IMPACT OF MARKETING OPPORTUNITIES WITH SOCIAL MEDIA NETWORKS

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Abstract: *Social media is a new phenomenon that has changed how the business environment operates. Businesses are able to gain access to resources that were otherwise not available to them. It has also helped businesses to increase their worthiness, cultivate strategic partnerships and increase their contact with customers and suppliers. It has become important for business owners and marketers to understand how social media work as a communication and marketing tool and how they can significantly grow their businesses. E-commerce offers many online marketing opportunities to companies worldwide and along with high rapid growth of online shopping; it has impressed many retailers to sell products and services through online channel to expand their market. Online shopping or marketing is the use of technology (i.e., computer, internet) for better marketing performance. And retailers are mixing strategies to meet the demand of online shoppers; they are busy in studying consumer in the field of online shopping, to see the consumer attitudes towards online shopping and specifically studying the factors influencing consumers to shop online. Social networks are websites which allow users to communicate, share knowledge about similar interests, discuss favorite topics, review and rate products/services, etc. This paper discusses the advantages and risks that social network marketing holds. Future opportunities for social networks, particularly mobile social networking, are also discussed*

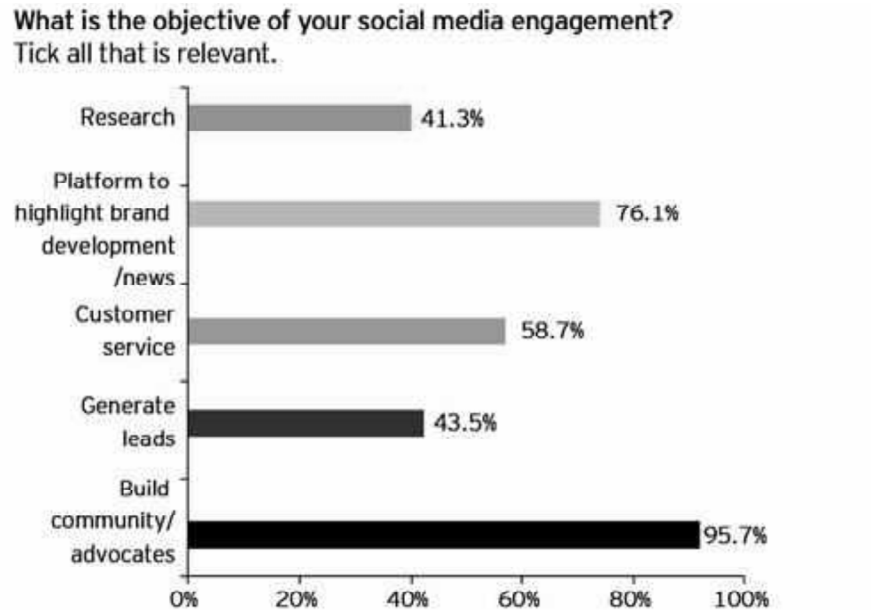**Keywords:** *Social Networks, marketing, Internet*

INTRODUCTION

According to media reports, Indian organizations use social media much more than the global average and their counterparts in emerging economies. Our study of social media marketing practices among various social media-savvy organisations in India has thrown up some good insights. The study answers key questions that many marketers have in India such as what is the business objective for using social media, what are some of the best tactics, what is the average social media budget, how do you measure social media, and what is the future of social media.95.7% of the surveyed social media-savvy organizations in India use the medium to build communities and

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advocate usage while 76.1% use social media as a platform to highlight brand news. Around 16% of organizations, which use social media for both the above reasons, also use it for customer service, lead generation, and research indicating high social maturity and moving toward getting business meanings out of engagements.

Figure 1

What is the objective of your social media engagement?
Tick all that is relevant.

Research	41.3%
Platform to highlight brand development /news	76.1%
Customer service	58.7%
Generate leads	43.5%
Build community/ advocates	95.7%

0%   20%   40%   60%   80%   100%

This paper will attempt to understand the workings behind social network advertising, determine whether it is profitable for businesses to promote their products and services via the social network platforms, and determine the opportunities and pitfalls of social network Marketing.

