

Capability of Social Network Tools for Home Businesses

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Abstract

The purpose of this paper is to understand how social networks can be useful for the development of social networks. The capability of social network tools for setting up home businesses is highlighted. This objective is achieved through a literature review and analysis of qualitative data from seventeen respondents with experience in using social network tools in home businesses. After analysing the data, the findings show that the home business owners utilized social network tools (SNTs) such as Facebook, LinkedIn and Twitter for both product and service-oriented purposes. Among them, Facebook was the most popular and useful for their home business. The reason is that Facebook has more clients than other social networks and its facilities are more attractive for users. Most of the respondents agreed that SNTs provide great opportunities for advertising products and marketing at a low cost and provide the tools to build a global business via unlimited access to users. Marketing, advertising, after-sales support and communication were the four top functions which had the most dominant use among various business activities for home businesses through SNTs. The paper provides evidence that, first, the activities that can best utilize SNTs are marketing, advertising and after-sales support, followed by selling service subscriptions and building relationships with sponsors. Second, SNTs can be used to introduce new products and vacancies can be announced so that home business owners can receive daily updates and keep the users and potential customers updated too. Finally, the paper illustrates the strength and capability of social network tools for enhancing home businesses.

Keywords: social network tools, home business, business activities

1. Introduction

The Internet has revolutionized human life by bringing people all around the world close to each other with its remarkable features such as chat rooms, social networks, email and blogs (Hsieh & Yang, 2011). Millions of Internet users utilize these facilities to share their ideas, opinions and emotions. People around the world express more and more willingness to share not only their social perspectives but also their business ideas and facilities (Liu, Agarwal, Sindhgatta, & Lee, 2013). Lea, Yu, Maguluru, and Nichols (2006) indicate that recent developments have introduced the concept of social networking that replicates relationships and real models of society in a virtual environment.

According to Siemer (2008), a social network is a social structure between users including individuals and organizations which depicts the ways in which they are connected through a range of social levels from casual familiarity to close familiar bonds. Email traffic, disease transmission and criminal activity can all be called social networks.

1.1 Concept of Social Network

The concepts of the social network are similar to daily life but are introduced via the Internet (Ellison, 2007).

According to Palmer and Koenig-Lewis (2009), one of the most sophisticated and popular communication innovations of all times is the social network. Commercial online services reached their prime in the 1990s, first as “destinations for themselves” (McConnell, 2008) and later as a channel to access the Internet. These services provided access to numerous services that are now available on the web, for instance, travel reservations, shopping, social networking hubs and news (McConnell, 2008).

Some of the existing tools that incorporate social network concepts are Facebook, Twitter and MySpace. Facebook connects people with friends and others who work, study and live around them and enables individuals to become closer or keep in touch with friends through the uploading of an unlimited number of photos, sharing comments, links and videos (Anderson et al., 2012; Gangadharbatla, 2008; Greenhow and Robelia, 2009; Papacharissi, 2009). A home-based business, just like any business, needs a significant investment of time and effort to make it profitable. Therefore, this study aims to investigate the capability of social network tools as well as the way social network tools (SNTs) could be incorporated by individuals who want to carry out their own home business. With the growth of business activities on the Internet in recent decades and also with the introduction of social networking concepts and tools, it is believed that using these social network concepts alongside e-business