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ROLE OF SOCIAL NETWORKS IN E-COMMERCE OF KAZAKHSTAN

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Abstract: Nowadays e-commerce is an integral part of every person's life. Social media such as Twitter, Facebook, LinkedIn, Instagram and YouTube plays a leading role in increasing traffic, attract new customers, and methods of working with them in e-commerce tools. The main objective of this research analyzing role of social media in e-commerce market of Kazakhstan.

Key words: E-commerce, social media, analytics, Kazakhstan's market

ӘЛЕУМЕТТІК ЖЕЛІЛЕРДІҢ ҚАЗАҚСТАН ЭЛЕКТРОНДЫҚ САУДА НАРЫҒЫНДАҒЫ ОРНЫ

Аңдатпа: Қазіргі уақытта электрондық сауда адам өмірінің ажырамас бөлігіне айналған. Twitter, Facebook, LinkedIn, Instagram және YouTube сияқты әлеуметтік желілер трафикті ұлғайтуда, жаңа клиенттерді тартуда және электрондық коммерция құралдарында олармен жұмыс істеу әдістерінде жетекші рөл атқарады. Бұл зерттеудің негізгі мақсаты – әлеуметтік желілердің Қазақстанның электрондық сауда нарығындағы алар орнымен рөлін талдау болып табылады.

Түйінді сөздер: электрондық сауда, әлеуметтік желілер, талдау, Қазақстан нарығы

РОЛЬ СОЦИАЛЬНЫХ СЕТЕЙ В ЭЛЕКТРОННОЙ КОММЕРЦИИ КАЗАХСТАНА

Аннотация: В настоящее время электронная коммерция является неотъемлемой частью жизни каждого человека. Социальные сети, такие как Twitter, Facebook, LinkedIn, Instagram и YouTube, играют ведущую роль в увеличении трафика, привлечении новых клиентов и методах работы с ними в инструментах электронной коммерции. Основная цель данного исследования - анализ роли социальных сетей на рынке электронной коммерции Казахстана.

Ключевые слова: электронная коммерция, социальные сети, анализ, рынок Казахстана

Introduction

Digitalization of the modern economy and the involvement of an increasing number of economic and social processes, the Internet space is a global challenge and an equally global opportunity. Kazakhstan also keeps up to date, taking into consideration all IT industry development factors. Kazakhstan's electronic commerce extends to markets of new products for itself, on the Internet you can buy not only software but even vegetables, fruits or even more

exotic items. Social networks play important role in building relationships between customers and businesses. What are the advantages of trading on a social network? The predominant role in making purchases on the Internet now have user reviews about this online store. The main advantage of making a transaction through social networks is the ability to visualize between participants by viewing the profile under which the real user is registered. This is illustrated by

a graphic image and information profile that appears on the screen during interaction with a contact, which makes it possible to simulate a live conversation.

Now more and more companies understand the effectiveness and even the need to work with social media. This is an indicator not only of the company's progress but also of its desire to communicate with its customers. But this does not necessarily involve employees, and even more so management: work in social media should be done by professionals who know exactly how, what and when. The task of employees and company management is to set the task and track the results.

E-commerce and social media in Kazakhstan

As of the beginning of 2019 according to data from the "Association of Digital Kazakhstan" (ADK), the total growth for the year amounted to 23.2%. The share of total trade is only 2.9%. According to experts of the ADK, the e-commerce market in Kazakhstan may reach 928 billion tenge in 2022. That is, according to cautious estimates based on global average growth, the increase will be 6%. These data show that the share of e-commerce in Kazakhstan is growing every year. According to the World Bank, Ovum (World Cellular Information Service), in Kazakhstan 76.4% of the population were Internet users in 2017. In this ranking, Kazakhstan was in second place after the UK. With the development of the Internet, social media are becoming increasingly popular among the Kazakhstan population.

According to official data over the past five years, Kazakhstan has seen an increase in e-commerce by an average of 26%, while since 2015, the average annual growth has accelerated to 30%. In gross value, the volume of transactions in 2018 reached 259.5 billion tenge. The share of electronic commerce in the total retail trade amounted to 1.4%. More than 1700 independent online stores and about 20 electronic trading platforms are represented on the domestic market, where more than 1 million small and medium-sized businesses operate.