LITERATURE REVIEW

Social Networking Sites

Social networking sites are instruments for building virtual communities, or social networks, for individuals with similar education, lifestyles, interests, or activities. Burke defines social networking sites as: "… a loose affiliation of people who interact through websites. The web enables any person to build a vast number of relationships with others, regardless of geographical distance." These sites are further broken down into sub networks, based on demographic or geographical preferences. Popular with the student body, certain social networking sites establish networks within networks for particular schools and universities in order for students to sign up, interact with schoolmates, and participate in online events. Most social networking sites also provide

other means of online communications, such as email, instant messaging, chat, blogs, discussion group, and others. the main motivation for social networking is communication and maintaining relationships. Two major social networking sites are MySpace.com and Facebook.com. According to Quant Cast (2009), MySpace.com is the tenth most visited site with 58M+ unique monthly visitors, while Facebook.com is the third most visited site with 95M+ unique monthly visitors. Facebook most important platform for marketers in India for engaging customers, followed by Twitter, YouTube and blogging Almost half of the social media-savvy organizations are already using emerging platforms such as Pinterest, Google Plus, and Foursquare. More than half of the social media-savvy organizations surveyed regularly engage with bloggers or online influencers who have authority and strong following. These sites have become synonymous with social networking, have established solid user bases, and, in turn, have created concerns regarding the user privacy and protection. Furthermore, in order to attract visitors to their sites, social networks use a different marketing mix to attract visitors to their websites. The 4Ps that are used on such websites are:

Personal: They are personally relevant. The information in social websites resonates to the personal interest of users.

Participatory: Social networking websites allow participation.

Physical: Many social networking websites allow users to meet online and outside the cyberspace.

Plausible: Participation and performance in some social networking websites require some rules which allow all users to function. Additionally, social networking sites are expanding themselves in new areas. For example, Facebook is pursuing a strategy to become an operating system for the Internet. By using Application Programming Interface, Face book allows users to create and deploy different custom-made applications and features, which can be business-related ads, promotions, or coupons or non-business applications such as games, quizzes, meetings, groups, fan clubs, etc.

SOCIAL NETWORK MARKETING ADVANTAGES

Social network marketing can be very advantageous for businesses. According to jaysondemers (2014), social networking, if approached correctly, can help find talent, build brand awareness, find new customers, and help conduct brand intelligence and market research. The two main ways of advertising in a social network are through wish list features and tell-a-friend applications. The communication in social network gets shoppers to listen to one another, review ratings for products and services, and provide product knowledge and personal information. To some entrepreneurs, social media marketing is the "next big thing," a temporary yet powerful fad that must be taken advantage of while it's still in the spotlight. To others, it's a buzzword with no practical advantages and a steep, complicated learning curve. Because it appeared quickly, social media has developed a reputation by some for being a passing marketing

interest, and therefore, an unprofitable one. The statistics, however, illustrate a different picture. According to Hubspot, 92% of marketers in 2014 claimed that social media marketing was important for their business, with 80% indicating their efforts increased traffic to their websites. And according to Social Media Examiner, 97% of marketers are currently participating in social media—but 85% of participants aren't sure what social media tools are the best to use. This demonstrates a huge potential for social media marketing to increase sales, but a lack of understanding on how to achieve those results. Here's a look at just some of the ways social media marketing can improve your business

1. **Increased Brand Recognition:** Every opportunity you have to syndicate your content and increase your visibility is valuable. Your social media networks are just new channels for your brand's voice and content. This is important because it simultaneously makes you easier and more accessible for new customers, and makes you more familiar and recognizable for existing customers. For example, a frequent Twitter user could hear about your company for the first time only after stumbling upon it in a newsfeed. Or, an otherwise apathetic customer might become better acquainted with your brand after seeing your presence on multiple networks.

2. **Improved brand loyalty.** Every post you make on a social media platform is an opportunity for customers to convert. When you build a following, you'll simultaneously have access to new customers, recent customers, and old customers, and you'll be able to interact with all of them. Every blog post, image, video, or comment you share is a chance for someone to react, and every reaction could lead to a site visit, and eventually a conversion. Not every interaction with your brand results in a conversion, but every positive interaction increases the likelihood of an eventual conversion. Even if your click-through rates are low, the sheer number of opportunities you have on social media is significant.

