

Possibilities of using the social network Pinterest in e-commerce

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Abstract

The aim of the article is to describe specific aspects of social networking as a phenomenon of modern times with the focus on e-commerce. In assessing the direction of the issue the article summarizes the theoretical background of the issue of internet marketing, social media and social networks. The main attention is focused on the issue of social networks as a marketing communication tool, specifically on the social network Pinterest. Another aim of the article is to point out the current status of the issue while pointing out the pitfalls and possible future developments in its use by commercial subjects.

Key words Social networks, Pinterest, Internet, Trends

1. INTRODUCTION

It is not new that the online environment of the Internet offers a wide range of possibilities for marketing activities of organizations such as promotion, dissemination of information about a product, service or brand, which in turn represents an undeniable advantage and strong position of the communication channel. Enormously popular social networks are part of the modern social media. Social networks are a relatively new type of web applications where: "Share anything you like with people around you". Social networks have been for several years significant trendsetters in communication and online marketing almost worldwide. The dominance of social networks primarily aimed at developing friendly ties, such as Facebook, is undeniable, but we meet also with exceptions such as the social network Pinterest, whose rocket launch overcame the beginnings of the mentioned giant Facebook. The philosophy of this social network is based on the preference of visual content and was able to reach also Internet users outside the mainstream. Pinterest also function as a model of content presentations that fundamentally shifts the issue of e-commerce into a new area of knowledge.

2. THEORETICAL BASIS

As reported by Scott (2010), Social media allow people to exchange ideas and opinions, discuss together the content of pages and make contacts online. Social media may have a text, audio, or video format or they can be in the form of photographs and other visual forms that bring communities and people together. Social media are expanding so fast that almost every day we learn about new opportunities, services, ideas (Gbúrová - Matušiková 2014). Kurtz (2011) adds that Internet marketing is a specific part of e-business (Internet business), a strategic process of creation, distribution, promotion and pricing of the products offered to target markets through the Internet, electronic devices or smart mobile devices - smartphones.

Social media are without any prejudice critically important to every area of business activities. Social media are a highly relevant marketing tool to reach customers, target groups, the media and other public, which also creates a two-way communication between these groups (Brown 2009)

Janouch (2011, p. 219) sees social media as "the way by which it is possible to affect a certain group of people to accept, alter or abandon some thoughts, behaviour, practices or attitudes via these media." The author emphasizes that it is an indirect way of influencing target groups where communication should be carried out through peaceful means. We agree with Kurtz (2011) that social media as a set of Internet applications help to create and share the content among users. These are the media that are designed for social interaction and which include a shape the new trends and applications. The overall benefit from cooperation with the online community is an opportunity to use their opinions, ideas and knowledge on subjects far beyond complaints about products or services. Social media fundamentally alter how organizations, communities and individuals communicate with each other.

It should be underlined that through social media one can determine customers' perception of the product. Social media are important not only for users but also for companies. Social media are more important to small specialized companies than to large companies. Marketing on social media means understanding and learning, market observation, experimentation, audience interaction, assessment and evaluation (McPheat 2011).

Cruz-Cunha (2012) argues that social media can be considered on-line media publishing various reports, photos, videos. Marketing on social media is the process of promoting websites, companies or brands that use social media as a communication channel. We agree with Albarran (2013) that with the continuing growth of users on the social media marketing professionals realized their importance and therefore are trying to implement them in their marketing plans. Social media have proven their ability to sell products, provide insight into customer needs, improve search engine rankings and building long-term customer relationships. Therefore, marketers expect social media to increase their marketing position in the near future.

Byron and Broback (2006) define a narrower concept of social networks as web services, and together with Janouch (2011) they define them by fulfilling functions of maintaining connection, contact, and communication, sharing information, multimedia content, and photos among users, who are mainly, according to Byron and Broback (2006) students or graduates. We agree (Štědroň, 2011), the marketing potential of social networks is mainly a possibility of the easy reach of a large part of the Internet population, however, considerable importance is also the specific nature of social networks, which very well resonates with the current efforts of companies to get closer to customers create a close relationship with them.

We agree with Scott (2010) who states that there is evidence on how people actually search for products. It clearly shows that companies should spread their offers and be available at the time the potential customers are looking for answers on the Internet. Here we turn our attention to the Internet as a medium with a high potential to present a company at a low cost, but with comparatively high yields.

