

**THE EFFECTIVENESS OF ONLINE MARKETING GROWTH THROUGH
SOCIAL NETWORK AMONG THE FACEBOOK USERS**

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We acknowledge that we have read this thesis and in our opinion this thesis is sufficient in terms of scope and quality for the award of Bachelor of Technology
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**This report submitted in partial fulfillment of the requirements for the award of
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"I admit that this report is my own work except the summary and excerpts of each of which I have mentioned the source"

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DEDICATION

I would like to dedicate this work to my beloved family especially my mom and dad which always supported each step of the way need through.

To my supportive friends and my supervisor Miss Siti Nor Wardatulaina Bt Mohd Yusof, thank you so much for the guide, assist and help. There is no doubt in my mind that without her continued support and counsel I could not have completed this process.

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ABSTRACT

Today market are growth rapidly and become more competitive according to the economy and the customer demand on the brand or product. Online business marketing is a best way of strategy to expand business because it can be view worldwide and the market demand be more higher from years to years as the stated in many research previous before. This research focused on the effectiveness of online marketing growth through soacial network among the facebook users. Thus, the objectives of the research are to study the factors that contribute to the effectiveness of online marketing growth through social network among the facebook users. To achieve these objectives, a survey of 150 above samples has been distributed to the Facebook users. All data collected has been analyzed using descriptive analysis, correlation and multiple regression analysis. From the analysis, we found that promotional tools and customer database contribute to the effectiveness of online marketing growth through soacial network among the facebook users. As conclusion, online marketing business could stress on those factors to increase the effectiveness of online marketing growth through social network and future research may use this research for reference purposes and give clear view on the factors that affecting the effectiveness of online marketing growth through social network among the Facebook users.

ABSTRAK

Pertumbuhan pasaran yang sangat pesat dan menjadikan dunia perniagaan lebih berdaya saing mengikut perkembangan ekonomi dan permintaan pelanggan ke atas jenama mahupun produk. Pemasaran perniagaan dalam talian adalah cara yang terbaik yang digunakan sebagai strategi untuk mengembangkan perniagaan kerana ia boleh diluaskan di seluruh dunia dan mempunyai permintaan pasaran yang lebih tinggi dari tahun ke tahun seperti dinyatakan dalam pelbagai kajian terdahulu. Kajian ini, fokus terhadap keberkesanan pertumbuhan pemasaran melalui rangkaian sosial dalam kalangan pengguna Facebook. Oleh itu, objektif kajian ini adalah untuk mengkaji faktor-faktor yang boleh menyumbang kepada keberkesanan pertumbuhan pemasaran dalam talian melalui rangkaian sosial di kalangan pengguna Facebook. Untuk mencapai objektif ini, kajian ini telah diedarkan kepada 150 pengguna Facebook. Semua data yang dikumpul telah dianalisis dengan menggunakan analisis deskriptif, korelasi dan analisis regresi berganda. Daripada analisis, kami mendapati bahawa alat promosi dan pangkalan data pelanggan menyumbang kepada keberkesanan pertumbuhan pemasaran online melalui rangkaian soacial di kalangan pengguna Facebook. Kesimpulannya, perniagaan pemasaran dalam talian perlu menekankan faktor-faktor tersebut untuk meningkatkan keberkesanan pertumbuhan pemasaran dalam talian melalui rangkaian sosial dan kajian yang akan datang boleh menggunakan kajian ini untuk sebagai rujukan dan memberi gambaran jelas tentang faktor-faktor yang mempengaruhi keberkesanan pertumbuhan pemasaran dalam talian melalui rangkaian sosial di kalangan pengguna Facebook.

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CHAPTER 1

INTRODUCTION

For this chapter, the discussion covered on the background of the research where explain on the current situation in market that as a guideline in this research objectives and the problem statement on the issues on the market development and especially in adopt the technology in the current market. Then, the objectives and question of the research for general overview of the research also explore in this research and all the results and analysis of the data answered based on the in objectives of this research Chapter 4.

In addition, it also covered the scope to explain on the scope of the research and the respondents that involved in this research. The key assumption of the research is our expectation for this research and the significance of the research for the online marketing that can contribute to the next generation in helping their problems.

1

1.1 Background of the Research

Nowadays, markets will continue to become more competitive, consumers more demanding, and market competition more sophisticated in reaching their customer. Being more active in online would be good for business, but often the question is, how, while the "when" is all too easily put off. The most widely practiced forms of online marketing in most European markets are still often limited to email and various forms of Pay-Per-Click, such as banner ads or Google AdWords.

