

# Analysis of consumer preferences in relation to the use of social networks as an instrument of online marketing communication

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**Abstract:** Nowadays, social networks are part of online marketing. Their business potential is obvious, but often, in the attempt to engage as many customers as possible, they take a step in the wrong direction. Choosing an appropriate social network should therefore be a relevant component of the marketing plan of any organization that has decided to pursue its business activities where its potential customers are. Knowing the opportunities offered by these networks leads to well-designed strategies and consequently to the effective achievement of business goals.

**Key words:** Social Networks, YouTube, Communication Platforms

**JEL Classification:** M30, M31

## 1. INTRODUCTION

By advertising on television, radio or advertising in the press, the consumer has long been overwhelmed, and it can be said that, as factors such as interactivity and mobility become more and more important factors of success, the aforementioned forms of advertising are increasingly ineffective. New communication platforms have emerged in the forefront, which recently have become phenomena not only as a company but, in particular, shift marketing and all its activities into other, much more complex dimensions.

Nowadays, the developing online communication media is undoubtedly becoming a social network in the digital world. They provide broad-spectrum capabilities, making them a primary tool not only for fun or communicating with friends, but are increasingly a necessary part of marketing. These online platforms can also be a valuable support element for various other offline marketing activities. So social networks are, among other things, a place where maximum profits can be made for business.

## 2. BASIC THEORETICAL BACKGROUND

A complex virtual social organism, which we call the internet, today begins to resemble a large "clone" of traditional social structures. In addition, it is clear to see how he is developing himself at a rapid pace. As a result of this development, social networks are widely known today (Welsh 2012). This concept comes from the English "social network", which means "community network" or "community". They can be defined by Janouch (2010, p.223), an expert in online marketing and social networks as "places where people meet to create a circle of their friends or join a community with common interests."

Not only Janouch, but also many other professionals dealing with this issue, such as Bednář or Sterne, share a similar view. The meaning of definitions of this term is in most cases identical, and therefore, in general, we might say that it is a sort of interconnection of a certain group of people with different manifestations that affect each other.

However, if we want to think more deeply about what the term itself means, the very often quoted example is Boyd and Ellison (2007), who understand the social network as a link to a web page that allows users to create a network of people with whom they want to share information, News, comments, photos or other forms of content. They further argue that social networks consist of three basic parts. These are a public or semi-public user profile, a set of links to other users within the system, and the ability to view their own list of friends as well as those created by other users within the system.

Similarly, Outing (2007) is also convinced that social networks are community-based communities that share the same interest provided tools for mutual communication and the creation of meaningful content that is important to them. He adds that social networks allow people to significantly expand their circle and also find others with the same interests or values. Thus, the author defines social networks as "Machines" to create and maintain friends. This phenomenon has been described by Engelbrecht (2011) as something created by any internet user with the ability to add custom generated content that includes comments, reviews, feedback, ratings, etc. According to him, it is a heavily interconnected online community of people who usually have a common interest or goal.

According to the average user, the social network is a simple application that lives inside our computer or web browser (Ryan 2011). On the other hand, Peacock (2010) argues that social networks are one of the most used aspects of the Web, and have endeared in recent years. Many businesses, organizations, communities and families are backed by social networks, enabling them to better communicate with others and connect with the public. Obee (2012) believes that the social network is any website that allows us to express, share or otherwise communicate with other members of the site. Social media are the ones that allow us to interact online with friends or aliens. Marko (2010) claims that social networking on the Internet allows people to share their lives and work even though they do not live physically. If we have an Internet connection, we also have universal access to people around the globe, information, but also an opportunity to inform our customers.

In a narrower, more modern and significantly predominant context, Welsh (2012, p.3) defines social networking as an Internet service, which allows registered members to create public or partial public profiles (personal or corporate), communicate together, share information, Videos, chat, and other activities. "In other words, it is a "node structure that represents either individuals, groups or organizations. These nodes are interconnected. This bond does not necessarily mean friendship or partnership, but also common opinions, hobbies, sexual relations or hatred." (Welsh, 2012, p.3)

Effectix (2015) also actively promotes marketing in the form of competitions with the spread of viral spread, which are currently being used very often and, on the other hand, popular among the users. Linking to a corporate website or e-shop is another possible option as a modern phenomenon - social networks can be a practical benefit for businesses doing their business on these communication platforms.

