

## Impact of Social Networking Sites in Marketing Communication and Sales: A Study on Nestle Bangladesh Limited.

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*Social Networking is used quite frequently in connection with the internet and it has turned out to be the most popular in the last few years. It makes it possible to build social relations among people sharing the same type of background or link across economic, geographic and political boundaries and locating people having same problems and queries. No wonder this rapid expansion of social networking sites also changes the consumer behaviour and marketers communication pattern in our country. Now-a-days, consumer to consumer communication, such as mobile messaging, blogging, MySpace, comparison shopping sites, facebook, twitter, WhatsApp and so many sites are widely used. This paper focuses on the impact of social networking sites on marketing communication and understanding the changing consumer behaviour and consumption pattern of three different brands in a multinational company: Nestle Bangladesh Limited. The scope of the study is to propose a positive relationship between communication and brand awareness. As customer choice and satisfaction is the first priority for any marketing company, especially Multi-National Companies, it means they must design their marketing communication strategy with a modern and updated version of social networking sites. Beside their traditional marketing communication, the tremendous new concept will help to reach consumers' mind and create satisfaction. This study attempts to find out the relationship between product promotion through social networking sites and consumer response in sales which also increases the marketer's brand image.*

**Keywords:** Social networking sites, MNC, consumer mind, Brand image, communication.

### 1. Introduction

A social networking site or SNS is a platform that builds social networks or social relations among people who share interests, activities, backgrounds or real-life connections. It is the most prominent and interesting connections for the modern thinking people. Undoubtedly, this rapid expansion of social networking sites also changes the consumer's regular life, their buying behaviour and satisfaction scale. This paper focuses on how Social Networking Sites attempts to change the marketing communication system of the company which causes change in the sales figure also. Consumers are like to be informed and updated regarding every aspect of their life. The Multinational companies are also trying link with their every customer and prospect to make the best communication, to deliver regular messages, to reach customer's mind and to create a strong brand image. At the same time, they are in a race to earn maximum profit using different marketing communication strategies. Social networking sites are the new and effective communication tools for the marketer's dream achievement.

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The purpose of this study was to find out the positive relation between the present marketing communications and upgraded technological adoption by the global consumers. It may face the questions that do the consumers really response to the most modern way of marketing communication? The main objective of the research is to identify the impacts of Social Networking Sites on company's marketing communication as well as sales. It will also give a little understanding of the social concern, company promotion, brand image and many more. This issue briefly examines the opportunities that exist for marketers in social networking Web sites in Bangladesh. Case profile of companies, such as Nestle indicates how the company successfully engaged its marketing communications via social networking sites to reach the target market.

The paper is organized in a sequence. The scope of the study, purpose of the study and the research question is pointed out in the introduction stage. A thorough literature review has focused on the research gap and contribution of the study. Here methodology of the study indicates the sample type, sample size, sources of the data. The analysis part presented several analyses such as descriptive analysis, graphical representation, a model and SWOT analysis at the end of it. The conclusion stage contained the outcomes and further scope. It also pointed out the limitation of the study.

## 2. Literature Review

Some studies on different aspects of this issue are found on the internet and in many journals, books and articles. A social networking website is defined here as "one that allows internet users the ability to add user-generated content such as: comments, feedback, ratings, or their own dedicated pages"(iProspect, 2007,p. 3). Websites such as epinions.com, for example, allow product users to post ratings, comments, opinions, and full reviews about products (The structure of online marketing communication channels Journal of Management and Marketing Research). Social networking web sites represent an important media channel for reaching a diverse demographic, including, teens and young adults, women, moms, affluent consumers, and older individuals. Indeed experts expect U.S. advertising spending on social networks to grow by approximately 200% by 2011(MARKETING LEADERSHIP COUNCIL® JANUARY 2008). Marketers believe that members of social sites who share information with other members and friends are the best target for participation in viral marketing. Their involvement in these social sites allows marketer to spread the viral content more because they naturally want to share information to other members and send interesting content to friends (IJACSA) International Journal of Advanced Computer Science and Applications, Vol. 1, No.6, December 2010)

