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The Increasing Trend of Online Businesses through Social Networks

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Abstract - There is an increased trend of online businesses through social networks. The power of social-media sites is the main reason to promote online businesses. Every business must become an online business. That is, every business needs an online presence of some kind. The purpose of our study is to find out the role of social media on online businesses, the awareness of this trend amongst people and if this trend is beneficial in the near future. A group of 210 people take part in this research through a predesigned questionnaire. According to the results of survey, there is no association between the role of social media on online businesses the percentage of awareness among people of the changing trends and gender. There is association between benefits of online business trend in the near future and gender. By this research, we came to conclusion that people are not much aware about the trend of online businesses through social media but are aware of its benefits in the near future. So, the responses are neutral.

I. Introduction

"Social networks are effective at increasing participation - by lessening the level of motivation that participation requires." Social media refers to the means of interactions among people in which they create, share, and exchange information and ideas in virtual communities and networks. Social media marketing programs usually center on efforts to create content that attracts attention and encourages readers to share it with their social networks. A corporate message spreads from user to user and presumably resonates because it appears to come from a trusted, third-party source, as opposed to the brand or company itself. Social networking websites allow individuals to interact with one another and build relationships. When products or companies join those sites, people can interact with the product or company. That interaction feels personal to users because of their previous experiences with social networking site interactions. E-Marketer predicts there is a massive 1.43 billion social network users in 2012, representing a 19.2 percent increase over 2011 figures.

Online business is very useful for everyone .And it is a perfect part-time business would have to be very easy to start, require little time and money and no technical expertise, be easy to maintain with just a few hours a week and have a proven track record with a high probability of success.

Social media is transforming the way consumers around the globe make purchasing decisions. Consumers are using social media to listen and learn about other consumers. There's absolutely no doubt that social networks continue to play an increasingly important part in many people's lives. Social media usage varies from place to place and from one demographic. Alongside personal usage, more businesses are taking advantage of the benefits social media sites can offer. This is so true that power of Face book, Twitter, and other social-media sites is one of the main reasons to promote online business. Social media operates differently than any other type of media in the world. Not only is its function different, but what drives social media is also differently. "Social media," as it stands, isn't anything tangible per se. It's a collection of platforms where people meet and mingle and take actions. The popularity of social media is driven entirely by trends. Without these trends to follow, social networks would blend in with other websites out there.

Every business must become an online business. That is, every business needs an online presence of some kind, because the Internet isn't just becoming the primary means by which we inform our buying decisions.

a) Objectives

- To examine the role of social media on online businesses.
- To investigate the percentage of awareness amongst people of such changing trends.
- To evaluate if this trend would be beneficial in the near future.

b) Literature Review

Leitner P, Grecheing T (2008) concluded social networking services offer modern communication possibilities for people by supporting user interaction and data interchange. They analyzed current trends, key functionalities and revenue models of successful social networks. **Kaplan A. M, Haenlein M (2010)** presented 10 pieces of advice for companies which decide to utilize Social Media and indicates that social Media allow firms to engage in timely and direct end-consumer contact at relatively low cost and higher levels of efficiency than can be achieved with more traditional communication tools. **Asur. S & Bernardo A.H (2010)** conducted a