3. THE CURRENT STATUS OF THE PROBLEM

What is specific about Pinterest from the user's point of view is a virtual bulletin board on which users can organize and share selected or followed contents of other users - different visual content in the form of images, for example product photographs, graphics, studies, designs, drawings. But on the other hand we can meet with video content from YouTube.com or Vimeo.com. Pinterest also features functions

such as "Like", comment or "Repin" – sharing someone else's content on user's own profile, "Rich Pins" - pins that include extended information about the Pin itself (there are 6 types with a focus on mobile applications, movies, recipes, articles, products and places). Furthermore there are the upcoming features (Pinterest 2015) such as "Promoted Pins" - it is basically an advertising model in the form of preferred shared content, "Buyable Pins" – enable e-commerce subjects to sell the offered products directly from the social network. Pinterest records enormous user success mainly in the United States - 46.50% (as of June 2015; Alexa 2015) of the total number of users. Then there are countries like India, UK and Canada. It is important to underline the fact that social networking site Pinterest is according to the visitor statistics company Alexa (2015) currently on the 16th place of the most visited websites in the United States and globally is 38th. The estimated market value of this social network is around USD 11 billion.

The potential of social network Pinterest is also underlined by the continuing growth of its users, which is reflected in the visit rates. Based on Statista's analyses (2015) Pinterest recorded an annual increase (April 2014-2015) of 8,320,000, unique visits which represents 21.71% for users in the United States. Figure 1 shows that the highest number of unique visits was recorded in January 2015 with 50.50 million visits.



Figure 1 Pinterest users development (US) Pinterest US
Source: Statista, 2015

The already mentioned potential of social network Pinterest is confirmed by the analysis conducted by the company eMarketer (2015) in February 2015. The analysis that focused on users accessing the social network from the United States points out several important facts. It estimated growth of social network users between 2015 and 2016 at 12.2 million users, an increase of 25.90%. A closer look at the demographic data refers to the fact that the social network Pinterest is female-dominated - 83.30% of users (as of 2015), which can be attributed to the very nature of social network aimed at "nice" things like clothing, self-made products, jewelry and so on. Projections for 2019 indicate a slight increase in the proportion of male users – to 20.50% which is a 6.50% increase between 2013-2019.

US Pinterest User Metrics, by Gender, 2013-2019							
	2013	2014	2015	2016	2017	2018	2019
Pinterest users (millions)							
Female	30.0	35.6	39.2	41.7	43.9	45.8	47.1
Male	4.9	6.6	7.9	9.0	10.0	11.1	12.1
Total	34.9	42.3	47.1	50.7	53.9	56.8	59.3
Pinterest user penetration (% of internet users in each group)							
Female	23.6%	27.4%	29.4%	30.7%	31.8%	32.7%	33.4%
Male	4.1%	5.4%	6.2%	7.0%	7.6%	8.2%	9.0%
Total	14.2%	16.7%	18.1%	19.1%	19.9%	20.7%	21.4%
Pinterest user share (% of total)							
Female	86.0%	84.3%	83.3%	82.2%	81.4%	80.5%	79.5%
Male	14.0%	15.7%	16.7%	17.8%	18.6%	19.5%	20.5%

Note: internet users who access their Pinterest account via any device at least once per month
Source: eMarketer, Feb 2015

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Table 1 Development of selected indicators in the context of the social network Pinterest
Source: eMarketer, 2015

Interesting results were revealed by the analysis conducted by ShareThis (Becker 2015) that focuses on the age structure of social network Pinterest. The results published in March 2015 show a relatively balanced proportion of age groups between 26 - 55+. A significant finding is that only 7% of social networking users are aged 18 to 25 years. On the other hand, the relatively balanced proportions of older age categories favor this social network in terms of its e-commerce applicability. It is worth noting that the highest proportion of users (26%) is made up by people aged 55 and over.

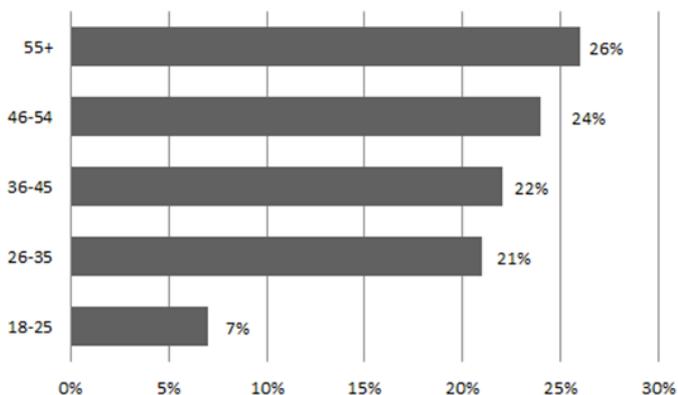


Figure 2 The age structure of social network Pinterest in 2015
Source: own elaboration based on Becker, 2015

Analysis conducted by ShareThis (Becker 2015) investigated the visitors to this social network from the perspective of the device used when visiting the website. Based on the data it can be concluded that mobile devices dominate the social networking Pinterest. Specifically, the largest share of visitors, 72%, used mobile phones (smartphones). Tablets in this case received the lowest share - 5%. PC and laptops reached only 23%, which moves Pinterest into the environment of mobile devices. This is confirmed by the fact that social networking application Pinterest placed on 15th position within popular mobile

applications ranking (iOS and Android) in the United States with 18.9% coverage. The study was published in January 2015.

