

# The Use of Social Media in Network Marketing and Its Effects on Job Satisfaction

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## Abstract

Scattered and abundant mass communication channels and excessive advertising messages make it difficult to reach the right audience. It also causes the messages not to be recognized properly by the targeted customers. Therefore, besides the promotional efforts of traditional media channels are becoming questionable, the social media platforms have started to gain increasing importance in effective communication strategies in public relations, advertising etc. On the other hand, with online opportunities offered by the social media, individuals have become actors who affect interactive marketing processes. This situation changes the paradigms of vendor-buyer relations. Having realized this potential, network marketers became the front runners in applying social media channels to their business processes.

According to sales-oriented network marketing system, raising the independent distributors' job satisfaction level that affects the performance is important in terms of winning new customers and independent entrepreneurs. Besides classical approaches like job satisfaction, sales commission system, motivation training, holidays, product launches, social media is frequently used by customers and distributors within the same network due to its potential in providing instant interaction. It is deduced that instant interaction provided by social media generates positive impacts on independent distributors' job satisfaction. In the part of survey, it has been emerged that independent distributors have believed in the importance of social media and social media has reinforced the impact of face to face communication. But they haven't realized the effect and motivating role of social media in sale and gaining new members. This result has been supported by regression analysis that social media usage level has a weak effect in explaining job satisfaction. According to correlation analysis, there is a positive linear relationship among general job satisfaction, intrinsic job satisfaction and extrinsic job satisfaction with social media usage level.

**Keywords:** Social Media, Network marketing, Job Satisfaction, Social Media Usage Level

## Introduction

Marketing communication is an integral part of marketing management that contains advertising, sales promotion, personal selling and product publicity (Kitchen, 1999). And it is process that continues from getting comprehending and admitting the message by consumer to showing the targetted behavior (Shimp, 2003: 30-41). According to traditional marketing approach, companies have used some methods such as mass advertisement, sales promotion and personal selling to introduce the goods to the target consumers and create a demand (Rich, 2000: 170-191). Companies have begun to focus on clients and to meet customer

demands which separated to small segments with the competition conditions that change through the time (Belch ve Belch 2007: 144). However, in terms of marketing communication, the disunity of the traditional mass communication channels and excess of advertising messages makes difficult to reach right target audience and to comprehend the messages of good and brand. Whereas the phenomenon of social media that emerged as latitude to the development process of the internet and opportunities and threats that created by this phenomenon have directed the enterprises to improve strategies about marketing communications (Odabaşı, 2005). According to the new researchs in the Turkey, before the purchasing, 52 percent of customers examine the comments about products on social media, 47 percent of them read the writings about product on online magazine and newspapers, 32 percent of them read comments on forums and blogs, 11 percent of them consider features on online website which the product is sold and 9 percent of them examine price of the product (Durmuş, 2011: 286).

### **Literature review**

Customers have become active participant of the media process with social media (Hanna, Rohm and Crittenden, 2011). The tools and strategies for communicating with customers have changed significantly with the emergence of the phenomenon known as social media, also referred to as consumer-generated media. This form of media “describes a variety of new sources of online information that are created, initiated, circulated and used by consumers intent on educating each other about products, brands, services, personalities, and issues” (Blankshaw and Nazzaro, 2004: 2).

According to Kaplan and Haenlein (2009: 565), who propose that social media describes “Internet-based applications that help consumers share opinions, insights, experiences, and perspectives. Generally social media compasses social networking sites (Facebook, MySpace, Faceparty), creativity Works sharing sites (Youtube, Flickr), user-sponsored blogs (Blogspot), business networking sites (LinkedIn), collaborative websites (Wikipedia), Virtual worlds (Second Life), commerce communities (eBay, Amazon), to name a few (Kaplan and Haenlein, 2009). In the new marketing circumstance, it has become more important one to one marketing strategies rather than mass marketing in the brand management. Meanwhile, social media marketing has emerged as tactical marketing instrument (Ries, 2011: 44-45).

Social media have become an integral of marketing strategies of companies by means of the customers began to be active participants of marketing process on social platforms (Özyaprak, 2010: 39). Especially, such social media platforms as Facebook, Twitter, Youtube, LinkedIn and blogs with the user portfolios exceeded millions are used as advertisement and public relations by brands, and so that the reactions of clients are pursued closely (Wright and Hinson, 2010). For instance, while Coca Cola spent for only 3 % on social media in the expenditure of marketing communication five years ago, this rate increased to over 20 % in 2011 (Kent, 2011: 194).

