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APPLICATION OF SOCIAL MEDIA IN THE SERVICE SECTOR IN KAZAKHSTAN

Abstract. *Today in the modern life of technological movement, people could not survive without social media networks. As it was observed by many researches such as Berthon (2011) in many ways social media have not only changed the way in which organizations and their brands interact with their customers, it has also changed the way business gets done. Different organizations are now not only able to reach customers online and interact with them, they are also able, if this is managed effectively, to become part of customer conversations. Brands are attempting to utilize social media to reach existing customers, gain new ones, and build or maintain credibility and reputation.*

Keywords: *social networks, brand awareness, services, customers, Internet.*

1. Introduction

During the past decade the rapid evolution of the internet has offered consumers many new opportunities. Besides the obvious use of searching for information communicating without boundaries. It is nowadays possible to express feeling and thoughts through social media. Consumers have embraced the internet and its social and community elements to a degree unimaginable just ten years ago. Like other areas within marketing, the market research industry has been greatly affected by developments in social media and social communication.

According to Hutter, Hautz, Dennhardt & Füller (2013) the buzz about social media as a new marketing opportunities seems unlimited: millions of fans

declare their love to Coca-Cola on Facebook, the roller babies of the Danone's water brand Evian have become the most frequently viewed video on YouTube, and thousands of Starbucks consumers work together on the platform Mystarbucksidea.com to create new ideas for the popular coffee house brand – for free. And it's just a few examples of the good and modern marketing communication strategies of the top organizations.

New marketing communication reality presents new challenges and opportunities for companies as purchase decisions are increasingly influenced by social media interactions. People rely more than ever on their social networks when making those decisions. Nevertheless, outcomes of social media activities are still disputed in practice. The effects of social media campaigns on consumers' perception of products, different services and brands as well as the effects on purchase decisions have yet to be better understood.

This work is intended to explore the new challenges and opportunities for organizations influenced by social media networks in service sector. It was an interest to consider this phenomenon on the example of service industry in Kazakhstan. Today, Kazakhstan is a growing country where the internet and social media became a part of daily life. Therefore, it was a strong point to choose this topic and apply it on the real example of company in Kazakhstani market. During the research are discussed a case of RUMI restaurant in Kazakhstan as an example of market when company uses a social media to increase their brand awareness and media interactions.

2. Literature Review

There is not a lot of article directly regarding the effects of social media on brand awareness, as it is the modern technique in the marketing. In this part of the research articles closely related to topic was considered. So, the literature review part of my thesis is divided into 4 sections.

The first section gives basic understanding and influence of social media. The second section describes why it's important to use a social media. The third part of the literature describes the "Hierarchy of effects" (HOE) model. This part mainly includes understanding of the brand awareness, word-of-mouth effect and final purchase decision. The last part describes advantages and disadvantages of using Social Media.

2.1 Social Media Marketing

The term "social media" refers to the wide range of Internet based and mobile services that allow users to participate in online exchanges, contribute user created content, or join online communities. The kinds of Internet services commonly associated with social media (sometimes referred to as "Web 2.0"). According to Dimitriadis (2014) the term Web 2.0 has been used since 2005, when it was first proposed by O'Reilly (2005). Constantinides and Fountain (2008, p. 232) define Web 2.0 as "a collection of open-source, interactive and user-controlled online applications expanding the experiences, knowledge and market power of the users as participants in business and social processes. Author claim

that Web 2.0 gives businesses new opportunities for getting and staying in touch with the markets, learning about the needs and opinions of their customers as well as interacting with them in a direct and personalized way. Marketers have recognized these opportunities and are increasingly engaging this concept as part of their marketing strategy.

Today the most common understand of Social Media include the following:

Blogs: Short for “web log,” a blog is an online journal in which pages are usually displayed in reverse chronological order. Blogs can be hosted for free on websites such as WordPress, Tumblr and Blogger.

*Wikis :*wiki is “a collective website where any participant is allowed to modify any page or create a new page using her Web browser.” One well-known example is Wikipedia, a free online encyclopedia that makes use of wiki technology.