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research in which they tell us how social media content can be used to predict real-world outcomes. In particular, they used the chatter from Twitter.com to forecast box-office revenues for movies. They also find out how Twitter can be further utilized to improve the forecasting power of social media. **Hoffman D.L, Fodor M (2010)** indicates that carefully planned social media campaigns afford phenomenal opportunities for relatively easy and cost-efficient measurement of customers' online investments in a company's brands. **Xiaoyan. H (2011)** conducted a study based on three case companies, Tencent, Facebook, and Myspace. The objective was to build the business model framework for social media services analysis. They apply this framework on these companies and founded that the tencent have the best framework and financial position among these three companies. **Malmivaara. T (2011)** examined the study of consumers' hedonic and utilitarian motivations to use company-hosted Face book pages in relation to the community usage behavior (browsing vs. contribution), and the relationship between usage behavior and purchase intentions and found that hedonic motivations indicate a higher propensity to contribute to the community while utilitarian motivations relate more strongly with only browsing the community page. The results also demonstrated that browsing had a stronger relationship with purchase intentions than contribution. **Edosomwan S, Prakasan S.K, Kouame D, Watson J, Seymour T (2011)** concluded that social networking has become daily practice in some users‟ lives. Social media allowed two-way communication between brands, customers and enabled customers to react to the concerns of the customers. Social media is now a major player in most people's business lives. **Merrill T, Latham K, Santalesa R, Navetta D (2011)** social media makes a whole new world of privacy, security, intellectual property, employment practices, and other legal risks possible. Taking these steps to mitigate the considerable reputational, legal, and operational risks, your company will be in the best possible position to reap the enormous business benefits of social media participation. **Wright E, Khanfar N.M, Harrington C, Kizer L.E (2011)** said marketers should focus more on tailored messages and relationship building with customers. Marketers are encouraged to keep the lines of communication open with consumers in order to create real value for their customers. After all, that is what marketing and social communication is all about—creating value for everyone. **Savio C, Raroque J (2012)** shows that social media offers a compelling opportunity for finance marketers to reach and engage with the valuable audience. Finance companies need to actively engage with their customers. **Segev. S, Elena. M & Rosanna M.F (2012)** conducted a study in which they investigate opinion leadership among bloggers and blog readers and their motivations to blog. Survey data were obtained from a sample of 552 bloggers and readers. Communication for leadership and entertainment motives appeared to be the strongest motivations for bloggers, while entertainment and information-seeking motivated blog readers.

II. Methodology

It was descriptive as well as analytical study which was conducted from February 2013 to April 2013. A group of 210 people take part in this study which was based on four parts. 1st was the demographic portion, 2nd related to the role of social media, 3rd related to the awareness of such changing trends and 4th was related to the evaluation of the benefits of the online businesses in the near future. We have used primary data collection technique for data collection and collected data through questionnaires. We used convenience sampling. The hypothesis we made is as follow:

H1: There is no association between the role of social media on online businesses and gender.

H2: There is no association between the percentage of awareness among people of such changing trends of online business and gender.

H3: There is no association between the benefit of the online business trend in the near future and gender.

III. Results

a) Demographics Results

Gender	Frequency	Percentage
Male	86	41.0
Female	124	59.0
Total	210	100.0

Monthly Income	Frequency	Percentage
Below 20000	89	42.4
20000-30000	35	16.7
30000-40000	25	11.9
Above 40000	61	29.0
Total	210	100.0

Are You Part of Any Social Networking Site (E.G. Face Book, Twitter Etc).	Frequency	Percentage
No	26	12.4
Yes	184	87.6
Total	210	100.0

You use Internet for shopping.	Frequency	Percentage
Never	97	46.2
Infrequently	33	15.7
Occasionally	49	23.3
Frequently	31	14.8
Total	210	100.0

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How long do you spend on social networking sites every day?	Frequency	Percentage
None	29	13.8
30mins-1 hour	79	37.6
1-2hours	32	15.2
2-3hours	23	11.0
3-4hours	14	6.7
4+hours	33	15.7
Total	210	100.0

You use internet for work/business.	Frequency	Percent
never	36	17.1
Infrequently	10	4.8
occasionally	79	37.6
Frequently	85	40.5
Total	210	100.0

The maximum amount you would spend on a single online purchase.	Frequency	Percentage
Below Rs1000	76	36.2
Rs1000-2000	55	26.2
RS2000-3000	26	12.4
Rs.3000-4000	20	9.5
Rs4000-5000	10	4.8
above Rs5000	23	11.0
Total	210	100.0

The study which we conduct was based on the 59% females and 41% males. The income of the 42.4% of people was below than 20000. 87.6% people are part of social networks. 46.2% of people never use internet for shopping. Only 15.7% people use internet for shopping and they are using it infrequently. 37.6% people spend their 30min to 1 hour at internet daily. 40.5% people use internet frequently for work and business. 36.2% says that they purchase products online which have prices below 1000. According to the results of survey, we can say that people are not frequently using internet for online shopping.

