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# A Study on Promotional Plans of Local Business by using SNS (Social Network Service): Focused on Naver Band, Blog, Kakao Talk and Facebook

<sup>1</sup> Yu-Ri Jang, <sup>2</sup> Won Bae Youn

*1, First Author* Graduate School of merchants, Eulji University, Korea.

*2, Corresponding Author* Director of the ISBD, Korea. E-mail : [younbk@daum.net](mailto:younbk@daum.net)

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## Abstract

This study investigated solutions of not only weak organization but also poor communication with customers from point of view of SNS such as Naver blog, Naver band, Kakao Talk and Facebook to promote local business market. The study gave strategies: First, SNS marketing strategy shall be used to do public relations and communicate in accordance with features of each SNS. Naver Blog that is opened SNS shall be used to do public relations and to invite new customers, and Kakao Talk that is closed SNS shall be used to increase customers having high loyalty, and Facebook that has both properties of SNS, that is to say, openness and closure, shall be used to raise effects of word-of-mouth to make use of new sales window. The communication can find out customers' needs to provide customers with customized services. Second, Naver Band and/or cafe shall be opened to increase link and friendliness and to have community consciousness realizing common goal and to destroy merchants' helplessness and individualism and to make change of the market for the place of community. Changes among the merchants may get better ideas to do events continuously and to get more SNS marketing effects and synergy. Third, the merchants shall make change not momentarily but continuously by making efforts steadily. Good communication in and out of the market may create inherent brand value to differ from super chain and/or SSM and to increase sales as well as traditional market image and to attain customers' loyalty.

**Keywords:** Local Business, SNS marketing effects, Market promotion

## **1. Introduction**

### **1.1. Problems**

In 1997 when Asian Financial Crisis occurred because of foreign exchange shortage, leading enterprises in the nation were forced to do restructuring and to produce a lot of the unemployed. They had difficulties at reemployment after being unemployed to be 'self-employed for living'. Enterprises that had sound financial status after restructuring could adapt to flow of the times quickly to find out customers' needs and to do marketing aggressively. Large businesses governed local business by price competitiveness as well as various commodity assortment, while middle aged merchants were behind flow of economic crisis to lose competitiveness to have strategy of low selling price considering limitation on the strategy and to deteriorate profitability so that small business merchants were forced to close business. As such, communitarian survival was greatly weakened to increase individualism survival so that self-employed were isolated in their work not to take actions against customers' needs and to have problem of poor communication with customers. Small business merchants' last weapon of lowering of price could not compete with prices of not only super center but also SSM (super super market) to threaten survival.

The government made effort to solve the problems of traditional market cognizing seriousness of the situation, and it could not get satisfactory accomplishment except for some of success cases. The government's support policy and/or promotion policy were not successful because the government did not put differential policy into practice considering individual characteristics of traditional market and had policies from point of view of visible facility modernization(Lim & Jeon, 2010). The government should cognize limitation on promotion of traditional market by modern facilities because consumers were already accustomed to super chain and/or SSM: So, the government should find out solutions considering traditional market such as 5-day market where people met acquaintances to talk and to enjoy food, Pungmul and events.

### **1.2. Background and Scope**

Internet that was used starting from latter half of the 20th century made change of communication styles and the society's various kinds of areas. Citizens communicated by e-mail, messenger, and website based on computer: In particular, 'SNS(Social Network Service)' among multiple persons at specific area was thought to be the most effective(Hwang, 2009). Enterprises made use of SNS for in-house communication as well as communication with customers to appoint dedicated marketing department and to employ viral marketing enterprise and have aggressive statics and to research those matters actively. Traditional market merchants who had problem of poor communication could have values of community

by build up of human relations online to react each other and to get immediate response from customers. Precedent studies mostly examined use of large businesses and/or advertising effects by banner in SNS not to coincide with actual conditions of traditional market.

Therefore, this study suggested promotion of traditional market by using SNS. Not only traditional market but also SNS had different features depending upon types to have many approaches and to be focused on local businesses and to be concentrated on Naver blog, Naver band, Kakao talk, and Facebook to solve actual problems of local business merchants.