3. **More Opportunities to Convert.** Every post you make on a social media platform is an opportunity for customers to convert. When you build a following, you'll simultaneously have access to new customers, recent customers, and old customers, and you'll be able to interact with all of them. Every blog post, image, video, or comment you share is a chance for someone to react, and every reaction could lead to a site visit, and eventually a conversion. Not every interaction with your brand results in a conversion, but every positive interaction increases the likelihood of an eventual conversion. Even if your click-through rates are low, the sheer number of opportunities you have on social media is significant.

4. **Higher conversion rates.** Social media marketing results in higher conversion rates in a few distinct ways. Perhaps the most significant is its humanization element; the fact that brands becomes more humanized by interacting in

social media channels. Social media is a place where brands can act like people do, and this is important because people like doing business with other people; not with companies. Additionally, studies have shown that social media has a 100% higher lead-to-close rate than outbound marketing, and a higher number of social media followers tends to improve trust and credibility in your brand, representing social proof. As such, simply building your audience in social media can improve conversion rates on your existing traffic.

5. **Higher Brand Authority.** Interacting with your customers regularly is a show of good faith for other customers. When people go to compliment or brag about a product or service, they turn to social media. And when they post your brand name, new audience members will want to follow you for updates. The more people that are talking about you on social media, the more valuable and authoritative your brand will seem to new users. Not to mention, if you can interact with major influencers on Twitter or other social networks, your visible authority and reach will skyrocket.

6. **Increased Inbound Traffic.** Without social media, your inbound traffic is limited to people already familiar with your brand and individuals searching for keywords you currently rank for. Every social media profile you add is another path leading back to your site, and every piece of content you syndicate on those profiles is another opportunity for a new visitor. The more quality content you syndicate on social media, the more inbound traffic you'll generate, and more traffic means more leads and more conversions.

7. **Decreased Marketing Costs.** According to Hubspot, 84% of marketers found as little as six hours of effort per week were enough to generate increased traffic. Six hours is not a significant investment for a channel as large as social media. If you can lend just one hour a day to developing your content and syndication strategy, you could start seeing the results of your efforts. Even paid advertising through Facebook and Twitter is relatively cheap (depending on your goals, of course). Start small and you'll never have to worry about going over budget—once you get a better feel for what to expect, you can increase your budget and increase your conversions correspondingly.

8. **Better Search Engine Rankings.** SEO is the best way to capture relevant traffic from search engines, but the requirements for success are always changing. It's no longer enough to regularly update your blog, ensure optimized title tags and meta descriptions, and distribute links pointing back to your site. Google and other search engines may be calculating their rankings using social media presence as a significant factor, because of the fact that strong brands almost always use social media. As such, being active on social media could act as a "brand signal" to search engines that your

brand is legitimate, credible, and trustworthy. That means, if you want to rank for a given set of keywords, having a strong social media presence could be almost mandatory.

9. **Richer Customer Experiences.** Social media, at its core, is a communication channel like email or phone calls. Every customer interaction you have on social media is an opportunity to publicly demonstrate your customer service level and enrich your relationship with your customers. For example, if a customer complains about your product on Twitter, you can immediately address the comment, apologize publicly, and take action to make it right. Or, if a customer compliments you, you can thank them and recommend additional products. It's a personal experience that lets customers know you care about them.

10. **Improved Customer Insights.** Social media also gives you an opportunity to gain valuable information about what your customers are interested in and how they behave, via social listening. For example, you can monitor user comments to see what people think of your business directly. You can segment your content syndication lists based on topic and see which types of content generate the most interest—and then produce more of that type of content. You can measure conversions based on different promotions posted on various social media channels and eventually find a perfect combination to generate revenue. These are the benefits of sustaining a long-term social media campaign.

Brand Intelligence

First, businesses have an advantage of brand intelligence conducted on social networks. According to Pettey (2008), businesses cannot dismiss the amount of traffic generated by social networks. She continues to say that social networks used to appeal more to the young audience. However, they are now gearing to other demographic groups, such as "career-based social networks, shopping-based social networks, and employee groups." Thus, businesses can collect consumer feedback, establish a brand presence, or, perhaps, just observe the way their brands are discussed and perceived. Moreover, it gives a business capability to develop a trusting relationship with a customer by direct interaction via Web features, address their needs and concerns, or even conduct market research. In fact, according to Sachoff (2008), the main advantage of having a social network presence is "the amount of information an organization can gain about its customer base." He continues, saying that information can be mined regarding all sorts of trends, including product development, customer feedback, loyalty management, and customer segmentation, among others.

