THE EFFECTIVENESS OF ONLINE BUSINESS USING SOCIAL MEDIA

Adlina Auni Azemi and Maslisa Yusof
Faculty of Information Management,
Universiti Teknologi MARA (UiTM)
Puncak Perdana Campus,
UiTM Selangor, Malaysia

Abstract
The aim of this research is to explore the effectiveness of online business through social media platforms, especially this activity becoming a trend among people nowadays. This paper discussed about the concept of online business and social media to comprehend the meaning of these terms in depth. This paper also has deliberated the effectiveness of online business through social media encompassed its factors emerge, the benefits obtained and strategies to advertise the product. The risks or challenges that come from social media tools on online business activities were also highlighted.
Keywords: Online business, social media, Facebook, Instagram, product and services, marketing

1. Introduction

Online business in general is an activity that involve the selling and purchasing or promoting the product and services through online by using certain tools. Nowadays, the online business activities exposed by using social media as a tool to develop the business followed by trend. Social media defined as the platform or web-based communication tool that displayed as the application enable users to communicate or interact with other borderless even though they were in long distance. Other than that, social media is the tools of social interaction that aid users or consumers to build connections and disseminate the content (Jones, Borgman, & Ulusoy, 2015). People are exposed to the explosion of social media tools or platforms, such as Facebook, Twitter, Instagram, LinkedIn, YouTube, Blog and many more to create communication or interaction with other people even though they were at close range or far apart from the appearance of sophisticated gadgets. These platforms simplify them to send messages, to search and retrieve information mostly in regards to the entertainment borderless with using smartphones or personal computers via internet connection. This phenomenon has led to the business activity formed virtually because the business dealers or sellers enable to promote their products or services to their customers, especially via Facebook and Instagram, as these platforms indicated enormous utilization by the users.

In this paper, several issues are discussed regarding on how well the implementation of online business through social media platforms since this approach becomes a popular trend nowadays. Based on our observation from the research articles, most authors have discussed about the benefits and the risks of online business or marketing through social media. According to Jones, Borgman, & Ulusoy (2015) and Niedermeier, Wang, & Zhang (2016), social media seen as an efficient tool that can capture customer reaching and decision-making that means its capability and growth recognized encounter to the customer's behavior to purchase that product and can create a relationship with the sellers. Even though online business seems effective through social media, it also may confront to some risks, like the deception practice, trust and safety issue, and social media weaknesses itself cause to the disadvantages for both the customers and the sellers of the business (Peng, et al., 2016; Aris & Halim, 2017; Ilham & Salleh, 2015). This circumstance has

induced us to explore in depth about online business, but we focus on its effectiveness, that encompasses the factors, benefits and the strategies promote its products and services via social media.

The aim of this paper is to evaluate the effectiveness of online business through social media. In order to achieve this aim, we propose a research framework based on the literature review. The remainder of this paper is organized as follows. Section 2 is literature review. Proposed framework is in Section 3. Final section contains some concluding remarks.

2. Literature Review

The advent of technology often causes a constant modification to insure the comfort and endurance in challenging era that affects the human intellect in their daily life. The omnipresent of social media into the online business world bring a new glimmer of hopes in enhancing the ability to promote and improve the product for better known, maintain customer loyalty and improve the economy more sustainable for future viability. This phenomenon drastically boomed in the business market in a short period. Putri (2015) proposed the existence of the internet allows users to find information in many forms and boundless, especially in the areas of business field which it switch the way people purchase the goods and the social media platforms is the most effective tools or application to search information about the products and services. Bohra & Bishnoi (2016) noted that the roles of social media nowadays is not restrained or confined to the chatting or for personal interactions with friends only, but it emerged to another form which involves online retailing as a consumer shopping platform. In pastime, people only use the social media as a place to post the photos, video, self-expression and while it is currently shifting the trend from window-shopping to online shopping.

2.1 The factors of online business through social media

According to Clemes, Gan, & Zhang (2013), website convenience factor, product variety and consumer resources considered as the reasons that inspire their consumers to purchase online. The fascinated design and attractive features of web like the photos, text and video posting about the various products in creative ways can snap customers' vision to decide for purchasing. This circumstance led to the sellers begin to modify the means of selling goods from the premise shop to the virtual shop that can access by the customers via online. According to Tsimonis & Dimitriadis (2014), they found that external factors that lead to the company install social media for product brand promotion are social media development and popularity, its viral nature, the competitors' presence on social media platforms as well as its cost burden reduction. These factors element indeed capture the seller's insight either individual or companies to advertise the business and brand product to their customers. By this situation, they transform the way of traditional business into a virtual business to save costs where the utilization rate of Internet cost is not too expensive and it is not a problem or restraint to both the dealers and consumers as their own attitudes also likes to surf the internet at any time. While Aris & Halim (2017) described that good services like the delivery and the quality of the product, uniformity product price, and the safety are the factors that influence online business occurred. For example, if the dealer or seller performs goods in their services includes awareness of the safety of customers' contact information or personal details, and manage the product quality effectively, they opportunity to gain the brand loyalty and good satisfaction from their customers.

