 2014].

Fig. 2 demonstrates the trend and aspects of applying social networks that must be implemented in small organizations to act more competitively in the global environment [Germán Aníbal Narváez Vásquez and Edgar Montalvo Escamilla, 2014].
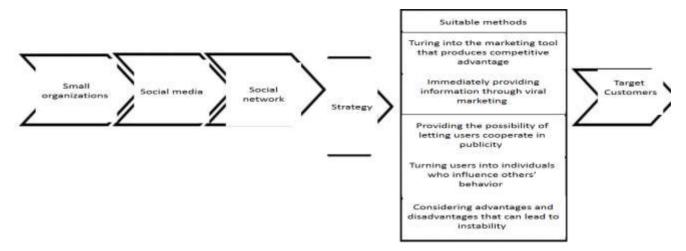
**Fig. 2: Best method of using social media**

## 2. IS THE USE OF SOCIAL MEDIA NECESSARILY EFFECTIVE IN COMPANIES' MARKETING?

Prior to entering social networks, companies must analyze their real status; they must also determine what changes their status quo will undergo if they enter social networks. They must not follow the use of social networks if they result that they are not suitable solutions. From among the issues that must be taken into account is the average age of the personnel. Furthermore, a recent study shows that the Europeans prefer communicating through email and phone calls to social software. Although social software improves business information and structures it, there is the risk that the personnel use social software for private purposes. However, in case the private use happens within a suitable framework among the personnel and partners, the customers will be eager, and a better business relationship shall be established.

## 3. MARKETING OPPORTUNITIES USING SOCIAL NETWORKS

The creating of communities and groups for products and services is a potential strategy for producing loyalty, brand and producing exit obstacles as well as facilitating viral marketing. Social networks facilitate the finding of customers, business intelligence and market researches; they are also regarded as a cheap method of publicity [Waad Assaad and Jorge Marx Gómez, 2011]. From among other issues which are regarded as an opportunity, one can

refer to the topic of trust on social networks. In general, people trust their friends and other internet users more than companies [Georgios Tsimonis and Sergios Dimitriadis, 2014]. Making use of social networks, companies can access the individuals, otherwise not accessed; using this potential, they can also access a wider range of individuals and implement their strategies as regards the demographic statistics of their supporters. In fact, making use of social networks, companies create a small global network through which the content is easily transferred to a large number of individuals.

## 4. THREATS OF SOCIAL MEDIA MARKETING

Apart from the advantages of social media already mentioned, there are also some risks associated with using them. For example, one of the unforeseeable issues are the negative comments made by social media users. Recent studies show that companies either do not respond to such comments or omit them. Furthermore, even those companies that respond to such negative comments do not extract clear strategies to turn such comments into useful relationship opportunities. Therefore, the ineffective management of such opportunities can lead to rumors or words-of-the-mouth by the users of social media. As a result, one of the important challenges that companies active in social media face is the developing of suitable responsiveness strategies to solve the issue of such words-of-the-mouth [Georgios Tsimonis and Sergios Dimitriadis, 2014].

Another issue raised is that marketing is not effective using social media. One possibility is due to the absence of homogeneity between social media and marketing. Users refer to social media to communicate with others, while marketers don't get well related to each there for sales and the two motivational factors [Yu-Qian Zhu and Houn-Gee Chen, 2015].

## 5. OPINION LEADERS

Today, consumes face more decision-making choices due to the higher accessibility of products on the Internet. In marketing and related researches, the main idea is that trustworthy individuals play a crucial role in forming the public opinion. In various researches, different names have been used to allude to an effective group in social networks. In most of such studies, those individuals are referred to as opinion leaders, and in other studies they are named as market experts and key players.

The concept of "opinion leader" has been defined by Keynes and Lazarsfeld as "individuals who are willing to affect their neighbors' behavior". Also Felin et al. have used this concept in marketing and defined it as such: "when customers continuously count on the information source more than the media and publicity, opinion leaders have great effect on other consumers." Opinion leaders have the greatest direct relationship with other members of the network, being on the shortest route to other groups. They are structurally situated on an optimal point on the network and can speedily propagate any types of information, trends, behaviors and products [niyosha Jafari Momtaz, 2011].

## 6. CONCLUSION AND SUMMARY

The current study was carried out aimed at investigating social networks and their relevant marketing strategies. It was also noted that using social networks by organizations is important in order of interacting with loyal consumers and affecting them; also it was mentioned that it would facilitate the identifying of current problems, leading to the increase of transactions value between the vendor and the purchaser. Also, considering the presence of various social media with every of which having different characteristics and audience, it is the duty of organizations to decide which media work better in the relevant working field. In the end, it is worth noting some key issues as to social media marketing for companies.

1- The company's profile in social media must not be freed incompletely. In fact, the presence of a complete profile is regarded as the identity of a company.

2- Materials and contents loaded must be relevant and updated.

3- Repetitive messages must never be sent to the pages of the users who follow materials form the company's page, because it leads to the suspension of the company's user pages on social networks.

4- Images of User pages must be used and updated carefully.

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