A New Marketing Channel

Furthermore, since social networks provide a wealth of word of mouth information regarding the brands and products, Pettey debates that the businesses must approach

social networks the same way they might approach search engines, review sites, and price comparison sites. In addition, she clarifies that there are other strong online marketing strategies that can be employed by retailers, such as viral propagation via friends communicating among each other and user engagement by building application. Web is a marketing channel that needs to be integrated with other traditional marketing channels, and considered as part of the marketing mix. New media is not a replacement of traditional marketing tools such as local newspaper, TV, or radio station, but another tool that is able to reach the community which prefers electronic media. Unlike other traditional marketing tools, the advantage of this new electronic channel is that it is able to communicate globally and enrich the marketing to the personal level.

Cost Saving

Moreover, as Skul points out, social marketing can be an inexpensive way to promote a company rather than putting together a huge marketing team or a prohibitive budget. For example, MySpace (2009) charges $25 minimum to start advertising on MySpace, plus $0.25 per advertisement. Facebook (2009) charges $5 minimum daily budget, plus either $0.01 or $0.15 cents depending on the advertising campaign purchased. LinkedIn (2009) charges a $25 rate per thousand clicks.

Connections

In addition, Weston also explains that there are other ways businesses can benefit from online social network marketing. First of all, social network databases of prospects give businesses opportunities to mine social network information and contacts identified through social networks. Furthermore, social networks may be great way to find suppliers or employees; for example, the sites like LinkedIn, where people gather to exchange professional information.

Brand Awareness

Weston further argues that brand awareness is important when it comes to social network marketing, and widgets are a good way to establish a presence in social networks. He says that through the use of widgets, businesses have a lot of opportunities to market [themselves], company, and add value in the overall business ecosystem. Moreover, Weston explains that in order to raise brand awareness, employers should encourage their employees to participate in social network marketing and stay connected to the community. However, these activities should also be monitored in order to discourage abuse. Finally, although some companies do not seriously approach building brand awareness on social networks, it is a good approach to build that into the business model. He suggests businesses start with small steps. If they find the method profitable, then they should consider introducing their own social network.

NETWORK MARKETING PITFALLS

Along with the strengths, there are a few weaknesses, when it comes to online social network advertising. Issues such as aggressive advertising, lack of e-commerce abilities, invasion of user privacy, and certain legal pitfalls, among others, can be major disruptions to social network advertising.

Aggressive Advertising

First, it is thought that if businesses target the consumers too aggressively with advertisements and product promotion and selling, the consumers will not choose to stay in the network. As Pettey (2008) explains, businesses should establish their networking presence on content produced by members, and then develop strong applications in order to encourage users to engage members in supplying the feedback in areas such as product design.

Lack of e-Commerce Abilities

Moreover, it is widely thought that social network sites are not yet ready to conduct direct ecommerce. Pettey (2008) advises that businesses should not become early adopters of commerce capabilities on social networks. She further clarifies that the users will not return or stay with the network if there is too much pressure to buy or if the network is viewed as too commercialized.

Legal Issues

In addition, there are also certain legal downfalls when it comes to advertising on social networks. As Skul (2008c) suggests, there are a number of existing media laws, since social network marketing involves the publishing or broadcast of online content. Thus, businesses have to be especially careful in market research and advertising laws in order not to cross legal boundaries.

Lack of Brand Control

Advertising in a social network brings risk to product brands. Social networks are user generated content where end users write about their experiences with products, services, customer service, etc. The content in such networks may be critical to the product and companies have very little control in what end users share in their social network (Slavin, 2009). Special social networks, such as those dealing with the medical field, have a massive amount of unfiltered discussions between patients, caregivers, and physicians (Ellerin, 2009). Monitoring general perceptions of brands from the online community and addressing issues discussed online that had not been previously considered, is extremely important for product/service bra

Data Mining

Finally, as explained by Pettey social networking is an opportunity to collect consumer data; however, these data pools cannot just be tapped into. She continues to say that,

as the time goes by, social network users are more wary regarding sharing their private data. In order to have access to the consumer information, businesses must build widgets and applications that will require that a user share at least some personal data. However, the topic is always controversial, and, it is projected that the privacy issues will not allow easy access to consumer private data. Data mining companies are collecting free information from personal posts and applications. A company called "Colligent" collects such free information, mines it and sells statistical data to record label companies (Data Mining, 2009). For example, Disney's Hollywood Records label used Colligent's data to reach out to the Latin American community to advertise Jonas Brother's newest album.