2.2 The benefits of online business through social media

The rise of social media brings many benefits to online business primarily both for the sellers or the dealers of the business and the customers. Social media is seen as an imperative tool that can capture customer reaching on small business, which it consequence

on customers' decision-making that means its capability and growth recognized encounter to the customer behavior to purchase that product and create a customer relationship (Jones, Borgman, & Ulusoy, 2015). Meanwhile Ilham & Salleh (2015) mentioned that the benefits derived from the online business phenomenon focused on firms and consumers themselves, which sales of the product or service in this way inspire and induce consumers to get information about it in depth by reviewing the feedback from the firm itself or another person. According to Hajli (2014), he mentioned concisely that social media could provide many advantages to the company in terms of enhanced brand reputation, facilitating to spread by word of mouth, increase sales, sharing information, develop social support and positive impact on trust.Based on Saravanakumar & SuganthaLakshmi (2012), stated that social media marketing consents companies build the communication channel to the consumer, market products, intensify brand and boost clientele loyalty. On the other hand, the positive testimony's result and sturdy comment will lead to the credibility the dealer in seller indirectly mitigate the customer from hesitate to purchase their product. In the other hands, help the company aptitude to share the information without any interruption, have the power to update their performance and indirectly gain the positive publicity at the same time upgrade to the capability to go viral. Vukasovic (2013) stated that social media advertising brings better outcomes to the business in terms of establishing the brand popularity, reaching the target group, encourage healthy competition in the market, facilitate customer satisfaction and attracting customer loyalty.

2.3 The strategies to promote the products via social media

The strategy that business should implement are taking advantage of the usage of multimedia such as use the videos and images in YouTube channel. Moreover, provide high resolution pictures from all angles before uploading the products to enhance the fascination and inclination people to make the quick decision to buy the merchandise (Bohra & Bishnoi, 2016). Other than that, developing the contest and discount in order to flocking and incentive the consumers engage in that activity to enhance the faithfulness and knowing the new product innovation. According to Fitria (2015), described the three strategies to promote products through social sites on Instagram including Endorse, Paid Promote and Shoutout for Shoutout (SFS) activity. First, endorse is an approach or technique to promote products on account of social media artists that the online seller must provide the product free of charge to the artist enable them to upload the product in their social media.

Table 1. Analysis of Review.

Authors	The Effectiveness Of Online Business Through Social Media Platforms		
	Factors	Benefits	Strategies
Hajli (2014)		/	
Jones et al.(2015)		/	
Niedermeier et al.(2016)		/	
Clemes et al. (2014)	/		
Vries et al.(2012)	/		
Fitria (2015)			/

| Bashar et al.(2012) | | / | |
| Mohammadian & Mohammadreza (2012) | | / | |

Paid promote is a promotional service undertaken by the online shop to pay certain payments to the account of other social sites of well-known people who have a lot of followers that they have a role to promote the product in their account page. Shoutout (SFS) considered as the exchanging of goods in the form of a photo ad between the fellow seller or owner of the other online shop on Instagram. This means, all the ads will appear in the timeline of their followers. This situation will increase the company's followers and develops new customers intend to purchase.

In Table 1, we found that it is a little bit harder to find the current articles regarding online business, but we have found that mostly linked with marketing in social media, so we assumed online business very really linked with marketing. Based on the articles we found, mostly the authors present about the marketing activities via social media encompasses its factors, benefits, and the strategies to terminate that issue to promote the products and services. There are certain factors that lead to the online business activity, which the author has discussed that it comes from the culture of that customer themselves, the websites designation and convenience, product variety, valuable price and the customer behavior to confront the risks (Clemes, Gan, & Zhang, 2014). Meanwhile, other factors, such as capability and relevancy social media, it features for advertising the products' brand, the involvement of competitor on that social media, adoption of headquarters social media strategy as well as reduce cost used (Vries, Genler, & Leeflang, 2012). Provenance, the factors of forming an online business through social media is it reduces cost and time used. We identified that mostly the authors have mentioned that the features and the development of social media itself have inspire society nowadays running this business. Jones, Borgman, & Ulusoy (2015) indicated that social media able to be the instrument that can participate with and persuade customers to the purchase decision on the desired product. This situation is as same as generate the supportive by Hajli (2014) statement that succinctly indicated the trust building mechanism play an important role in affecting the intentions of customer to buy online product. Indirectly, the sellers can increase the sales through social media, reputation and it considered as an advantage for them. In addition, Niedermeier, Wang, & Zhang (2016) also discussed that the presence of social media in business-to-consumer firm simply wants to shape and engage with the customer relationship bond to capture their insight on items and service production in order to perceive their loyalty. Based on Mohammadian & Mohammadreza (2012), the benefits of social media marketing are to build the relationship, brand, publicity, promotions and market research in terms of examining the customer base, interest and make an innovation to compete with other competitors. According to the Fitria (2015), the content of the article is discussed about the impact of online shopping on Instagram among shopaholic women in Samarinda and investigate the strategy in marketing via Instagram. The most effective strategy is through the endorse inclination because artist, fashion bloggers, beauty bloggers or any famous person has their own positive aura to encourage publics to well recognize and buy the products. Bashar, Ahmad, & Wasiq (2012) share the hypothesis of their finding from the dependent variable of buying decision. The hypothesis is indicated that the more company instigate customers talk about their brand the more chances to persuade them to make a purchase decision.