Consumers examine the Comments and ratings carefully while they determine alternatives of the brands in product group that they tend to buy on social media platforms and follow the comments of people or groups who are reference for them. The reason is that, not only social media is helpful to make a decision in an optimal way but also is the most powerful stimulative to provide purchasing when others are favour of the product on social media. Therefore, if the comments about product or brand is not enough or not to take place on social media, it does not have chance to be an alternative for customers (Edelman, 2011: 135). Thus, companies are supposed to plan and manage the activities that is proper to

changing market conditions and customer behaviors while they improve new marketing strategies (Levine, e.a., 2001).

Companies using “network marketing” model have been first to realize the potential of social media platforms and to implement on their business process. Network marketing model have been recognized in 1990s and got major attention in Turkey. Nowadays, it is estimated that 847 thousands of people work actively in part time or full time or be member of this ([www.cokkatlipazarlama.org](http://www.cokkatlipazarlama.org)). Network marketing distributor is not only the final consumer use the products, but is also a dispenser who is responsible for distribution of the products, and is also a dependent staff whose working conditions and incomes are defined independently through themselves. Direct sales means that products and services are sold by providing personal interaction with consumers and advertising to them at their home or office (Berkowitz e.a., 2007: 480).

Social media is proper for network marketing strategy, because it depends on a network system that consist of independent people who are acquaintance. In this system, independent sales representatives have chance to be reference and share their opinion about the products as being favour of them on social media platforms. While people usually prefer to perform such activity as meetings, trainings etc. as face to face in those networks targeted for sale, social media platforms have become the most important channels that had network members closed each other.

The major opportunity about social media for brands using network marketing model is a way that provides to attract customer’s attention through telling the brand stories to gain them and to make them purchase. This stories can provide to make customers like and to make them eager to come, and some negative perception about network marketing can be also converted to positive (Lizioli, 2011).

Social media primarily come forwards with two types in network marketing model: the first one is the contributions of social media providing to straighten the image problem of social media; other is indirect contributions that cause on sales by such activities as product presentation, motivation, training, communication etc. The ability to show high performance and to work efficiently depends on workers who are satisfied enough their job. So, companies using network marketing model apply such dynamic programs providing job satisfaction as reward mechanisms, promotions, special offers, and public relations activities. It is hard to say that there is enough academic answers about how social media platforms entegrate to the existing marketing implementations. Samples that social media are used as tactics on marketing strategies rather new. For this reason, the question about companies using network marketing of how level of consciousness they use social media is the major issue. On the other hand, the notion of “job satisfaction” that has a large literature, especially in network marketing model has more positive affect on the performance of independent distributor than in the enterprises using classic organization model. Before the test of this theory in the implementation part of research, the term “job satisfaction” will be explained briefly.

While job satisfaction is considered as general attitude of the workers, it actually means being a result of however worker’s sense of meeting the things that are important for the job (Luthans, 1995). In an another description intended for sense of workers is said that “job satisfaction that is one of the most important need for being succesful, happy and productive of people is a sense of satisfaction comprised by being perceived of the things that provided to the person by the job (Aksayan, Velioğlu 1992; Berns, 1984; Musal, Elçi, Ergin, 1995).

Job satisfaction (Smith e.a., 1985), as well as the physically or mentally health of people, is one of the most attractive issue for social scientists because of the effects on behaviors about the job such as efficiency, activity and productivity. Organizations are more focused on ensuring employee satisfaction when they saw negative impact in business,

inefficiency, failure, absenteeism and dropout rates of employee that he is not satisfied with his job (King e.a., 1982; Van and Katz, 1976). Employees who experienced stress as a result of tension experienced by the business environment, strikes, inadequacies and so on. Become both physically and mentally ill and leads to loss of business for the organization.

In general job satisfaction is examined in two dimensions as internal job satisfaction (intrinsic) and external (extrinsic) job satisfaction (Weiss e.a., 1967; Lee and Wilbur, 1985). While satisfaction due to external resources (wages, promotions, recognition, supervisor, etc.) is defined external job satisfaction, due to internal resources (reputation, skill, judgment, conscience, busyness, etc.) is defined internal satisfaction (Weiss e.a., 1967).

Job satisfaction emerges when it is harmonized between the job specifications and expectation of workers. The only thing is not the job determining if it is satisfactory or not, and is also about the expectations that person hope to provide from his job (Hong et e.a, 2005: 212). According to Locke, job satisfaction is a function of person's expectation from the job and his acquisition when the work finishes and is also reflection of the satisfactory situation that arisen from his job (Aşan and Özyer, 2008: 134). Thus, if the harmony between person's expectations and his acquisitions could be provided, the condition to satisfy more and willing to work more in organisation could emerge for individual. Job satisfaction is one of the most important indicator that there is a healthy and efficient environment in the organisation (Gökçe, 2005).