Social Media Stats

- 84% of B2B marketers use social media in some form. (Aberdeen)
- The majority of marketers (59%) are using social media for 6 hours or more each week. (Social Media Examiner)
- 83% of marketers indicate that social media is important for their business. (Social Media Examiner)
- 53% of social media marketers don't measure their success. (Awareness, Inc.)
- 52% of marketers cite difficulties in accurately measuring ROI as their biggest source of frustration in social marketing. (Adobe)
- 96% of social media manager's measure number of fans and followers, 89% measure traffic, 84% measure mentions, 55% track share of voice, and 51% track sentiment. (Awareness, Inc.)
- 42% of marketers say Facebook is critical or important to their business. (State of Inbound Marketing, 2012)
- The number of businesses that say Facebook is critical or important to their business has increased by 75%. (State of Inbound Marketing, 2012)
- 62% of marketers said social media became more important to the marketing campaigns in the last 6 months. (State of Inbound Marketing, 2012)
- Social media has a 100% higher lead-to-close rate than outbound marketing. (State of Inbound Marketing, 2012)
- Companies that acquired customers from Facebook: B2C is 77% and B2B is 43%. (State of Inbound Marketing, 2012)
- 80% of US social network users prefer to connect to brands through Facebook. (State of Inbound Marketing, 2012)
- Ratio of views to share of Facebook comments: 9:1. (Buzzfeed)
- Auto-posting to Facebook decreases likes and comments by 70%. (Digital Buzz Blog, 2012)

- As of July 2013, Facebook is the most popular social network in the United States. (Nielsen)

- Google+ attracted 20 million users within the first 3 weeks of its launch. (comScore)

- As of January 2012, American users spent an average of 3.3 minutes on Google+. (eMarketer)

- As of January 2012, Google+ accounted for .22% of referral traffic, falling from .24%. (Shareaholic)

- Websites using the +1 button generate 3.5x the Google+ visits than sites without the button. (HubSpot)

- Over 40% of marketers report that Google+ is "useful to critical" for their business. (HubSpot State of Inbound Marketing, 2012)

- Pinterest is now the 3rd most popular social network in the U.S. in terms of traffic. (Experian)

- Over 80% of pins are repins. (RJMetrics)

- Pinterest is retaining and engaging users as much as 2-3 times as efficiently as Twitter was at a similar time in their history. (RJMetrics)

- Daily Pinterest users have increased by more than 145% since the beginning of 2012. (Mashable)

- As of January 2012, Pinterest accounted for 3.6% of referral traffic. (Shareaholic)

- Total same-store referral traffic from Pinterest to five specialty apparel retailers rose 389% from July to December 2011. (Monetate)

- With over 11 million unique monthly visitors (and counting), Pinterest became the fastest standalone website to eclipse the 10 million per month mark ever. (PR Daily)

- A call-to-action pin description sees an 80% increase in engagement. (Pinerly Study)

- Pins related to trending topics see an average of 94% increase in click-throughs. (Pinerly Study)

- The best time to pin during the day is between 2 and 4 PM EST. (Pinerly Study)

- The best time to pin in the evening is between 8 PM and 1 AM EST. (Pinerly Study)

- Shoppers referred by Pinterest are 10% more likely to make a purchase than visitors who arrive from other social networks, including Facebook and Twitter. They'll also spend 10% more on average. (Wayfair)

- Pinterest referrals spend 70% more than visitors referred from non-social channels, including search, according to industry reports. (Wayfair)

- In the month of March 2012, HubSpot's visitor-to-lead conversion rate for Pinterest was 15%, compared to just 9% from Google+. (HubSpot)

- Links placed just before the halfway point (in characters) of tweets tended to have higher click through rates than links placed elsewhere. (HubSpot)

- Tweets posted around 4 p.m. Eastern time tend to get more retweets than those posted at other times. (HubSpot)

- Click-through rate of links in tweets increases as the overall length of those tweets also increases. (HubSpot)