## **2. Main Text**

### **2.1. Features of Local Business and Differentiation Strategies**

The local business that is community oriented retail market is placed at alleys of residential area to sell farming, fishery and livestock products, groceries and household items to the residents(Park & Roh, 2007). Local business has a sense of place to keep cultural tradition and to contribute to local economy and to be important from point of view of economy. And, it supplies fresh farming products and prevents excessive packing and/or transportation to lessen adverse effects upon the environment(The Stationery office, 2009).

Super chain and/or SSM are concentrated on variety of the commodities, convenient use and stability, so that local business needs differentiation strategies.

The ones who visit small scaled shops have features (Table 1): They look for creativeness, personal communication, relationship and community orientation not to be low price oriented. Consumers think much of sales clerk's recommendations and/or friendliness and make efforts to keep relations with attractive shop for a long time so that they are good target customers(Iwasaki, 2013). Consumers think much of inexpensive prices are likely to visit large scaled discount stores, so that low price policy is unable to promote local business.

The local business shall make use of various kinds of events of traditional market as well as features of community place to make change and to strengthen competitiveness. The local business at residential place shall not invite new customers by one time event but increase times of revisit of existing customers to elevate customer loyalty. As consumers' emotional attachment is very much important to have brand loyalty, so the emotional attachment of place is also important to elevate customers' loyalty(Baloglu, 2002). The findings of previous research concerning distribution were: Customers who were close to specific place to experience in the past and to have more times of visit and to communicate often had high attachment of places(Suh & Min, 2011).

Local business that has advantage at physical distance shall be given value of special place by increasing times of visit at communication with customers to increase customer loyalty.