## **Method**

With the spread of internet, businesses work for having high competitiveness with e-business models besides the traditional business models. In recent years, with a similar process, social media platforms became rapidly widespread in marketing, human resources, communication-oriented areas such as public relations. According to this perspective, the purpose of the research is to determine the affect of social media platforms on job satisfaction of independent distributors and to evaluate the findings obtained by survey and interview techniques in a global business's Turkey network that implementing network marketing strategy.

### **Population and Sample design**

The population of study consists of independent distributors who work for a global business's Turkey network that implementing network marketing strategy. Sample set is composed of 500 sub-distributors with reference to the two top-level distributors. The survey return rate was 30 percent and 145 people answered the survey questions. Incomplete survey forms were eliminated and 122 questionnaires were analyzed.

### **Procedure**

In the network marketing strategy, there are'tavailable academic models that describes how to use social media and what kind of applications yet. Also, the analysis of the relationship between "job satisfaction" and the use of social media for business purposes is a new phenomenon. Therefore, this research can be considered as an exploratory research by using the quantitative methods. The survey method was used in the research. The questionnaire consists of two parts: First section consists demographic information such as gender, education level, age, working time and rosette-level variables and in the second section there are statements that measures social media usage level (SMUL) and job satisfaction. In the survey for SMUL, the scale prepared by Consulting Bersay is taken from the reference scale. For internal and external job satisfaction, "Minnesota Job Satisfaction

Scale's" shortened form was used. This scale original form consisting of 100 variables and developed by Weiss, Davis, England and Lofquist (Yelboğa, 2007). SMUL is an independent variable that aims to measure independent distributors using rate of social media platforms (facebook, youtube, twitter, linkedin, weblog, Wikipedia and Ekşi Sözlük) to what extent for business and socialization purposes.

The scale consists of 10 sub-variables and is rated according to 5 Likert Scale. For example, when it is asked to independent distributors "I add articles containing story, good words and opinion to social networks (facebook, etc.) wall", it is expected to mark one of the these options; (1) every day, (2) less than everyday more than once a month, (3) once a month and more rarely, (4) none and (5) have no idea for this variable. The Minnesota Job Satisfaction Scale is 5-Likert-type scale that is rated 1 to 5. Scoring of the scale is considered (1) not at all satisfied, (2) dissatisfied, (3) neutral, (4) satisfied, (5) very satisfied. Prepared surveys was delivered to participants in online and was evaluated by statistical analysis program. Cronbach's alpha coefficients were calculated to determine the internal consistency of the scales. To explain the effect and the relationship between the variables, regression and correlation analyzes was used and interpreted.

### **Reliability Analysis**

Firstly, the reliability coefficients of scales were calculated. SMUL Scale Cornbach's was calculated as  $\alpha=0.872$  and Minnesota Scale Cornbach's was calculated as  $\alpha= 0,957$ . Both values can be considered as a statistically reliable values (Nakip, 2006: 146).

### **Demographic Results**

Examined the demographic characteristics of independent distributors surveyed, 27 people were male (22.1 %), while 95 people were female (77.9 %) was found. It was seen that independent entrepreneurship was preferred by women than men because men want to work full-time job and business products, which are the subject this research are more preferred by female customers. Correspondingly, when the independent distributors are grouped according to operating conditions, 64.8 % of women were just working as a independent distributor. So 35.2 percent of female free distributors perform both free distributor and full-time job.

Companies that implement network marketing strategy using rosette levels that show the status and commission rates. Researched about business, there are "silver and bottom", "silver", "gold", "platinum", "emerald" and "diamond" rosette levels from bottom to top rosette levers. It is observed that surveyed individuals mainly have silver and bottom (46 %) and silver (22.1 %) rosette status. According to traditional direct marketing approach, for independent distributors it is expected to use face-to-face communication more frequent in product introduction but independent distributors' internet usage rates per day up to 2 hours (68 %) and 3-5 hours (26.2 %) was found. Despite education levels (27 % of primary and secondary school 41.8 %) was lower, internet usage rate was higher than expected rate. The reason of high rate of internet usage may only be explain with the application of business' electronic sale system on the internet through the independent distributors' reference.

### **Measures**

Employees' overall job satisfaction, intrinsic job satisfaction, extrinsic job satisfaction and SMUL's frequency distribution and standard deviation were calculated and results were obtained.