- Photos that included hash tags in their descriptions on Instagram tend to get more Likes than photos that do not. (HubSpot)

- For @HubSpot, when we tweeted blog posts or offers about Twitter and other social media topics, those tweets received, on average, 22.5% more clicks than the average clicks for a tweet in the month of May. (HubSpot)

- For @HubSpot, tweets with statistics received 5.4% more retweets than the average for the month of May, but 32.7% less clicks per tweet than the average. (HubSpot)

- 43% of all marketers have found a customer via LinkedIn in 2013. (HubSpot State of Inbound, 2013)

- 36% of all marketers have found a customer via Twitter in 2013. (HubSpot State of Inbound, 2013)

Metrics for Social Media Marketing

(1) Channel Reports: This involves tracking the volume of visits, leads and customers each individual social channel is generating. Google analytics is a new tool that allows marketers to see how effective their social media efforts or 'social activities' have been. Furthermore, websites such as HubSpot Partner and IMPACT branding help you to choose social media channels most suitable for your business.

(2) Return on Investment Data: The end goal of any marketing effort is to generate sales. Although social media is a useful marketing tool, it is often difficult to quantify to what extent it is contributing to profit. ROI can be measured by comparing marketing analytic value to contact database or CRM and connect marketing efforts directly to sales activity.

(3) Customer response rates: Several customers are turning towards social media to express their appreciation or frustration with brands, product or services. Therefore marketers can measure the frequency of which customers are discussing their brand and judge how effective their SMM strategies are.

(4) Reach and virality: Popular social media such as Facebook, Twitter, LinkedIn and other social networks can provide marketers with a hard number of how large their audience is nevertheless a large audience may not always translate into large sales volumes. Therefore an effective SMM cannot be measured by a large audience but rather by vigorous audience activity such as social shares, retweets, etc.

Social Network Marketing Opportunities

There are numerous opportunities for a business to advertise in the social network situation, including raising public awareness regarding the business and community involvement, as well as the next step in social network advertising, such as advertising on mobile handsets.

Public Awareness

First, there are ways that social network marketing can be advantageous in business. Although some businesses may find it unnecessary to position themselves on social networking sites, it is a good way to advertise their products/services and know what consumers think and want. He continues to say that social network marketing may play a very important role when it comes to the online success of a business. He further goes on to explain social network marketing allows the business to get connected to the public and build their brand.

Involvement

In addition, as Javitch points out, in today's economic downfall, free social marketing may be a good alternative to the costly traditional marketing campaigns. He points out that in order to establish an online presence, there is an emerging trend of businesses going as far as hiring dedicated persons who manage social networking interface of the organization and communicate and interact with the users and the communities He further comments that small businesses should be involved with many Web content creation tools such as social networks, forums, and blogs. Furthermore, he explains that getting involved on social networks will also mean protecting business name, so that no third parties can use it. Klein (2008) tells that in order to be successful at social network marketing, companies should first incorporate online ads into their business model, set concrete business goals, and then start experimenting. Furthermore, with the ever-growing social networking presence, online social presence must be approached as an opportunity to expand the business by product and service promotion rather just consumer interaction.

Mobile Handset Advertisements

Mobile phone usage has also become beneficial for social media marketing. Today, most cell phones have social networking capabilities: individuals are notified of any

happenings on social networking sites through their cell phones, in real-time. This constant connection to social networking sites means products and companies can constantly remind and update followers about their capabilities, uses, importance, etc. Because cell phones are connected to social networking sites, advertisements are always in sight. Also many companies are now putting QR codes along with products for individuals to access the company website or online services with their smartphones. Social network platforms such as Facebook and MySpace have given new meaning to handheld devices. Thus, businesses may see this as an opportunity to promote their services and products via the mobile devices.

Social Network Marketing Threats

As with any advertising campaigns, social network marketing comes with its share of risks. Recent events, such as a tremendous fall in the economy as well as notorious ethics investigations into the invasion of customer privacy and data, have impacted the popularity as well as economic feasibility of social network advertising.

Economic Downfall

With the economy in shambles both domestically and globally, social network marketing has suffered its share. Furthermore, there was a downturn in advertising spending numbers, as well as in the predictions for future years. Williamson (2008) now estimates that the advertising spending will drop from the projected $1.8 billion for 2009 to $1.3 billion. Furthermore, Williamson (2009b) clarifies that it has been shown that "tapping into consumers' conversations and spreading brand awareness virally has proven more challenging than companies originally thought."