Social network sites: Social networks sites have been defined by different authors Quionones, 2012; Burton and Soboleva, 2011 as “web-based services that allow individuals to construct a public or semi-public profile within a bounded system, articulate a list of other users with whom they share a connection, and view and traverse their list of connections and those made by others within the system.” Among the most popular one is Facebook and LinkedIn. According to Quinones (2012) another aspect of social networks is the ability to create a brand/fan page. These sites enable the researcher to do exploratory research with their brand, product, or service. For example, authors Burton and Soboleva (2011) and Crawford (2009) gave an example of well popular social networks such as Twitter that can be used in research as an on-line listening tool and for crowd sourcing Facebook also offers opportunity to target surveys to subjects that meet the correct criteria. Ironically, the social networks can be used to populate the traditional research vehicles like focus groups, depth interviewing, and survey completion. In addition to consumer research, social networks such as LinkedIn provide opportunities for business-to-business research as well as serving as a great way to fill business-to-business.

Status-update service.: Also known as microblogging services, status - update services such as Twitter allow people to share short updates about people or events and to see updates created by others. In the past years, the use of social media (SM) has dramatically increased with millions of users creating massive amounts of data every day. According to Kaplan and Haenlein (2010) the online social networking application Facebook reached one billion monthly active users, while the microblogging service Twitter reported more than 140 million active users.

Media - sharing sites: These sites allow users to post videos or photographs. Popular examples include YouTube, Instagram. These categories overlap to some degree. Twitter, for example, is a social network site as well as a status- update service. Likewise, users of the social network site Facebook can share photographs.

2.2 Why social media is important?

According to Woodall and Colby (2011) it was described and analyzed the appeal of social media over traditional media in the research and characterized four important elements. Author explained that the following characteristics are important:

Satisfying an impulse: Consumers can connect when they feel like connecting or not connect when they wish to remain unconnected. Connections are quick and take little effort.

The excitement of sharing: Companies and customers are using social media to share their experiences with others. Many have individual interests that may not be shared in their neighborhoods. The internet expands the reach of communication to include others. (Woodall and Colby, 2011).

Seeking advice: Users exploit social media to get information from others. Trust is inherent in the process. According to Kaplan and Haenlein (2010) social media users are often perceived as unbiased and can be viewed as experts. Authors described that their advice is seen as more trustworthy than comments from salespeople who are perceived to have a commercial intent. This aspect has far reaching consequences for marketers and can be a bonanza of information for researchers.

Sharing with others with similar interests: Online consumer communities have been described as individuals who come together to discuss topics of interest. The subject matter can be related to business, family, avocations, politics, technology or other areas. Typically, there is a concentration of expertise that benefits community members and the interactivity of the internet can help the community's knowledge grow (Pitta & Fowler, 2005). Authors claims that the information value of online communities can be enormous and affect to others.

Also social media, including online communities, present a potentially valuable alternative to standard research methods that suffer from declining response rates. Attempts to hear the voice of the customer in their social media use benefit from an open and honest foundation. Consumers are willing to ask questions of importance to them and expect comments from people who share the same interests or problems. The information flow is open to community members and represents a conversation members can follow.

2.3 Hierarchy of effect Model

HOE models basically relates to the term of communication and advertising. Instead of describing the series of steps a consumer runs through when making a purchase decision, those models focus on the mental stages of the relationships of consumers with a specific product or brand.

As it was described by authors Barry and Howard in 1990, hierarchy of effects refers to the fixed order in which consumers perceive, process, and use advertising and other marketing communication information: first cognitively (thinking), second affectively (feeling), and third conatively (do).

Authors Kotler and Bliemel (2001) described that this means that the consumer first attains awareness and knowledge about a product, subsequently develops positive or negative feelings towards the product and finally acts by

buying and using or by rejecting and avoiding the product. This kind of persuasive model argues for a hierarchical order in which things happen, with the implication that the earlier effects have a stronger impact on consumer's decision making.