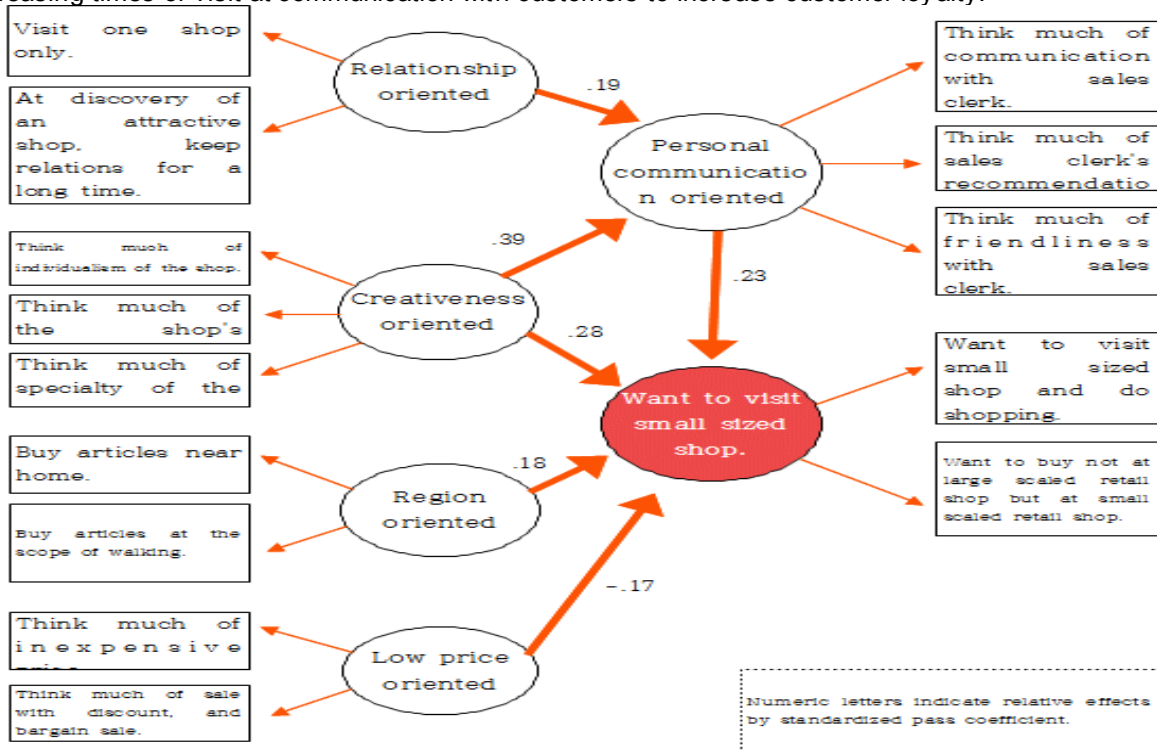


Figure 1. Features of the ones who visit small sized shops

## 2.2. Features and Use Purpose of SNS

### 2.2.1. Concept of SNS and Solidarity with Customers

SNS that has brought social relation concept to Internet supports relations between men(Hwang, 2009). In other words, SNS is said to support relationship between men(Hwang, 2009). In other words, SNS allows individuals to share every day affairs of individuals and to communicate each other. SNS establishes communication relations to share contents and to be communication infrastructure(Ham & Park, 2011). 'Conversation' is important at SNS. Conversation shall be done not to give information in one side way but to get understanding and consensus from consumers. SNS has brought concept of offline social relations to online to share and communicate every day affairs and interest and to build up personal connections and to establish network.

**Table 1.** Functions of SNS(Jeong, 2013)

Functions	Contents
Profile and contents production	Express personal information, hobby, matter of concern and other identities, and produce photographs and video and contents in the system by oneself.
Establish relations	Establish relations between parents and child, and between friends, and fan-making and other personal relations, and make lists of acquaintance having relations to save it in the system.
Communication	Share contents made by individuals, and support e-mail, message, chatting, messenger and communication between users.

A customer having emotional solidarity can be source of business revenue. Conventional marketing has four 'P', that is to say, price, product, promotion and product distribution, to control customers: Customers' buying decision making has been influenced not by feeling and/or emotion of rational memory but by the ones of emotional memory. So, customers having high emotional connections are likely to repurchase and to keep customer relations continuously(Ahn, 2011). Use of SNS for communication with customers can increase the level of closeness to make emotional link and to create new network and to react with customers not by large business' unilateral public relations, and to elevate customers' loyalty and make regular customers and to make commodity brand.

### 2.2.2. Features of Each Type of SNS

As said before, local business has two problems: Fall of sales because of poor communication with customers, and individualism of merchants has weakened community consciousness to lose cohesiveness that can convert to be place where customers may be invited to produce events and/or attachment. SNS based communication strengthens emotional link enough to solve both problems at the same time. At first, characteristics of each type of SNS shall be clarified:

**Table 2.** Features of Each Type of SNS

Section	Types	Functions	Features
Naver blog	Opened SNS	Keep friendly relation based on matters of concern	<ul style="list-style-type: none"> <li>- Give detailed information and produce contents having personality;</li> <li>- Keep in order systematically to manage easily and to encourage reading;</li> <li>- SNS optimized for search engine</li> </ul>
Facebook		Personal connection oriented relation	<ul style="list-style-type: none"> <li>- The largest SNS website in the world;</li> <li>- Give contents easily by 'It's good' and/or 'Share to produce consensus.</li> <li>- Expand naturally and quickly.</li> </ul>
Kakao Talk	Closed SNS	Acquaintance oriented human link control	<ul style="list-style-type: none"> <li>- Messenger service by using mobile network</li> <li>- Realtime conversation one to one and/or between groups</li> <li>- Connection with Kakao story</li> </ul>
Naver Band		Acquaintance oriented link	<ul style="list-style-type: none"> <li>- Easy to open meeting and manage</li> <li>- Share every day affairs and thought between members to raise friendliness</li> </ul>

## 2.3. Characteristics by Each SNS

### 2.3.1. Inflow of the Customers – Naver Blog

Local businesses have almost no chance of advertising by media than large business and/or franchiser to have less opportunity of exposure to the ones in their twenties and/or thirties. In other words, local businesses have difficulties at invitation of new customers than middle aged customers living at traditional market preference areas. Naver blog may be good for not only the ones who search for restaurant with tasty food to take lunch but also small businessmen having difficulty at payment of advertising costs. Important requirements are not only 'steady and faithful posting' but also 'selection of proper key words to find out what customers want to know'. When both requirements are satisfied, local business can be exposed at top of Naver of search engine that the Korean people like to visit without payment of

advertising costs. Blog with excessively commercial posting and/or scrap only having no relation with blog inclination may lose reliability, so that categories having relation with business type shall be selected. For instance, vegetable shop shall notify 'health meal recipe by using seasonal vegetable' and/or 'how to select fresh vegetable', and fashion business shall approach customers with interesting subject of 'Daily cody' and/or 'how to follow entertainer 000 by paying 100,000 KRW'.