The power of social networks is now indisputable for business. Sládek (2013) argues that "companies are still using the social networking power only marginally, especially because of the offer of likes." To begin with, feedback on how to expand the number of fans in building a good name and the brand itself helps, but it is necessary to realize that "the growth potential is quickly exhausted, and in a certain phase IT solutions are needed, which can be analysed and used efficiently by the customer", adds Sládek (2013). From the above definitions, it is obvious that one of the basic social networking features is the ability to link and share content with other users. However, Gray (2014) also highlights the fact that social networks should not be a substitute for real time spending with people.

### 3. METHODS AND METHODOLOGY

The main goal of the research was to identify the dynamics of consumer preferences in relation to communication platforms and digital devices when purchasing in the online environment. For a more detailed specification of their changing shopping habits, we have also decomposed the main research goal into these three partial goals:

- Exploring what communication platforms Internet users receive information about goods and services.
- Find out which digital devices are used by respondents to buy products online.
- To define which social networks Slovak consumers prefer most.

Based on the main and partial objectives of our research, the following research hypothesis was formulated:

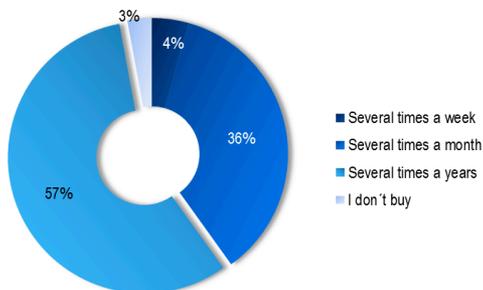
H1: The differences in YouTube social network traffic between generation X and Y are statistically significant.

To fulfil our defined research goal, we conducted a questionnaire survey located throughout the Slovak Republic in the period 21.2.2016 - 6.3.2016. Due to incomplete completion, 23 questionnaires were excluded. The data obtained was evaluated using the Microsoft Office suite, namely the Excel spreadsheet editor. The IBM SPSS Statistical Software was used to process mathematical and statistical analyses. Due to the scale of the questionnaire, we used simultaneous parallel profile testing and correlation analysis.

The research sample obtained within the questionnaire survey can be considered representative in relation to the Slovak population. Specifically, the survey consisted of 414 respondents, of which up to 256 (62%) were women and 158 (38%) men. Respondents were, in terms of age cohorts, divided into consumers so, Generation X (36-52 years) with 72% representation and Y (16-35 years) 28%. The group of respondents with a basic level of education were exactly 10 respondents. Secondary education without school leaving examination had 14 respondents (3%) and a graduate of 156 (38%). More than half of the respondents (57%) involved in the survey were people with university education. At the same time, it is also the most numerous group of all the respondents. In terms of economic activity, the survey was attended by almost the same number of employees working in the public sphere (26%) as well as in the private sphere (27%). On the other hand, more people (in the number of 114 respondents), our survey sample consisted of students representing 28% of all respondents. The group of self-employed or entrepreneurs accounted for 13% of the respondents. The survey was also attended by unemployed people, who formed less than 4%. The entry "Other" was marked by 14 respondents. Among them were women on maternity or parental leave, a disabled retiree, a truck driver, a community worker, or people working abroad.

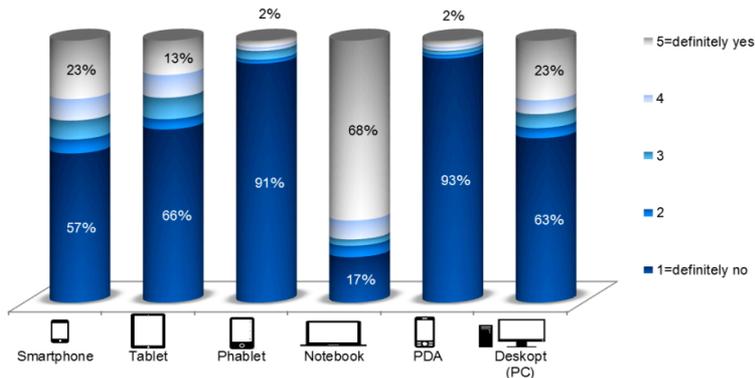
#### 4. RESULTS

Relevant outcomes from the survey are declared in the following sections of this post. Using the questionnaire, we found out how often respondents are buying through the Internet. More than half of the people (57%) marked the option "Several times a year". Up to 148 inquiries with 35% share buy products in the online environment several times a month. The survey sample also consisted of consumers who do shopping for products in e-commerce somewhat more often, i.e. several times a week. This group represents less than 5% of all respondents. Although much less, but there are also people who do not buy on the internet at all, in our survey it was 12 respondents (3%).