Leveraging Social Networking Sites in Marketing Communications: This issue briefly examines the opportunities that exist for marketers in social networking Web sites. Case profiles of companies, such as P&G, Toyota, JP Morgan Chase, Burger King, and Unilever exemplify how companies successfully leverage their marketing communications via social networking Web sites to achieve one or more objectives. (CORPORATE EXECUTIVE B.O.A.R.D MARKETING LEADERSHIP COUNCIL® JANUARY 2008. Impact of Social Networking Sites on Business: This study proved that social networking sites play an important role in the life of students at universities and colleges. The advertisement displayed on social networking sites have great impacts on the lives of students as the advertisement provides information to them about various job opportunities available.(Nitish and Sing in India, of social networking sites on business). The Impact of Social Networking Websites to Facilitate the Effectiveness of Viral Marketing: This article, explored the role of social network websites which has an influence on viral marketing, and the characteristics of the most influential users to share viral content.

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Structural equation modelling was used to examine the patterns of inter-correlations among the constructions and to empirically test the hypotheses. (Abed Abedniya and Sahar Sabbaghi Mahmoudi (IJACSA) International Journal of Advanced Computer Science and Applications, Vol. 1, No.6, December.

Earlier studies focus on marketing communication and customer response in the high technological-adopted markets. In Bangladesh, there are very little works that have been done. So this paper would draw some new concepts and contribute to both business and society. It will determine how social networking sites change consumers' response within the multinational company in Bangladesh.

### 3. Methodology

**Sample:** For this study, the data was collected on the basis of three specific sample brands of Nestle Bangladesh Limited. The brands are MUNCH, Baby & Me and Nescafe.

**Data Source:** Both primary and secondary data were used in this study. Primary data was collected through questionnaire and interview schedule considering applicability and suitability and through personal visit to the offices of Nestle Bangladesh Limited. Two open-ended questionnaires were provided to the marketing and sales officers of concern to collect the data from the sample brands. Secondary data was collected through annual report, publications different studies on the sample brands and popular customer social networking sites over the internet.

**Instrumentation:** A descriptive research design was followed for understanding the problem and carrying the research in a good manner. Graphical representation and a SWOT analysis are presented to align the descriptive analysis. Inspired by a previous researcher, one model was also used. This model details social networking user demographics, focusing on four major consumer segments.

### 4. Analysis

#### 4.1 Demographic Analysis of Social Networking Sites

Nowadays, social media is popular all over the world, including Bangladesh. We often say that technology has made the world smaller, but social media has made the world even smaller. The social media has become a place where we can connect with the rest of the world and get the latest news of current affairs as early as possible. The world has been afflicted with 'social networking' fever for the last several years. Day by day, the number of social networking sites increases in an immeasurable way. Internet was first introduced in 1996 and after that its use continued to increase. The most popular social networking sites are SMS through mobile phone, Facebook, Myspace, YouTube, Viber, WhatsApp and so on. Of the different types of visitors on these sites, the centre of gravity of social networking users has shifted towards women, older users, and mothers, although teens and young adults continue to represent a large portion of social networking users. Social networks also provide marketers opportunities to target niche customer segments such as affluent individuals. The details of social networking user demographics-focus on four major consumer segments.

**Table 1: Four Major Consumer Segments of Social Networking User**

<p><b><i>Teens</i></b></p> <ul style="list-style-type: none"> <li>• Most of teens use social networking tools such as blogging and instant messaging and visit online communities. Approximately more than 55% of teens create a personal profile on a social networking Web site and nearly half engage in social networking activities in a regular basis.</li> </ul>	<p><b><i>Women and Mothers</i></b></p> <ul style="list-style-type: none"> <li>• On the whole, women use social networking sites more than men, with 56% of women compared 46% of men visiting online social networks. Of women, mothers represent powerful consumer demography to target via social networking sites.</li> </ul>
<p><b><i>Young Adults</i></b></p> <ul style="list-style-type: none"> <li>• Young adults are using social networking in multipurpose necessity. They use that to be connected with the external world, to share knowledge, maintain the social concern, shopping news and others.</li> </ul>	<p><b><i>Other Users</i></b></p> <ul style="list-style-type: none"> <li>• Social networking sites are also popular with young wealthy consumers and wealthy men, who may be treated as affluent consumer users. It is becoming popular even for some old aged user.</li> </ul>