3. Proposed Framework

Figure 1 is a proposed theoretical framework that will be used to guide this research. Based on the previous study, this proposed theoretical framework illustrates dependent variable (the effectiveness of online business through social media); three independent

variables (factors of implementing online business through social media; benefits of online business through social media and strategy to promote products and services via social media). The research framework is used to answer the research question to see to what to extent the effectiveness of online business through social media platform.
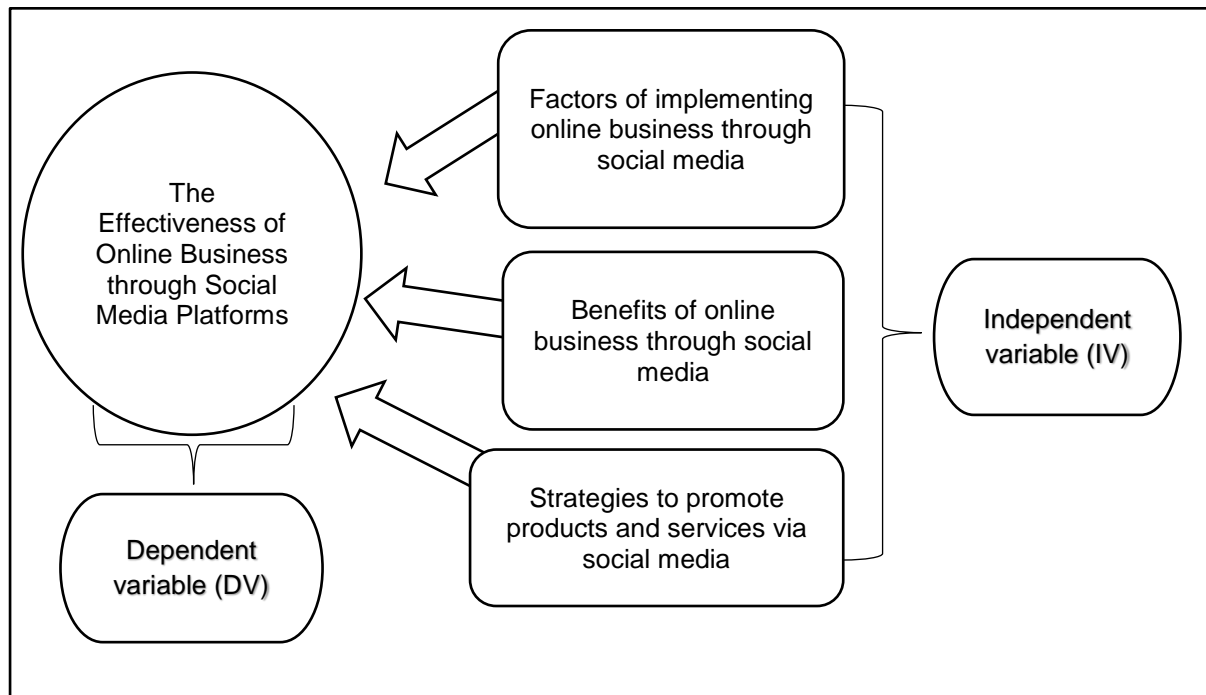

Figure 1. Proposed framework.

The aim of this study is to determine the effectiveness of online business through social media platforms can give advantages in enhancing the dealer's income and achieve customer's satisfaction. In addition, we hope that our research will give a benefit to all of the community, especially to the business dealers, including the users as the customers from social media platforms. Furthermore, we hope that our respondents will show good contribution towards our questionnaire that will distribute later and sincerely answer it with positive response. Besides that, through this study, we want to gain deeper knowledge about our research topic which it meaningful where our objective or purposes in doing this research can accomplish well with good cooperation from any person who may involve directly and indirectly during our research process.

4. Conclusion

In conclusion, online business implemented through social media becoming a trend nowadays as it facilitated the business transaction of the goods and services necessary between the dealers and the customers. Online business seems very effective and flexible because it can reduce time and cost than buying the goods or services on the premises, and the same time, the users or customers can invent a good communication or interaction with the dealer of the brands faster if they are attracted to that good. Running online businesses indirectly provide the greatest benefits to both of them include increasing revenue for the dealers and the both parties includes the customers and that dealers obtain satisfaction and loyalty to the sale and purchase of goods. This trend is certainly nice and young and old should see its development and make it a practice if they want to earn and generate more revenue and product sales pitch. However, they must also be aware of the risks or issue that may be confronted, so that they can smoothly implement that business.

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