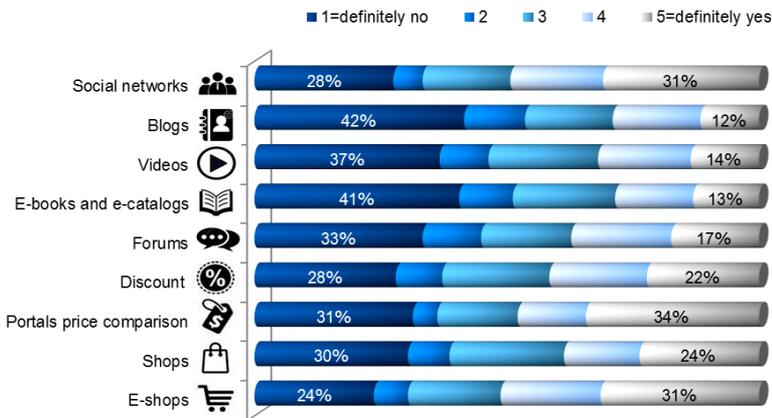
Graph 1: Frequency of purchases  
Source: Own processing

Then we examined which devices are used by respondents when they are buying online. Looking at Chart 2, it is clear that among all devices, the most preferred one is the notebook among the products in the online environment. 69% of the respondents use it unambiguously, and another 7% is inclined to this option. Nearly the same number of people (22%) buy through smartphones and the classic PCs, but with a lower prevalence of smartphones, which marked 4 (rather yes) 8% of the people, while the desktop only 5% of the respondents.



Graph 2: Device preferences for online purchases  
Source: Own processing

As far as the use of digital devices is concerned, the tablet is definitely in the slightest. Only 13% of the respondents buy tablets, who responded positively to this item, while 9% of the consumers chose option 4 (rather yes). Values for phablet and PDAs are likely to reflect that such type of digital devices are not known to respondents. Only a small group of people know, of which it is obvious that 92% of the population is certainly not buying them.



Graph 3: Resources for searching for product information

Source: Own processing

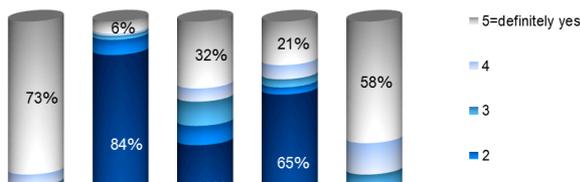
One of our partial goals was to investigate the communication platforms that Internet users receive information about goods and services. How respondents responded to the relevant items is listed in Figure 3 below. After counting the 4 and 5 scale values for each item, we evaluated the resources that respondents most often use when searching for information about the products. Subsequently, we have compiled the "TOP 5" rankings, where the first place was occupied by electronic shops (51%), the second social network (49%), the third most frequently used source of information on the products are the price comparison portals (48%), the fourth are the discount Portals (42%) and the results of the questionnaire show that the fifth floor of our ladder is stone stores (39%).

Among other things, we investigated which social networks are most used by Slovak consumers. The results were astonishing, but world-famous Facebook has kept its primacy in our country as well. More detailed survey results are shown below.

Chart 1: Using social networks

Social networks	1- certainly no		2		3		4		5-certainly yes	
	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage
Facebook	70	16,91%	10	2,42%	10	2,42%	22	5,31%	302	72,95%
Twitter	348	84,06%	30	7,25%	8	1,93%	4	0,97%	24	5,80%
Google+	170	41,06%	38	9,18%	48	11,59%	26	6,28%	132	31,88%
Instagram	270	65,22%	14	3,38%	16	3,86%	28	6,76%	86	20,77%
YouTube	66	15,94%	16	3,86%	30	7,25%	62	14,98%	240	57,97%

Source: Own processing



### Graph 4: Using social networks

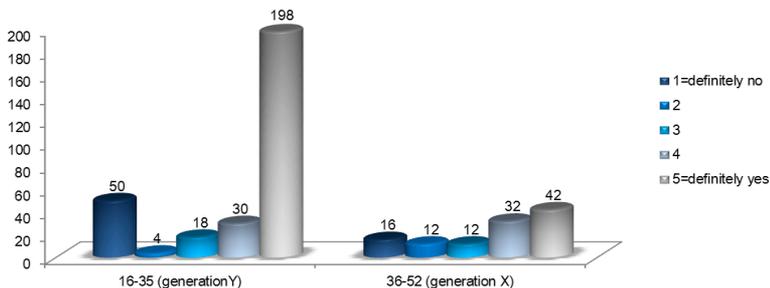
Source: Own processing

Perhaps the biggest surprise was that up to 80 people (almost 20%) do not visit the Facebook social network. Another 10 (2%) refrained from being neutral. Nevertheless, there are a number of people (73%) who undoubtedly use this network. Just over 5% marked option 4.