Table 1 : Distribution of the role of social media on online businesses among gender

QUESTIONS	MALE										FEMALE										TOTAL	
	SD		D		N		A		SA		SD		D		N		A		SA			
	F	%	F	%	F	%	F	%	F	%	F	%	F	%	F	%	F	%	F	%	F	%
Shopping on the internet saves time and it is able to shop at any time of the day on the internet.	5	5.8	5	5.8	18	20.9	34	39.5	24	27.9	5	4.0	6	4.8	24	19.4	73	58.9	16	12.9	210	100.0
It is more difficult to shop on the internet.	11	12.8	31	36.0	22	25.6	16	18.6	6	7.0	13	10.5	40	32.3	36	29.0	26	21.0	9	7.3	210	100.0
Delivery time is an important factor in making a decision to make a purchase online.	4	4.7	2	2.3	22	25.6	33	38.4	25	29.1	6	4.8	11	8.9	22	17.7	56	45.2	29	23.4	210	100.0
You prefer online shopping only if online prices are lower than actual prices.	5	5.8	14	16.3	18	20.9	30	34.9	19	22.1	10	8.1	21	16.9	29	23.4	48	38.7	16	12.9	210	100.0
Online shopping is taking place of traditional shopping.	8	9.3	20	23.3	24	27.9	23	26.7	11	12.8	12	9.7	25	20.2	37	29.8	34	27.4	16	12.9	210	100.0
Online businesses are massively increasing its profits and have a. revolutionary role in the market.	1	1.2	7	8.1	21	24.4	38	44.2	19	22.1	6	4.8	11	8.9	33	26.6	63	50.8	11	8.9	210	100.0
The social media playing its role in Enhancing the business of various products through social media.	1	1.2	3	3.5	22	25.6	42	48.8	18	20.9	2	1.6	13	10.5	29	23.4	63	50.8	17	13.7	210	100.0
Business is able to monitor conversations through social media.	3	3.5	6	7.0	20	23.3	39	45.3	18	20.9	5	4	7	5.6	35	28.2	59	47.6	18	14.5	210	100.0

According to the survey which we conduct **39.5% male and 58.9% female are agree** that shopping on the internet save times and it is able to shop at any time on the internet. **36.0% male and 40% female are disagree** that shopping on internet is difficult it means that social media plays important role in online business and it is not difficult to purchase online. **38.4% male and 45.2%female are agree** that delivery time of products is important factor in making decisions for an online purchase. **34.9% male and 38.7% female are agree** that they will purchase products online only if the product price is lower than the actual price of the product. **27.9%**

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male and 29.8% female are neutral that online shopping is taking place of traditional shopping which means that both online and traditional shopping's have their equal importance. 44.2% male and 50.8% female are agree that online business are massively increasing their profits. 48.8% male and 50.8% female are agree that social media playing its role in enhancing the business of various products through social media. 45.3% male and 47.6% female are agree that through social media we are able to monitor the conversation among customers Overall social media is playing positive role in online business and both male and female response lies at the same side there is not opposition among them. (Table: 1)

Table 2 : Distribution of the percentage of awareness among people of such changing trends of online business among gender