### **2.3.2. Word-of-mouth marketing – Facebook**

Facebook allows deep and spacious network establishment. Being closed SNS, Facebook allows you to be exposed to others by 'I like it' and/or 'Share', and page is opened to make use of it to be homepage and/or social commerce. You may fill out your profile by yourself to disclose hobby, region and job experience and to be given recommendation of the one who lives at same region and/or has similar taste. Facebook is not artificial to have quick expansion and to consist of many and unspecified persons and to be very much suitable to word-of-mouth marketing. Comment on the other party's notice is informed to the other party automatically to communicate each other and to produce natural and deep networking and to grow customers having good loyalty.

### **2.3.3. Customer Loyalty – Kakao Talk**

Naver Blog is said to be public relations for many and unspecified persons, while Kakao Talk is done to be customized public relations for each individual customer. The conversation produces friendliness with customers to inform customers of events and their progress immediately and to verify reaction. Large business makes customer grade according to aggregation of commodity buying value to provide customers having high sales record with in-depth service. (for instance, VIP customer personal shopper system of department stores). At local business, customers' frequent visit may produce sales to listen to customer's voice and to advise and suggest and give information to VIP customers and to let them visit again. Friendliness, conversation and relationship with customers may increase emotional link: As precedent studies said, customers with high emotional link can be source of the revenue [10]. Middle aged customers who are not familiar with blog search can get easy access owing to good connection with Kakao Story to talk, give information and share emotion.

### **2.3.4. Merchants' community consciousness – Naver Band**

Merchants' management mind is thought to be important when finding out business promotion plan. Super chain differs from local business at organization from point of view of software. Merchants at local businesses have watched repetition of business opening and closing of neighboring shops under economic crisis: So, they thought of individualism of 'I shall survive at keen competition' to have feeling of helplessness and to produce no cohesion for changes. The merchants shall unite internal force to

produce an event and to exchange management information each other and to communicate and unite when they look for changes of the market to invite more customers. Emotional link between merchants is important as much as good communication with customers is: Based on the link, merchants' organization can be strengthened to have leadership and to produce great ripple effects at traditional market. The association of merchants should do joint businesses frequently to promote merchants' organization, and campaign with help of external connection was found to elevate images, events and promotion effects of conventional market(Song & Beom, 2011). Existing cooperative and other merchant organization shall share common goal and interest by Naver Band and/or cafe to be strong organization with community consciousness and to make change externally.

### **3. Conclusion**

#### **3.1. The Findings and Implications**

This study investigated solutions of not only weak organization but also poor communication with customers from point of view of SNS such as Naver blog, Naver band, Kakao Talk and Facebook to promote local business market. The study gave strategies:

First, SNS marketing strategy shall be used to do public relations and communicate in accordance with features of each SNS. Naver Blog that is opened SNS shall be used to do public relations and to invite new customers, and Kakao Talk that is closed SNS shall be used to increase customers having high loyalty, and Facebook that has both properties of SNS, that is to say, openness and closure, shall be used to raise effects of word-of-mouth to make use of new sales window. The communication can find out customers' needs to provide customers with customized services.

Second, Naver Band and/or cafe shall be opened to increase link and friendliness and to have community consciousness realizing common goal and to destroy merchants' helplessness and individualism and to make change of the market for the place of community. Changes among the merchants may get better ideas to do events continuously and to get more SNS marketing effects and synergy.

Third, the merchants shall make change not momentarily but continuously by making efforts steadily. Good communication in and out of the market may create inherent brand value to differ from super chain and/or SSM and to increase sales as well as traditional market image and to attain customers' loyalty.

#### **3.2. Limitation and Future Subjects**

This study investigated market promotion plans by using some of SNS. Further studies shall be made to solve limitation below:



First, research on other SNS not included in this study is needed.

Second, hardware factors shall be considered. Obsolete and retarded facilities shall be reconstructed because customers think much of 'cleanness'.

Third, most of local business merchants are middle-aged to rely not upon digital system but upon analog system: So, the government shall educate merchants by policies such as merchant college to let them have correct management spirit and improve service quality.

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