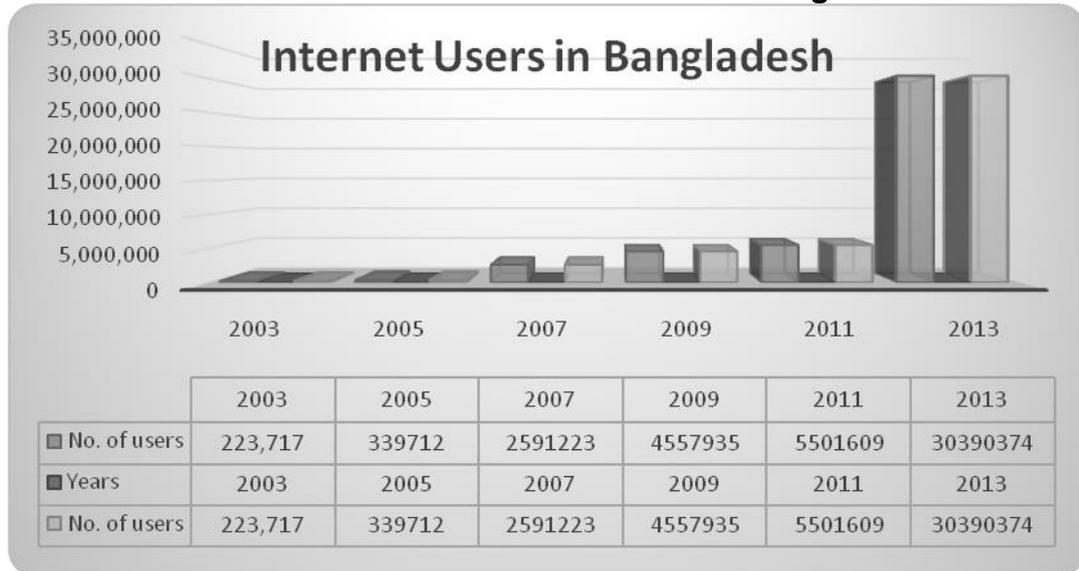
Source: Leveraging social networking sites in marketing communications (marketing leadership council)

## **4.2 Numbers of Internet Users in Bangladesh in Recent Years**

As per BTRC total Internet user in Bangladesh, the total number of Internet Subscribers has reached **30390.374 thousand** or around 30 million at the end of **February 2013**. Among them, 28 million use internet from mobile, 0.4 million use it from wimax and others use it from ISP/PSTN operator. The number of Internet subscribers in Bangladesh grew from 186,000 in 2000 to 617,300 in 2009. In 2010, it was 5,501,609. Due to price reduction and mobile internet availability recently, it is growing very first. Mobile Internet enabled devices were sold in great numbers and now we can see the impact. About 95% of total Internet users in Bangladesh are actually Mobile Internet users – a recent government survey confirmed. The chart below shows all internet users in Bangladesh from 2003 – 2013.

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**Table 2: Number of Internet Users in Bangladesh**