The first steps of the model are includes the following:

2.3.1 Brand awareness (BA).

Keller (2008) contend that two of the main purposes in branding are the “labeling” of a product through marketing means and making consumers aware of the label. The created brand awareness “is related to the strength of the resulting brand node or trace in memory, as reflected by consumers' ability to identify the brand under different conditions”. Moreover, brand awareness refers to the strength of a brand's presence in consumers' minds. According to the research of Keller (2008), the importance of brand awareness in consumer decision-making has three major reasons. First, it is important that consumers think about a brand when making a purchase decision within the product category of the brand. It was observed that raising brand awareness increases the likelihood that a brand will be a part of the consideration set, representing the basket of brands, which are considered when making a purchase decision. Considering the HOE, brand awareness represents the first phase and the prerequisite that consumers reach the subsequent stages. Second, brand awareness can influence decisions about brands in the consideration set, even if there are basically no other associations with the brand. It has been shown by authors that consumers tend to adopt a decision rule to purchase familiar and well-known brands. The same rules are applicable in any industries. Potential clients are willing to use different services or buy it by impact of brand awareness. Especially in low involvement situations it has been demonstrated that basic brand awareness alone may be sufficient to influence the choice of a brand, even if well-formed attitudes are missing (Hoyer & Brown, 1990). Third, brand awareness influences the formation and strength of brand associations making up brand image. A necessary condition for consumers to create associations with the brand is the presence of the brand in consumers' minds. The strength of the presence or mental node decides how easily different kinds of information can become attached to the brand (Keller, 2008).

Brand awareness is created by anything that causes the consumer to experience the brand – advertising, promotion, publicity, public relations, etc.

Author in the research endorse that social media represents one way to expose consumers to the brand and thereby create brand awareness. Moreover, it follows that the more actively consumers engage with the social media activities of a brand, i.e. the higher the brand page commitment is, the higher the awareness of the brand is. (Keller, 2008) A negative relationship can be expected between annoyance and brand awareness

2.3.2 Word of mouth (WOM).

According to Kozinets et al., (2010), word of mouth is a naturally occurring phenomenon in consumer behavior. It refers to all kinds of interpersonal communication (positive and negative) about a company, brand or product

between a receiver and a communicator, who is perceived as non commercial (Goyette et al., 2010). Authors Mooradian et al., (2012) states that, word of mouth effect serves as one source of information for consumers in the purchase-decision making process as it provides information on product performance and the social and psychological consequences of a potential purchase decision. At the same time author Solomon (2011) agreed that word of mouth is a source of information which effects on the purchase decision. It was confirmed by author that since consumers are familiar with the source of WOM, the received information is considered to be more reliable, credible, and trustworthy. As a consequence, WOM as a source of information is more effective in influencing consumers' decision-making than other marketing communication channels (Kozinets et al., 2010). WOM includes positive as well negative information on a product or brand. In respect to the HOE model, WOM has a strong influence on the cognitive and affective stages, especially knowledge and liking, and is a potential consequence of the loyalty phase. When consumers are loyal to a product or brand they tend to talk about it and thereby spread (positive) WOM. Solomon (2011) also agreed that WOM information could be considered as a source on the reliable information about particular brand that could have a different effect on customer choice. For example, consumers can even become ambassadors of a brand as they actively show and convince others of their object of loyalty.

According to (Henning-Thurau et al., 2004) the accessibility, reach, and transparency of the internet has extended consumers' options to gather information and engage in WOM. Social media applications such as Instagram account, Facebook page, blogs and etc. present an option to spread WOM and expose consumers to WOM. Whereas the speed of classic oral word-of-mouth communication used to be rather slow, social media and its immediate reach of literally millions of consumers has increased the diffusion of WOM substantially. The desire to communicate to others, which includes negative and positive WOM, is one of the main reasons to use social media.