According to a research study conducted by Data Center of China Internet (DCCI) in 2010, 68.10% of consumers in the Chinese market received product information via Internet advertisements (Huang & Tsang, 2010). Specifically, Internet advertisement was ranked second in most frequently used medium for information seeking. While Television ads remained as primary source of communication medium for marketers and consumers, Internet ads have exceeded conventional communication mediums such as print ads and radio advertisement. Online marketing can be far more than that we expected. Consumer shift to being "in charge" and online with researching and buying 24 hours per day.

In addition, from four identified marketing eras, marketing in general has evolved from production era, sales era, and marketing era to relationship era. In the book, "Contemporary Marketing", the author argued that marketing has begun a new era that involves the efforts of converting needs to wants (Kurtz, 2011). In other words, marketers should no longer allocate their business efforts around satisfying different basic consumer needs. In today's marketing, marketers are more actively engaged in establishing a positive and proactive relationship with their targeted audience groups. For those reasons, marketers need to be more creative and proactive than ever in order to stand out from the crowd. So, promotion through online media such as Facebook is a good medium in doing the marketing promotion enhancement.

Social network is a network of social interaction and persona; relationships. It is a dedicated website or other application which enables users to communicate with other by posting information, comments, messages, images and etc. virtual

communities and social networking groups have become very important and easy to use content creating software. Organizations or business are beginning to use these technologies for a variety of activities as a market research tool, to the use of social networking sites for collaborative content creation within the firm. Clearly, there are a number of important issues that need to be understood, in order that these technologies can be applied to, and their benefits harnessed for a variety of functions especially business networking purposes.

Top companies spend thousands upon thousands of dollars each year on marketing research alone. A decade ago, this sort of market research was all but inaccessible to small business owners or self-employed individuals. In recent years, however, social media websites have made great strides in leveling the playing field. In both paid and unpaid advertising endeavors, many social websites offer analytical tools to measure and understand the various demographics of a business's social audience. It's important to remember that the infographic is neither the first nor last of its kind. Numbers in marketing are always growing, shrinking, or fluctuating. The fact that Facebook breached the 1 billionth user mark before its 10th birthday is a testament to this.

For this research, it more focused on the Facebook users either the online marketing growth through social network can be effective or vice versa. It will involved the Facebook users to get their opinion and get their feedback from the questionnaire distribute to analyze the gathering data.

1.2 Problem Statements

Technological advancement has dramatically changed the world in many aspects. These include mobile Internet devices, extensive amount of advertisements, and higher degree of global competition.

Social media, though widely adopted, has generated a certain level of frustration, because too many companies lack a strategic approach to their engagement. They stop at establishing a social media presence, managing it with entry-level resources and then wonder about its purpose and poor results. Perhaps some Search Engine Optimisation (SEO) is also thrown in for good measure or because there's so much talk about it, but it too is soon seen to be inadequate on its own to bring the business forward. So, most of the company have not enough market startegy to promote their business and they does not have enough effort to explore on online marketing.

Speaking of contemporary issues in marketing, the development of internet marketing and e-commerce businesses is perhaps the most up to date challenge that marketers face in recent years. The ease of internet access have provided tremendous amount of marketing opportunities for many businesses at the given high penetration rate of smart phones and internet devices. Specifically, internet usage in emerging markets such as China has increased rapidly over the past couple of years. While internet marketing and e-commerce businesses are entering a maturity phase in most first world countries, these establishments are deem to be in the introductory and growth phase for most emerging markets across the globe.

According to a research study conducted by Data Center of China Internet (DCCI) in 2010, 68.10% of consumers in the Chinese market received product information via internet advertisements. (Zhuang & Tsang, 2010) . Internet advertisement was ranked second in most frequently used medium for information seeking. While television ads remained as primary source of communication medium for marketers and consumers, internet ads have exceeded conventional communication mediums such as print ads and radio ads.

1.3 Research Questions

- 1.3.1 What are the factors that contribute to the effectiveness of online marketing growth through social network among the facebook users?
- 1.3.2 What is the relationship between the factors and the effectiveness of online marketing growth through social networks among the facebook users?
- 1.3.3 Which factors is more effective and can enhance the growth of online marketing through social network as a strategy for growing and successfully sustaining the marketing channel?

1.4 Research Objectives

- 1.4.1 To study the factors that contribute to the effectiveness of online marketing growth through social network among the facebook users.
- 1.4.2 To examine the relationship between the factors and the effectiveness of online marketing growth through social networks among the facebook users.
- 1.4.3 To identify the factors that more effective and can enhance the growth of online marketing through social network as a strategy for growing and successfully sustaining the marketing channel.

1.5 Scope, and Key Assumptions of the Research

1.5.1 Scope

The scope of this research is to study elements that contribute to the effectiveness of online marketing growth through social network among the Facebook users in examining the factors that contribute to the effectiveness of online marketing growth through social network among the Facebook users and the relationship between market communication and information management to the effectiveness of online marketing growth through social networks among the facebook users.