Source: BTRC

### 4.3 Descriptive Analysis of Communication and Target Market of Selected Sample Brands

#### 4.3.1 MUNCH

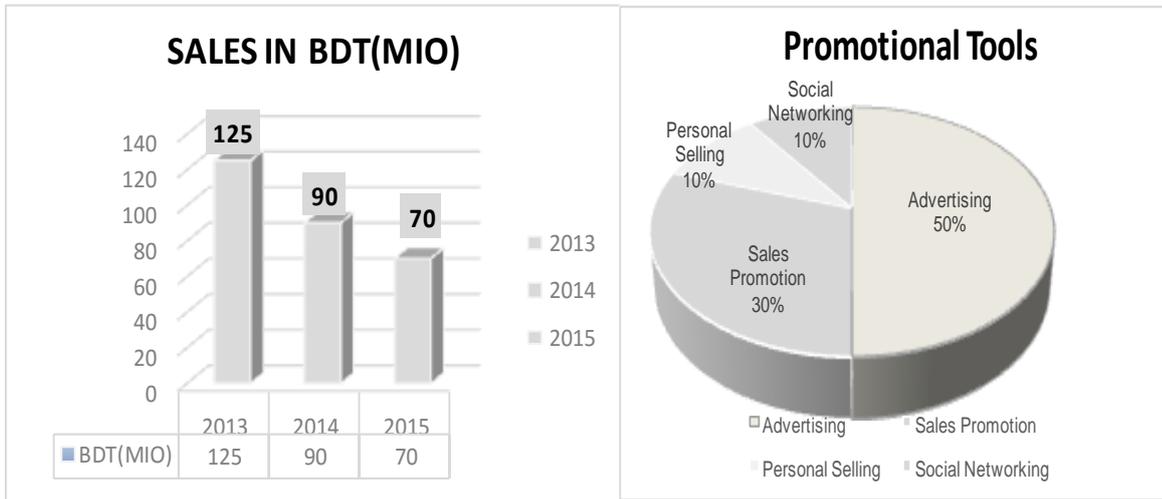
MUNCH is a confectionary brand of Nestle Bangladesh Limited. This brand was introduced in April 2013 in Bangladesh. Before that it was first introduced in India. As chocolate is one of the most popular bands so this brand added a new value in Nestle Bangladesh Limited's product line. The target customer is the young and adult people of Bangladesh. The pricing of Munch is very low and it is very easy to be purchased by the consumer. The company uses a very good and efficient sales distribution team. A lot of promotion tools are put in place to make communication with the target customer easy. Both traditional marketing and viral marketing was implemented to sell this product. Nestle Bangladesh Limited added social networking sites services to reach its customer. Now, customers of MUNCH can communicate and respond through Facebook fan page and consumer database and other communication system. The brand uses a huge advertisement, trade promotion and sometimes sales through brand promoters as marketing strategies. Consumers also showed a good response in the company sales margin.

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**Table 3: Target Market, Communication and Sales of sample**

Brand	MUNCH			
Variety	Only chocolate coated rolls			
Target Customer in percentage (%)	Young adult 90%		Others 10%	
Using promotional Tools in percentage (%)	Advertisement 50%	Sales promotion 30%	Personal selling 10%	Social networking sites 10%
Preferable Promotional Strategy	Highly concentrated on traditional communication			
Total sales in Taka	2013	2014	2015	
	125 millions	90 millions	70 millions	
Consumer response	Not Satisfactory			

**Figure 1: Sales and Using Promotional tools of Sample**



## 4.3.2 Baby & Me

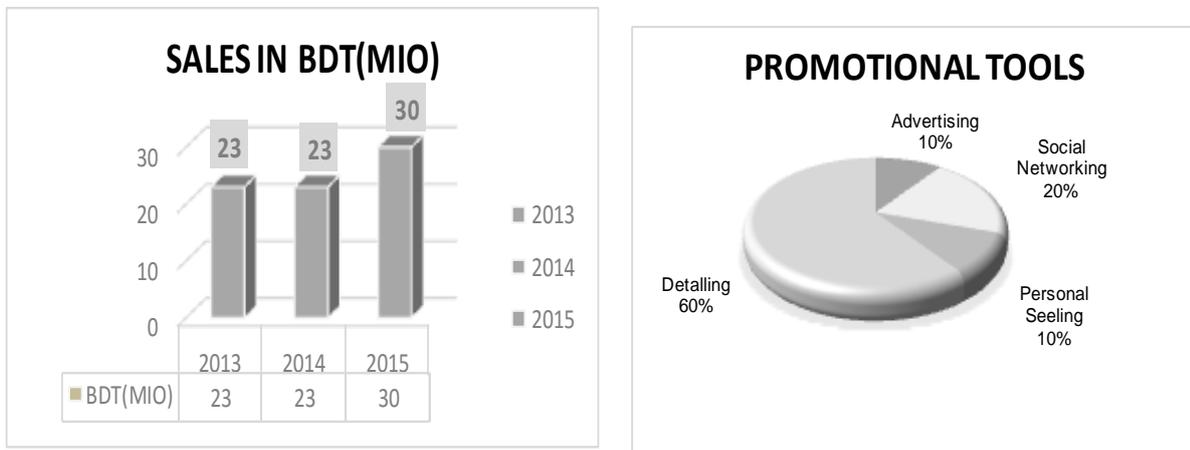
This is a highly nutritional health drink powder for pregnant women. Nestle Bangladesh Limited launched this brand in early 2012 in Bangladesh. The concept behind this brand introduction is was to make pregnant women or expectant mothers stronger and healthier. That she should not experience any type of health trouble during her pregnancy period. As the target customers are the pregnant women and their family, the marketing policy was quite different from other brands of Nestle Bangladesh Limited. The company uses traditional marketing communication and social marketing sites to reach their customers. As this brand performance is related with the doctor's consultation, that's why company is little more concern with consumer trust. They arrange all the type of communication through the best media, good sales promotion, selling by brand promoters and at the same time, they use social networking sites to promote the product and to increase the brand image.