QUESTIONS	MALE										FEMALE										TOTAL	
	SD		D		N		A		SA		SD		D		N		A		SA			
	F	%	F	%	F	%	F	%	F	%	F	%	F	%	F	%	F	%	F	%	F	%
People prefer buying online rather than buying the same products from the local market.	7	8.1	19	22.1	32	37.2	19	22.1	9	10.5	11	8.9	27	21.8	44	35.5	32	25.8	10	8.1	210	100.0
Social media is playing its vital role in giving awareness to people about the changing trends.	3	3.5	6	7.0	25	29.1	28	32.6	24	27.9	2	1.6	9	7.3	26	21.0	55	44.4	32	25.8	210	100.0
The social media is best for learning, teaching and providing latest trends.	4	4.7	11	12.8	18	20.9	30	34.9	23	26.7	3	2.4	12	9.7	24	19.4	53	42.7	32	25.8	210	100.0
You read new fashion trends regularly and try to keep up to date with the latest fashion trend.	7	8.1	10	11.6	21	24.4	26	30.2	22	25.6	3	2.4	16	12.9	22	17.7	59	47.6	24	19.4	210	100.0
Social media give you the edge for changing trends.	6	7.0	8	9.3	21	24.4	35	40.7	16	18.6	2	1.6	11	8.9	31	25.0	56	45.2	24	19.4	210	100.0
Social media increases awareness of the products among consumers.	3	3.5	9	10.5	12	14.0	38	44.2	24	27.9	4	3.2	7	5.6	27	21.8	64	51.6	22	17.7	210	100.0

According to the results of the survey which we conduct 37.2% male and 35.5% female are natural which shows that people don't only buy online they purchase from the local market as well. 32.6% male and 44.4% female are agree that social media is playing vital role in giving awareness among changingtrends. 34.9% male and 42.7% female are agree that social media is best for providing awareness about latest trends. 30.2% male and 45.2% females are agree that they read fashion trends regularly and try to keep up to date according to the latest fashion trend. 40.7% male and 51.6% female are agree that social media gives you an edge for changing trends. 44.2% male and 51.6% female agree that because of social media they get aware about a lot of products. In other words social media is playing positive role in awareness amongst people of such changing trends of online business and both male and female have responses at the same side there is no opposition among them.(Table: 2)

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Table 3 : Distribution of the evaluation if the online business trend would be beneficial in the near future

QUESTIONS	MALE										FEMALE										TOTAL	
	SD		D		N		A		SA		SD		D		N		A		SA			
	F	%	F	%	F	%	F	%	F	%	F	%	F	%	F	%	F	%	F	%	F	%
You prefer to make a purchase online through social media.	10	11.6	9	10.5	28	32.6	29	33.7	10	11.6	6	4.8	32	25.8	44	35.5	30	24.2	12	9.7	210	100.0
The social media plays a better role in advertising various products for online businesses.	3	3.5	6	7.0	19	22.1	36	41.9	22	25.6	9	7.3	13	10.5	24	19.4	53	42.7	25	20.2	210	100.0
Online buying through social media has a bright future.	6	7.0	7	8.1	26	30.2	33	38.4	14	16.3	2	1.6	10	8.1	48	38.7	51	41.1	13	10.5	210	100.0
You can easily give your feedback through social media.	2	2.3	7	8.1	17	19.8	31	36.0	29	33.7	4	3.2	14	11.3	29	23.4	60	48.4	17	13.7	210	100.0
Business can easily identify new product or services (new entry) through social media.	6	7.0	8	9.3	22	25.6	34	39.5	16	18.6	7	5.6	9	7.3	28	22.6	60	48.4	20	16.1	210	100.0
Online businesses have greater favorable perceptions of the brand.	3	3.5	9	10.5	27	31.4	29	33.7	18	20.9	2	1.6	10	8.1	42	33.9	61	49.2	9	7.3	210	100.0

According to the survey results **33.7% male are agree** that they prefer to make purchase online through social media but **35.5% female are neutral** about the online purchase through social media. **41.9% male and 42.7%female are agree** that social media plays a better role in advertising various products for online businesses. **38.4% maleand 41.1% female are agreed** that online buying through social media has a bright future. **36.0% male are agree, 33.7% male are strongly agree and 48.4%female are agree** that in online business we can get feedback easily through social media. **39.5%male and 48.4% female are agreed** that online business can easily identify new product or services (new entry) through social media. **33.7% male and 49.2% female are agreed** that online businesses have greater favorable perceptions of the brand. If we talk about overall response we see that both male and female have responses at the similar side in all variables their views are not opposite. (Table: 3)

IV. Analytical Results

H1: There is no association between the role of social media on online businesses and gender.