Besides that, this research help in identify the effectual market communication in terms of the dimensions in advertising, customer relationship management and promotional tools in enhancing the growth of online marketing through social network as a strategy for growing and successfully sustaining the marketing channel. For the information management, it identify based on the dimensions in security and customer database.

1.5.2 Key Assumption

A comprehensive analysis of the findings provide up to date the factors of the online marketing that concern on the rapid online marketing growth. The identification of the elements for online marketing success and the growth among the facebook users which is perceived in offering into competitive virtual environment. Market communication strategy and information management perceived usefulness of information sources that can be effectively use to identify the best communication approach in online marketing among the Facebook users.

1.6 Significance of the Research

The research provides a practical framework for new marketers or business on how the next generation of online marketing can be developed successfully. Analyse the growth of the online marketing among Facebook users in effort to provide indication and elements that can perceived contribution to online marketing growth through social network users.

1.7 Summary

As a conclusion, this chapter gives overview on the research background about the trend of the online marketing and highlight on the problem statement which lack of strategies to approaches and enhance in online business. It also provides the research questions and objectives as guideline for this research and also the hypothesis that can contribute to the effectiveness of the online marketing growth through social network among the Facebook users. Then, the significant of this research as give benefits and advantage for future research and can be references for online business. All the information provided in this chapter will give clear view on this research. For the next chapter, there are further discussion on the both of dependent and independent variables.

CHAPTER 2

LITERATURE REVIEW

Literature review is a depth evaluation from the previous research which has been summarizing in a particular area of research that allows anybody to refer and read the research. A good literature review expands upon the reasons behind selecting a particular research (Shuttleworth, 2009).

For this chapter, we discuss on the overview of the online marketing and the social network among the Facebook users. The gathering of market intelligence, product promotion and transaction that relates to the online marketing growth through social network. Discussing on the effective market communication involved in enhancing the growth of online marketing as strategy for growing and successfully sustaining the marketing channel. Last but not least, how the online business deliver and manage the information for the Facebook users.

2.1 Online Marketing Growth among Facebook Users

Online Marketing is the art and science of selling products and/or services over digital networks, such as the Internet. The art of online marketing involves finding the right online marketing mix of strategies that appeals to your target market and will actually translate into sales. Retailing today involves selling not only in stores, but also through the web and other non-store electronic channels, termed e-services or e-retailing (Mathwick, Malhotra, & Rigdon, 2002). The science of online marketing is the research and analysis that goes into both choosing the online marketing strategies to use and measuring the success of those online marketing strategies. As surveyed by Forrester (2004), more than 60 million Europeans shopped online in mid-2004, an increase of 50 per cent from early 2003.

Hence, from the online marketing, we can know that the customer commonly comes from the social network users. A social network is defined as a set of people, organizations or other social entities, connected by a set of socially meaningful relationships, such as friendship, co-working or information exchange, and interactions to better achieve desired outcomes, by sharing expertise, resources, and information (O'Murchu, Breslin, Decker, 2004; Kempe, Kleinberg, Tardos 2003; Garton, Haythornthwaite, Wellman, 1997).

A social network normally provides participants with the opportunities of finding social support, establishing new social or business contacts (Hogg & Adamic, 2004) for collaboration (O'Murchu et al., 2004), exchanging social capital including financial resources, goods or services (Garton et al., 1997), exploring and application of knowledge transfer (Hustad, 2004), and creating of social wealth. It develop a relationship between the society and be and advantage for the social network in expand their business, to build network each other for future planning such opening new online business. Indeed, we have develop the relationship and easier in find the society that have high potential in our planning.

The social network can be in term of facebook users, blogger, twitter users, instagram and others. For this research, we will focused on the facebook users as one of the social communities in online marketing. Facebook is one of the popular

free social networking website that allows the registered users to create profiles, upload photos, and video, send messages and keep in touch with friends, family and colleagues. There are 37 different languages available to easier the users and includes public features such as pages that allows members to create and promote a public page built around a specific topic.

So, relates to this research, the medium of Facebook with this such of public feature can be a good marketing purposes either to promote product or services nowadays. As survey by Zarela (2010), Facebook is the dominant social networking among the others. There are many people using Facebook to communicate their ideas and contact each others Watson (2008), as cited in (Gurevitch, Coleman, Blumber, 2009). As we know that the growth of the facebook users increase from years to years as shown in the table below.

Table 2.1 : Facebook's Remarkable User Growth (Monthly active users from 2004 to 2012(at year end)).

Peoples (millions)	Year
1	2004
6	2005
12	2006
58	2007
145	2008
360	2009
608	2010
845	2011
1056	2012

Source : Facebook's Remarkable User Growth (Facebook, 2012)