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**Table 4: Target Market, Communication and Sales of sample**

Brand	Baby&Me			
Variety	Vanilla and protein flavour			
Target Customer in percentage (%)	Pregnant women 100%			
Using promotional Tools in percentage (%)	Advertisement 10%	Social networking sites 20%	Personal selling 10%	Detailing 60%
Preferable Promotional Strategy	Highly concentrated on social networking communication			
Total sales in Taka	2013	2014	2015	
	23 millions	23 millions	30 millions	
Consumer response	Very Good			

**Figure 2: Sales and Using Promotional tools of Sample**



### 4.3.3 Nescafe

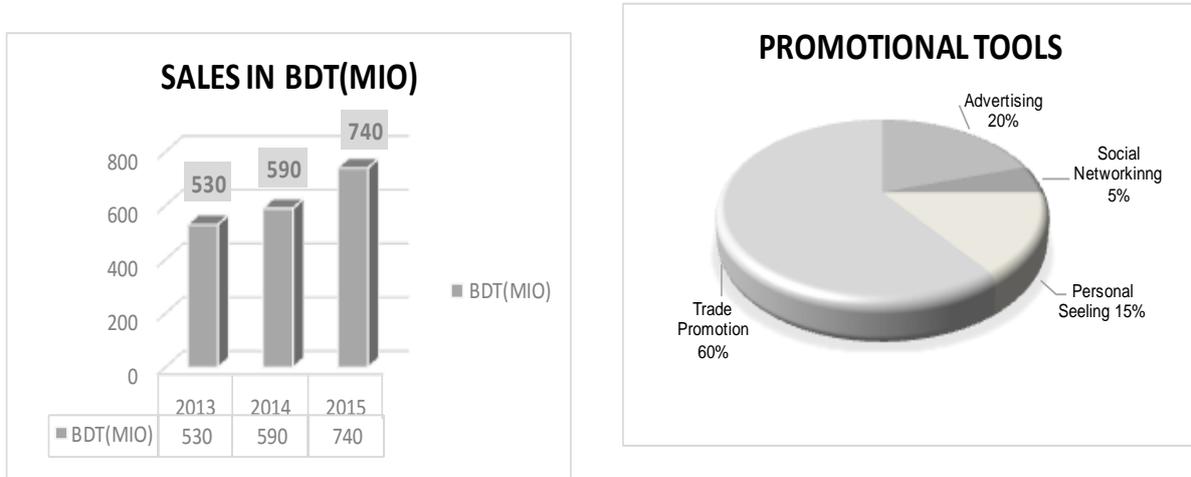
Nescafe is the most popular coffee brand all over the world. In Bangladesh, the brand was launched in 1998 and the company enjoys a very good response from the customers regarding sales. Nescafe is a product that refresh and re-energizing the body. Fortunately, Nescafe achieved the best brand image and customer retention in the competitive market. The sales growth rate is very high and Nescafe is the market leader brand in Bangladesh year after year. The company uses a very efficient traditional marketing system but comparatively it is not less concerned about the social networking sites, like the other two selected brands.

