

# Chapter 48

## E-Marketing on Online Social Networks and Ethical Issues

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### ABSTRACT

*Online social network is any electronic tool or application that provides information, allowing collaboration, interaction, and sharing information among users. The social network can be utilized as an e-marketing tool with low-cost and effective source of medium for marketers to identify market needs, customer experiences, competitive movements, and trends. The purpose of this paper is to study the significance of online social networks based on web 2.0 technologies on e-marketing promotion and potential challenging issue as well as needs of ethical standards. The paper adopts a broad literature review relating to e-marketing on online social networks and ethics. This study examines that the ethical issues such as acts, regulations and policies that govern privacy, the collection of personal information and the protection of a user's identity are crucial when using social network for e-marketing and business promotion. As a communication tool the online social networks play a key role to reach initial product adopters and maintain interaction and collaboration with customers for market promotion.*

### INTRODUCTION

Online social networking is a platform, or site that facilitates the building of social relations among people to share interests, activities, backgrounds, or real-life connections. A social network service consists of a representation of each user's social connections, and a variety of additional services. Online community services are group centered and considered as a social network service. Social

networks are contents created online by people using highly scalable and accessible communication technologies. It represents how people discover, read and share news, information and contents. Social network applications provide users with new forms of empowerment and means of information sharing. Customers are able to communicate online exchanging information, comments and product reviews beyond the marketer's control. Social networks are created under web 2.0 technologies

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and have no control over the online conversation and content (Constantinides & Fountain, 2008). Taking advantage of the social networks requires strategists to understand the limitations and drawbacks of integrating tools into their existing e-marketing strategies. As social networking sites mature, they may begin to increase their use of traditional marketing tools.

Marketing through social media can be considered that value creation and communication are two components where e-marketing can add significance to the corporate marketing program. The social media can be utilized as a low-cost and effective source of customer feedback helping marketers to identify market needs, customer experiences, competitive movements and trends. It can also be engaged as medium allowing customers to contribute to product design and innovation processes. As a communication tool the social media can play several roles such as to reach initial product adopters and support interaction with customers. Receiving the customer feedback is of principal significance and marketers are well aware of the importance of getting to it. Customer voice reveals needs complaints, expectations, experiences, and market trends (Gillin, 2007). It is important for the effective communication with the target markets and vital for successful product or service development.

In the meantime, a number of marketers understand that traditional influencers are important to engage the online opinion leaders and personalities as a means of attracting customer attention. Such a strategy requires identifying, reaching and informing the new influencers about the organization, its brands and new market offerings (Bernhof & Li, 2008). The people prefer online channels because they are usually informed much earlier than press or other traditional channels. Companies such as about.com, myspace.com, Nike, Disney, Coca Cola, and many others have been experimenting with web 2.0 allowing users to adjust their web sites to their specific needs or preferences. In order to customize the web site many firms have

developed interactive online applications and tools allowing customers to partly or fully form physical products to purchase online.

The purpose of this paper is to study implication of online social networks based on web 2.0 technologies on e-marketing promotion and potential challenging issue as well as needs of ethical standards. Different social networking sites require different levels of privacy in terms of what information is revealed through profile pages. As compared to other internet businesses, online communities rely on user-generated content to maintain users. Therefore, a community member has a direct advantage from bringing in more users because each new member creates new content, which is expected to be of value to the inviting party (Trusov et al., 2009). In general, social network sites enable referrals by providing users a well-situated platform for sending invitations to nonmembers to connect. For electronic network, the online form of spreading the word is the most suitable one. This indicates that online word-of-mouth is a good alternative for social networking.

Online social networking web sites have initiated to attract the concentration of marketers and scholars. Ansari, Koenigsberg, and Stahl (2008) have developed an approach for building various relationships of different types among social networking users. Dholakia, Bagozzi, and Pearo (2004) studied two important group-level determinants of virtual community participation such as group norms and social identity. Kozinets (2002) has developed a new approach to collect and interpret data received from consumers' in online network. Trusov, Bodapati, and Bucklin (2008) propose a framework that facilitates managers to establish which users are possible to be influential and, therefore, significant to the business for their role in attracting others to the network. As a communication tool the online social networks play a key role to reach initial product adopters and maintain interaction and collaboration with customers for e-market promotion.

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