Ethics of Social Media Marketing

The code of ethics that is affiliated with traditional marketing can also be applied to social media, however with social media being so personal and international, there is another list of complications and challenges that comes along with being ethical online. With the invention of social media, the marketer no longer has to focus solely on the basic demographics and psychographics given from television and magazines, but now they can see what consumers like to hear from advertisers, how they engage online, and what their needs and wants are. The general concept of being ethical while marking on social network sites is to be honest with the intentions of the campaign, avoid false advertising, be aware of user privacy conditions (which means not using consumers' private information for gain), respect the dignity of persons in the shared online community, and claim responsibility of any mistakes or mishaps that are results of your marketing campaign. Most social network marketers use websites like Facebook and MySpace to try to drive traffic to another website. While it is ethical to use social networking websites to spread a message to people who are genuinely interested, many people game the system with auto-friend adding programs and spam messages

and bulletins. Social networking websites are becoming wise to these practices, however, and are effectively weeding out and banning offenders. In addition, social media platforms have become extremely aware of their users and collect information about their viewers to connect with them in various ways.

Social-networking web site Facebook Inc. is quietly working on a new advertising system that would let marketers target users with ads based on the massive amounts of information people reveal on the site about themselves . This may be an unethical or ethical feature to some individuals. Some people may react negatively because they believe it is an invasion of privacy. On the other hand, some individuals may enjoy this feature because their social network recognizes their interests and sends them particular advertisements pertaining to those interests. Consumers like to network with people who have interests and desires that are similar to their own. Individuals who agree to have their social media profile public, should be aware that advertisers have the ability to take information that interests them to be able to send them information and advertisements to boost their sales. Managers invest in social media to foster relationships and interact with customers. This is an ethical way for managers to send messages about their advertisements and products to their consumers. Furthermore, lack of social online marketing plans as well as aggressive harvesting of personal user data can backfire on the business.

Third Party Advertisement Platforms

As pointed out in the privacy policies, social networking sites have been legally sharing user data with third party advertisers. In an effort to increase the profit margin base, social networks have stepped into the next generation of the custom-tailored ad campaign, further incriminating user privacy. Facebook's Beacon online ad system acted behind the scenes, with the user unable to block or opt out of sending data feeds from third party sites to Facebook. This had brought angry protests from the MoveOn.org organization, as well as from users affected by the application. This development raises issues of how far the sites are allowing third party advertisers to intrude into the company's customer base and perform commercial data mining in order to run a custom tailored advertising campaign. According to Story and Stone (2007), the sole purpose of Beacon was "to allow advertisers to run ads next to these purchase messages". In other words, social networking sites are now developing software with the specific intention of letting the advertisers collect user data in order to sell their product. In her article, Holahan (2007) explains the significance of third-party platforms, where a social networking site such as Facebook and MySpace are trying to get users' attention on threads that support their sites. This application puts the site user in a direct relationship with the advertisers by forcing the user to include direct feeds from the third party participating websites in the profile. Thus, although third party advertisement platforms can be of powerful monetary benefits for the social networking sites, they come with a number of user privacy issues that are often bypassed.

CONCLUSION

Social networks are popular places for people of all different backgrounds and experiences to meet. Furthermore, they can be powerful tools for businesses to establish brand presence, build brand awareness, as well as save advertising costs in economically dismal times. There are opportunities for businesses to grow public awareness and get involved in the communities, as well as continue to research for other ways to advertise on social platforms, such as incorporate mobile handset devices into the marketing model. However, businesses must also be wary of ethical issues such as intruding user privacy, aggressive advertising, and spamming, in addition to legal pitfalls and data mining issues. Moreover, the businesses must have a strategic e-commerce plan, as social networks are not quite up to par on e-commerce transactions. Protecting user privacy and securing the user's personal data has become one of the most imperative goals of today's society. It is particularly important in the age of rapid expansion and tremendous popularity of social networking sites.

In conclusion, social network advertising is flourishing in the era of Web end-user interaction. Therefore, it is advisable that businesses not ignore the opportunities to jump in and expand their customer base.

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