Twitter as another relatively popular network in the world, it is unlikely to find such application in Slovakia. 84% of respondents said they certainly do not use it. With a huge difference compared to other social networks, on the contrary, it uses only a tiny amount - less than 7%.

Google+, operated by Google, has a surprisingly high share of users (38%) who have flagged option 4 or 5 (absolutely yes). The less used social network is Instagram. Up to 69% do not attend it at all or almost at all. Of the 414 respondents surveyed, exactly 114 (28%) said that the visually oriented social network Instagram uses.

The largest video server - YouTube, has only confirmed its strong position in the media world. Although many people primarily use it to browse videos, and few who see it as a social network with the ability to evaluate or comment on posts, it is clear from the survey's findings that we can no doubt be one of the most popular. It is certainly used by more than half of the population (58%) and not used by only 16% of the respondents. Continuing our research, we continued to analyse the element with the highest correlation coefficient and, therefore, the relationship of generations and the YouTube social network.



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Graph 5: Frequency of generational responses to YouTube usage

Source: Own processing

It is clear from the graph that the social network of YouTube is attended by respondents from both generations. However, given the size of the sample, we can assume that the Y generation, that is, younger people, is much more involved in the network than the older one, the X generation.

Chart 2: Chi-Square Tests for generational use of YouTube

<i>Chi-Square Tests</i>			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	56,626 <sup>a</sup>	4	0,000
Likelihood Ratio	52,636	4	0,000
Linear-by-Linear Association	3,831	1	0,05
N of Valid Cases	414		

a. 1 cells (10,00 %) have expected count less than 5. The minimum expected count is 4,88.

Source: Own processing

For the need of a complex analysis, it is also appropriate to define the deviation rate of the given file, or to determine whether the older and the younger generations (i.e. generation X and Y) are statistically significantly different in YouTube social network traffic. For this issue, we chose the  $\chi^2$  good compliance test at a Significance Level of 0.05. For this issue, we chose the  $\chi^2$  good compliance test at a level of significance of 0.05.

Chart 3: Correlation coefficient values for generational use of YouTube

Symmetric Measures		Value	Approximate Significance
Nominal by Nominal	Phi	0,366	0
	Cramer's V	0,366	0
N of Valid Cases		414	

Source: Own processing

The previous chart defines the values of the correlation coefficient of the above elements as a strong dependence. As a result, it can be shown that generations of YouTube social network traffic play a relatively large role. In this case, the H1 hypothesis formulated by us has been confirmed. It should be emphasized that while the two age cohorts examined by the two-dimensional YouTube social network are unambiguous, the results of the analysis between them confirm statistically significant differences. Y generation users dominate the largest video sharing network over X generation.

## 5. CONCLUSION

Based on the findings, we can say that the most used resource for obtaining information about goods and services is the e-shop itself or the quite popular social networks. Within the preference of online shopping devices, consumers are using laptops, but they also use smartphones or desktop PCs. According to the results of the research, the most widely used social network is undoubtedly Facebook, and the other one is the most popular video sharing tool for sharing videos - YouTube.

The results of our analysis also showed that two age groups use this platform and they tend to be more likely to be younger consumers. Video or the largest YouTube video server is really a great interactive way to reach out to potential customers. In addition, it allows them to communicate with each other via the comments and the discussion under the video. To make the most of this platform, branding can really be done in any way. It is only important to know the aim to be achieved through it.

At the end of this article, we add that the amount of available information and new technologies, which are an integral part of human existence, also create a consuming consumer in the real-life period, whose standard marketing procedures are far from perfect. Therefore, it is the role of brands and the marketing, if they want to succeed nowadays, in the extremely competitive customer contest, to recognize the deep-rooted motives as well as disparate consumer preferences and, based on these findings, to subsequently reflect the necessary trends that require flexible implementation also in marketing communication tools.

### **Research intention, project**

VEGA 1/0789/17 "Research of e-commerce with relation to dominant marketing practices and important characteristics of consumer behavior while using mobile device platforms"

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