Table 4

QUESTIONS	CHI-SQUARE	P-VALUE	REMARKS
Shopping on the internet saves time and it is able to shop at any time of the day on the internet.	10.222	.037	Significant
It is more difficult to shop on the internet.	.818	.936	Insignificant
Delivery time is an important factor in making a decision to make a purchase online.	6.198	.185	Insignificant
You prefer online shopping only if online prices are lower than actual prices.	3.283	.512	Insignificant
Online shopping is taking place of traditional shopping.	.309	.989	Insignificant
Online businesses are massively increasing its profits and have a revolutionary role in the market.	8.862	.065	Insignificant

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The social media playing its role in Enhancing the business of various products through social media.	5.062	.281	Insignificant
Business is able to monitor conversations through social media.	1.937	.747	Insignificant

In this case, the role of social media on online businesses and gender have no association. This shows that both genders males and females response to the same side. It shows that our hypothesis is correct. The statistical values of chi-square and p-value are given in the (Table: 4) which shows that all values are greater than 0.05.

H2: There is no association between the percentage of awareness among people of such changing trends of online business and gender.

Table 5

QUESTIONS	CHI-SQUARE	P-VALUE	REMARKS
People prefer buying online rather than buying the same products from the local market.	.688	.953	Insignificant
Social media is playing its vital role in giving awareness to people about the changing trends.	4.00	.406	Insignificant
The social media is best for learning, teaching and providing latest trends.	2.082	.721	Insignificant
You read new fashion trends regularly and try to keep up to date with the latest fashion trend.	9.336	.053	Significant
Social media give you the edge for changing trends.	4.101	.393	Insignificant
Social media increases awareness of the products among consumers.	6.203	.184	Insignificant

In this case, the percentage of awareness among people of changing trends of online business and gender have no association. Which shows that both responses to the same side. Only one variable have p-value less than 0.05 because majority is insignificant that's why we consider that variables have no association. It shows that our hypothesis is correct. The above (Table: 5) shows the statistical results of chi-square and p-value which are grater then 0.05.

H3: There is no association between the benefit of the online business trend in the near future and gender.

Table 6

QUESTIONS	CHI-SQUARE	P-VALUE	REMARKS
You prefer to make a purchase online through social media.	11.146	.025	Significant
The social media plays a better role in advertising various products for online businesses.	2.815	.589	Insignificant
Online buying through social media has a bright future.	6.294	.178	Insignificant
You can easily give your feedback through social media.	12.020	.017	Significant
Business can easily identify new product or services (new entry) through social media.	1.670	.796	Insignificant
Online businesses have greater favorable perceptions of the brand.	11.388	.023	Significant

In the case regarding the benefits of online business trend in the near future and gender some variables have association and some of them have no association it means that in some cases both male and female have same responses and in some cases have opposite responses. In the (Table: 6) the values of chi-square and p-values are given half shows that there is no association between online business trend in the future and gender because these are grater then 0.05 and half of them shows that there is association between online business trend in the future and gender because these are less than 0.05. This shows responses are neutral.

V. Conclusion

According to the responses, we can say that people are not frequently using internet for online shopping. Overall social media is playing positive role on online business and both male and female response lies at the same side there is not opposition among

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them. In other words social media is playing positive role in awareness amongst people of such changing trends of online business and both male and female have responses at the same side there is no opposition among them. Social media is playing positive role on online business and awareness amongst people of such changing trends. If we talk about overall response we see that both male and female have responses at the similar side in all variables their views are not opposite. By this research, we came to conclusion that people are not much aware about the trend of online businesses through social media. The case regarding the benefits of online business trend in the near future and gender some variables have association and some of them have no association it means that in some cases both male and female have same responses and in some cases have opposite responses. This shows responses are neutral.

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