The degree of involvement with social media applications like Facebook fan pages, i.e. the level of brand page commitment, as well as brand awareness could therefore be an indicator of positive WOM activities. Since brand awareness is the first step in the HOE, it is also the first important prerequisite of WOM. It follows that the stronger a presence of a brand in consumers' minds is the likelier is it for consumers to think and talk about a brand. Annoyance can be expected to have the opposite effect on positive WOM. Hence, word of mouth plays an important role in the HOE attitude model as an input and output component. Füller (2013) also find out in the research that the strength of WOM lies in the fact that its sources are deemed credible. Such information is thus the most influential on consumer decision-making. Its impact is equally salient on the HOE model.

2.3.3 Purchase intention.

At the end of the affective stage of the HOE model, consumers build an intention to purchase the brand. According to Wells et al., (2011), purchase intention refers to the mental stage in the decision making process where the

consumer has developed an actual willingness to act toward an object or brand. Marketing communication's primary goal is to get consumers to form an intention to purchase the marketed product. Hence, the effectiveness of social media activities of firms will be measured against this goal. SM should therefore positively influence consumers purchase intention (Keller 2008).

3. Advantages and disadvantages of using Social Media

Nowadays, Social Media Marketing is widely used by businesses because it represents a cost-effective marketing solution. The Social Media Marketing weapons can be used largely for free and very easily, in comparison with other promotional tools (Levinson, J.C. & Gibson, S., 2010). The main purposes of using Social Media are the amplification of word-of-mouth marketing, market research, general marketing, idea generation and new product development, co innovation, customer service, public relations, employee communications and reputation management. Indeed, social networks can increase product and brand awareness, web traffic, customer loyalty, but also improve the company's Search Engine Optimization, and even increase the success of new product launches.

Whether it is concerning large multinationals or small and medium-sized enterprises, Social Media Marketing presents many significant benefits for the companies' success. Social Media platforms foster communication around brands and products, enhancing positive as well as negative word

-of-mouth around a business and its products and services. Any message or piece of information shared on the Social Media channels can be seen by thousands of people in an extremely short period of time.

The main benefit acquired by businesses implementing Social Media strategies represents the increase in brand exposure. Weber (2009) mentioned in the research that one of the most important advantages that it is the possibility to create dialogue with the customer and through this to create the strongest brand awareness. Also, social media facilitates open communication, leading to enhanced information discovery and delivery, allows employees to discuss ideas, post news, ask questions and share links, and provides an opportunity to widen business contacts.

In different areas of business, it also helps to improve business reputation and client base with minimal use of advertising. At the same time, expands market research, implements marketing campaigns, delivers communications and directs interested people to specific web sites.

Social media is a global network. As there are a lot of advantages there is also disadvantages of using social media as a marketing tool. For example, according to the Stelzner (2012) consumers can leave negative opinions. Negative word-of-mouth can expand really quickly with the Social Media channels. However, it could also serve as an advantage if the business has a real Social Media Marketing strategy, then it will see it as an ability to monitor public perception of its brand, products and services in real time. If a negative opinion goes viral through Social Media's worldwide interconnected platforms, marketers have the opportunity and responsibility to provide a quick and effective response.

The aim is to listen, discover and resolve problems rapidly before they spin out of control. By offering such a quick, efficient and personalized customer service, consumers will appreciate it and feel different. Strengthening the customer service online is also a way of presenting

the brand, products and services in a more human, interactive way. It offers a human face in the form of a social spokesperson, with person to person conversations which build trust in the company's authenticity and professionalism.

Also, one of the disadvantages is time consuming challenge. A company need to designate an individual to constantly feed your pages and profile with relevant content to the social media pages. This individual also has to monitor comments and respond to questions. For small companies this can be a serious problem as they need all hands on deck to keep the company afloat. The commitment of time is why many small companies choose not to engage in social media to boost their marketing efforts. They realize their limitations and simply do without. Also, as it was described by Stelzner

(2012) the disadvantages of using social may potentially results in lost productivity, especially if employees are busy updating profiles, etc.