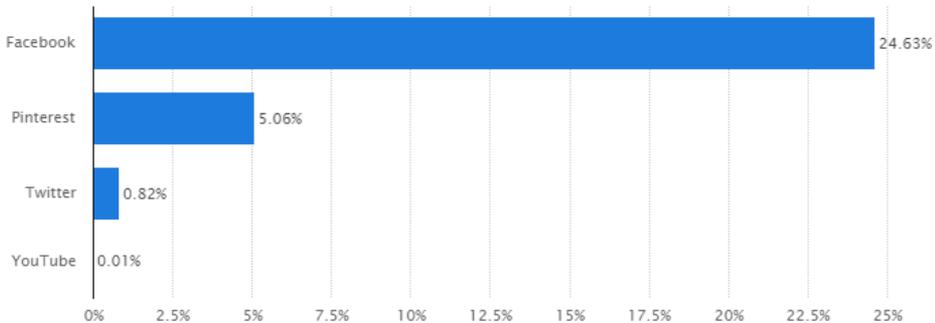
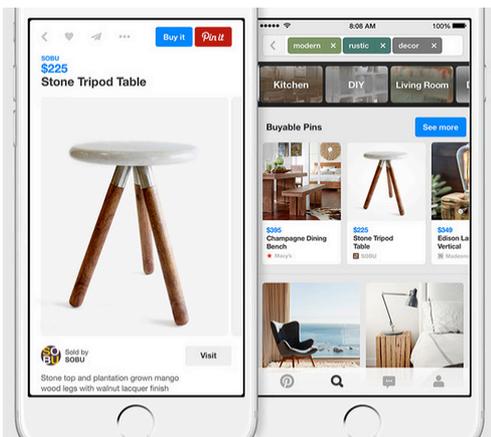


Figure 4 The share of devices on the web traffic
Source: Own elaboration based on Statista, 2014

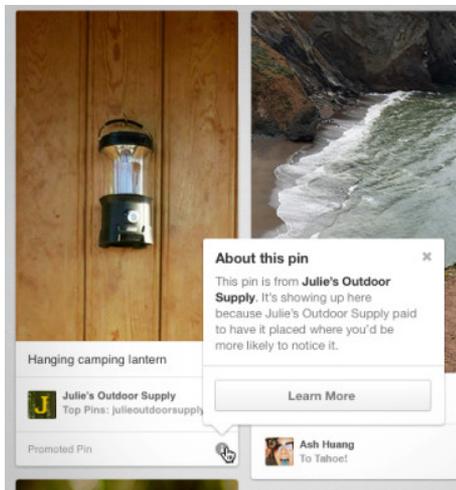
Interesting facts were pointed out by the analysis of the on-line service Shareaholic (Wong 2015), whose widgets are used by more than 200,000 different online content publishers. According to the statistics conducted in December 2014, the share of social network Pinterest on the total mediated traffic (expressed globally) was 5.06% and thus outperformed other established social networks when it placed in second place right after the social network Facebook.



Picture 1 Previews of Buyable Pins
Source: Pinterest, 2015

Based on the above, we have to acknowledge the strategic position and certain power of this social network in terms of its impact and reach to potential customers that can be in this way brought to large and young companies. This social network, primarily focused on the presentation of graphic content, has the potential to become a major competitor to relevant social networks in terms of e-commerce applicability. We would say that social networking site Pinterest has the best conditions to succeed in the e-market thanks to the function of direct purchase of goods (Buyable Pins) through the website (see Figure 1), which places it in the position of rival to e-commerce giants like Amazon or eBay. App's well-balanced user interface that emphasizes transparency and also user experience when viewing the

content are also competitive advantages together with additional functions related to the sale of products when the application offers the user a variety of practical options for products filtering.



Picture 2 Preview of Promoted pin

Source: Pinterest, 2015

Another Pinterest's function aimed at e-commerce marketers with EEA entities is "Promoted Pin" which, like in the case of the social network Facebook (Promoted Posts), is a form of paid form of content promotion. Pinterest specifically prioritizes the shared content over other general content. This model of promoted content can be used by companies engaged in trade as well as in services and also non-profit organizations and attract users to their profile, or even a web page.

4. CONCLUSION

In the field of e-commerce Pinterest is undeniably becoming a strong player in the field of social networking sites and fills imaginary market gap by focusing on all the "beautiful" things around us – the source of the platform's success. The current and future development of this social network can bring interesting findings in the form of new and innovative sales channels within the framework of e-commerce as proven by the new Pinterest's function. This function represents a new effective sales channel with a coherent and consistent user environment and real buying process. The current importance of social networks to e-commerce is undeniable, and along with the users' need for new and "beautiful" it helps sellers and brands itself. It should be emphasized that the social network Pinterest is mostly used on mobile devices such as smartphones or tablets, and this fact is significant in terms of its application in the field of mobile commerce. It would be interesting to see how this social network establishes and how is its potential used in the domestic market.

Research plan, project

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