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**Table 5: Target Market, Communication and Sales of sample**

Brand	Nescafe		
Variety	Premix and Nescafe classic		
Target Customer in percentage (%)	Teen 40%	Young adult 50%	Others 10%
Using promotional Tools in percentage (%)	Advertisement 20%	Trade promotion 50%	Personal selling 15% Social networking sites 5%
Preferable Promotional Strategy	Concentrated both on traditional and social networking communication		
Total sales in Taka	2013	2014	2015
	530 millions	590 millions	740 millions
Consumer response	Excellent		

**Figure 3: Sales and Using Promotional tools of Sample**



## 4.4 Social Networking Sites and Marketing Practice of Sample Brands

In the present context, companies are very much conscious of marketing communication. Besides the traditional marketing, Nestle Bangladesh Limited also maintains the modern marketing system. Ten percent of the total promotional budget is allotted to social networking marketing. The company ensures web-based marketing communication with the selected brands. Each sample has a web page and a Facebook fan page. The customer can easily get all the offerings and updates through these. Recently, Nestle Bangladesh Limited offered the most effective tool: the telecommunication in social networking sites. A toll free number: 08000-161271 was introduced to keep contact with customers. With this number, any customer can call the company at any time to pass a message (that would benefit the company) at no cost. Customers are also followed by their comments in the brands web pages. The frequency of customer increases day by day. The communication team attends to 3000 - 10000 calls daily. So the motto of the company “good food, good life” reaches the customers hearts.

**4.5 SWOT Analysis**

Brands	Internal		External	
	Strengths	Weaknesses	Opportunities	Threats
<b>MUNCH</b>	<ul style="list-style-type: none"> <li>▪ Product preference</li> <li>▪ Meet the consumer taste.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Odd pricing</li> <li>▪ Poor advertising Communication</li> </ul>	<ul style="list-style-type: none"> <li>▪ Target market expansion</li> </ul>	<ul style="list-style-type: none"> <li>▪ Huge competitors in the market.</li> </ul>
<b>Baby&amp;Me</b>	<ul style="list-style-type: none"> <li>▪ Market leader</li> </ul>	<ul style="list-style-type: none"> <li>▪ New to consumer.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Target market expansion</li> </ul>	<ul style="list-style-type: none"> <li>▪ Slow consumer response</li> </ul>
<b>Nescafe</b>	<ul style="list-style-type: none"> <li>▪ Strong brand image</li> <li>▪ Market leader</li> </ul>	<ul style="list-style-type: none"> <li>▪ Lack of variation in product features</li> </ul>	<ul style="list-style-type: none"> <li>▪ Target market expansion</li> </ul>	<ul style="list-style-type: none"> <li>▪ Parallel import</li> </ul>

**5. Concluding Remarks**

A young customer may not read the newspaper or watch commercial advertisement on television but he or she follows his or her Facebook updates. So Nestle combines this with the traditional marketing. Nestle is a global brand and its brand image is very much strong. In modern marketing systems, most the brands are adopting internet marketing or social networking in their marketing system. Actually, Nestle Bangladesh is not yet identified as a popular brand in social networking. As the company category is FMCG so it prefers to make sales through the traditional marketing. The study has clearly identified the changing company’s sales figure with the introduction of social networking sites. The company would do well to make use of this. Every year, a lot of promotional expenses are maintained by the concerned company. The company has to change its promotional technique; this would help to influence customers’ minds. Satisfied customers help to build a strong brand image. A regular communication for attracting the customers and maintaining the customer retention rate may be the best policy for constant customer satisfaction.

Limitation of the study is the sample size selected for the study which is not fully sufficient. Only three brands from the selected Multinational Company were chosen. Two of them (MUNCH and Baby&Me) are in their introduction stages. This is a consumer food manufacturing company that’s may be a cease for being less attentive in social networking sites. Time limitation is one of the constraints of this study. Access of information was not as easy as only few previous studies were found in this regards. Data collection was affected by time and access to the multinational company.

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The study is parting at the point that the multinational company, Nestle started to use the social networking sites and needs to concentrate more on this. Nestle Bangladesh should keep their traditional communication and adopt the tremendous new social networking sites for reaching consumers' mind and satisfying them which may ultimately improve its sales and brand image.

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