Based on the literature the following research questions were specified for current thethis:

- 1) How do service companies communicate with their customers?
- 2) How do the social media impact the brand awareness in the service industry?
- 3) What are main advantages and disadvantages of using Social Media Marketing by service companies in Kazakhstan?
- 4) What are the main challenges of using the social and social media tools in Kazakhstan?

4. Conclusions and Recommendations

The purpose of this study was to research the influence of social media on brand awareness of the company in service industry. Initial research on the effect of social media on brand awareness led to the formulation of the research problem as previously described, to increase the understanding of the role of social media for the creation of brand awareness. Another remark is that Weber (2010) points to the necessity of creating interest, creating a buzz about the brand in social media, to feed the discussions with information that makes the readers interested in the brand. In the case study, this approach is indeed used. Restaurant business today is usually use social media in order to increase its brand awareness. But perhaps is it premature to expect at this stage, to expect companies to have a clear strategy for how to reach the different stages of brand awareness, from the weakest (recognition) to the strongest (word-of-mouth). In addition, as it was described by different authors in the literature review it seems like the company does not abandon completely the traditional way of marketing for marketing in social media. The Word of Mouth is also one of the strongest ways to deliver information to the customer as social networks.

At the same time, what was considered more important by the company in the case study was to integrate social media in the total communications and PR-s strategy, a task which is actually being performed to increase the brand awareness of the company and build strong customer relationship.

The perspective in this study has been a qualitative one. It would be very interesting to make a more quantitative study looking at different perspectives of social media, to attract more clients, for instance real clients and create a survey dedicated for all regular users of social media. To rise the questions, how often customers use social media? What is the level of influence to understand of particular brand? Is that good to know the latest information through social media or not? Do the Social Media helps to interact with staff and management team of particular place? Those questions mostly dedicated for the clients and it is interesting to consider this topic from different perspective.

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ҚАЗАҚСТАНДАҒЫ ҚЫЗМЕТ КӨРСЕТУ САЛАСЫНДА ӘЛЕУМЕТТІК МЕДИАНЫ ҚОЛДАНУ

Аңдатпа. Қазіргі технологиялық тұрғыда дамыған заманауи өмірде адамдар өздерін әлеуметтік желілерсіз елестете алмайды. Berthon (2011) сияқты компаниялардың көптеген зерттеулері көрсеткендей, әлеуметтік желілер көптеген жағдайларда компаниялардың тұтынушылармен қарым-қатынас жасау тәсілін ғана емес, сонымен қатар олардың бизнес жүргізу тәсілін де өзгерткенін растады. Ұйымдар енді тұтынушыларымен онлайн байланысып, қарым-қатынас жасап қана қоймай, сонымен қатар бұл құралды тиімді пайдаланған жағдайда тұтынушылармен келіссөздерге де қатыса алады. Брендтер әлеуметтік желілерді қолданып, бар тұтынушыларға қол жеткізу, жаңаларын тарту және жақсы беделді қалыптастыру немесе сақтауды көздейді.

Түйінді сөздер: әлеуметтік желілер, бренд туралы хабардарлық, қызмет көрсету саласы, тұтынушылар, интернет.

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ПРИМЕНЕНИЕ СОЦИАЛЬНЫХ МЕДИА В СФЕРЕ УСЛУГ В КАЗАХСТАНЕ

Аннотация. Сегодня в нашей современной жизни с ее технологическим движением, люди не могут представить себя без социальных сетей. Многими исследованиями таких компаний, как Berthon (2011 г.), было подтверждено, что во многих случаях социальные сети не только изменили способ, которым многие компании общались со своими клиентами, но так же изменили их способ ведения бизнеса. Разные организации теперь не только могут связаться со своими клиентами в онлайн режиме и общаться с ними, но так же могут стать частью переговоров с заказчиками, при условии эффективного использования этого инструмента. Бренды намереваются использовать социальные сети для доступа к существующим клиентам, приобретения новых клиентов и построения или поддержки хорошей репутации

Ключевые слова: социальные сети, узнаваемость бренда, сфера услуг, клиенты, интернет.