Table 1: Scores of SMUL - Job Satisfaction and Standard Deviation

	SMUL	Overall job satisfaction	Internal job satisfaction	External Job Satisfaction
<b>Average</b>	2.72	4.45	4.52	4.35
<b>Stand. Deviation</b>	0.90	0.56	0.56	0.61

When it was examined to Table 1, the average SMUL was 2.72 and the standard deviation of it was calculated as 0.90. While participants of independent distributor prefer face-to-face communication in sale and product promotion, it is more interesting that SMUL is 2.72. Even if SMUL didn't come out as high as the overall job satisfaction (4,45), it can be concluded that social media adopted by independent distributors. Also in another question, 27 percent of participants said 'social media is as effective as face-to-face communication' and 23 percent of participants said 'social media is more effective than face-to-face communication'. This rate supports the level of social media usage. On the other hand, the high level of the standard deviation (0.90) shows that SMUL is not homogeneous and there are significant differences between individuals.

In table 2, regression analysis was performed to determine if independent distributors's SMULs are effective on job satisfaction level.

Table 2: Regression Analysis

SMUL	R	R <sup>2</sup>	Recovered R <sup>2</sup>	Est. Standard Mistake
	0.360	0.129	0.122	0.529

\*\* p<0.001 Independent Variable (X): SMUL - Dependent Variable (Y):Overall Job satisfaction.

SMUL	Unstandardized $\beta$	Standart Hata	Standardized $\beta$	T	Sig.
	0.224	0.053	0.360	4.221	0.000

In the study, SMUL was defined as independent variable (X), overall job satisfaction was defined as dependent variable (Y). After all it is accounted that 12.2 percent in the change level of job satisfaction is explained by social media usage level. In same analyze, Standardized Beta ( $\beta$ ) is 0,360.  $\beta$  coefficient is positive and this shows the positive effect. It was separately measured that analysis SMUL how much to explain the change in internal and external job satisfaction through regression. In the result of analysis SMUL is explain 12.5 percent of internal job satisfaction ( $R^2= 0.125$ ), 11.1 percent of external job satisfaction ( $R^2=0.111$ ). Describing of the SMUL's impact on intrinsic job satisfaction  $\beta$  is 0353 and showing of the impact on external job satisfaction  $\beta$  is 0344.

Table 3: Correlation Analysis

Correlation (r)	SMUL	overall job satis.	internal job satis.	external job satis.
<b>SMUL</b>	1			
<b>overall job satis.</b>	0.360**	1		
<b>internal job satis.</b>	0.353**	0.976**	1	
<b>external job satis.</b>	0.344**	0.956**	0.872**	1

\*\*p<0.01

In order to measure the relationship direction and degree between SMUL, it was calculated overall job satisfaction, intrinsic job satisfaction and extrinsic job satisfaction correlation analysis. There is a positive linear relationship among general job satisfaction,

intrinsic job satisfaction, extrinsic job satisfaction with social media usage level in  $p < 0.01$  significance level.

### **Conclusions And Suggestions**

In the light of the current findings, it has been observed independent distributors that surveyed care about social media as face to face communication but they have not enough motivation to use social media platforms for their business purposes. One of the most basic reasons for this, social media using in business processes is a new development and implementing network marketing strategy businesses haven't planned how to use social media for business purposes at the tactical level for free distributors. Another reason is that, free distributors have believed in the importance of social media but they haven't noticed the effect and motivating role of social media in sale and gaining new members. Social media is reinforce the impact of face to face communication. Therefore, with the regression analysis it has been emerged that SMUL has a weak effect in explaining job satisfaction. In the some interviews, it has been emerged that especially the approach of female free distributors are reluctant towards social media platforms. Because of family privacy, they would prefer to use form of Word-of-mouth communication on the selling. It has not been surprising high levels of internal and external job satisfaction about findings related to free entrepreneurs job satisfaction. As is well known, in such as framework people become independent distributors that they can easily promotion and earn money without a risk. It is considered that people who approve their working condition and satisfied their expectation have high levels of job satisfaction.

Companies that implement network marketing strategy, produce visual materials that introducing products and explain success stories for distributors and provides the spread of social media. But these businesses haven't tactical plans how they will integrate social media platforms to their network jobs.

For those reason, primarily network businesses should work more planned regarding motivate independent distributors, spread Word-of-mouth communication and finding customers by using social media platforms. Also it has been need that they should integrate efforts which are marketing, public relations and human resources on the social media platforms to their business process and corporate culture. There are not yet available research about social media usage by employees for the purpose of the business and socialization. It can be useful research that will determine what kind contributions social media usage provide to business productivity, employee motivation, customer relations, interaction between employees.

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