The total number of buyers of electronic goods and services is about 2.3 million people. The structure of the e-commerce market consists of 68% of the trade-in goods and 32% of services. Building materials, household appliances, cosmetics, clothes, and shoes are in high demand. Among the services are the sale of air and train tickets, payment for cultural events and utilities. According to the rating conducted by Forbes.kz largest online shopping platforms, 38% was the fintech platform, 40% was air and train tickets sale systems, 11% was fashion and beauty retailers, 8% was electronic devices stores, 3% was bulletin board and food delivery platforms.

The main factors that positively affect Internet trade in Kazakhstan are:

- Growth in the number of Internet users. The Internet is becoming faster and more accessible, as a result of which the Internet audience of Kaznet is growing.
- The growth in the number and diversity of online stores. Internet commerce is looking for new forms, new products, a new geography of influence.
- Growth in the number of payment cards. According to the National Bank of the Republic of Kazakhstan, as of October 1, 2019, the total number of issued and distributed payment cards amounted to 30.6 million units, which exceeds the same indicator in 2018 by 43%. The bulk of non-cash transactions was carried out through online banking services. Today, they registered about 18 million users. Of these, 34% regularly conduct operations, which confirms the demand among the population of remote digital channels of banks. More than 1.3 million operations amounting to more than 21 billion tenge are conducted daily through online services.
- Improving the legal environment of online commerce. For example, a law on electronic money was recently adopted in Kazakhstan. Various institutions are being created to help the development of the IT sector in Kazakhstan.

The active use by the population of the Internet and, in particular, social networks was reflected in the activities of commercial structures of various industry sectors, including trade.

Social networks as a means of communication allow you to create the desired image and positive reputation, increase awareness, trust and customer loyalty, get reliable feedback, study the preferences, wishes and intentions of the target audience, as marketing communications mediate some of these relationships. Various aspects of the use of social media and, in particular, social networks in commercial activities have been analyzed by many scientists (Reilly A.H., Hynan K.A., Tarabasz A.)

Types of social media platforms

According to analyze the most commonly used social media platforms are:

Vkontakte

Vkontakte is the most popular social network in the Commonwealth of Independent States. It is owned by Mail.ru Group. According to analysis before it has approximately 1.8 million active users in Kazakhstan. Since the last year Vkontakte added multiple tools for business such as advertising from mobile app, gather audiences through QR codes, set up sales with a chatbot, adding "stories" tool.

Instagram

Instagram is a visual social network based entirely on photos and videos. It is also owned by Facebook and differs from others in that it provides various filters and other photo editing options. It has a promotion tool through the mobile app. Also users can create/manage advertising using Facebook business tools.

My World from Mail.ru Group

My World@Mail.ru "is a Russian social network owned by Mail.ru Group, which in 2019 designated it as a" niche project. " The Russian audience of the social network decreased from 2014 to 2019 by 5 times, from 25 to 5 million users. It has an advertising platform called myTarget.

Facebook

Facebook is the largest social network on the web both in terms of name recognition and the total number of users. It has about 400 thousand active users in Kazakhstan, and it serves as a great platform for connecting people around the world with your business. Since the last decade,

Facebook has evolved from a basic website to a multi-dimensional network and mobile platform where everyone can communicate with anyone around the world. With Business Facebook, it can help a lot in business.

Youtube and messengers

Youtube is the largest video hosting platform in the world. According to similarweb analyzing platform, Youtube is the second most popular website in Kazakhstan. Youtube has also an advertising tool for targeting the audience. Messengers like WhatsApp and Telegram plays important role in relationships with customers.

Share of social networks in the life of Kazakhstan people

Users of social networks in Kazakhstan are 70% of the population over 15 years old, according to a report from the consulting company Accenture Kazakhstan. The results of a sociological study showed that only 10.6% of Kazakhstanis are not registered in any of the social networks. At the same time, the use of desktop computers for social networks is more common with Facebook and Twitter, and mobile devices are more common with YouTube, Instagram, and Pinterest. Analysis of social networks showed that, according to Brand Analytics in Kazakhstan, there are:

- 1) 1,9 million active Vkontakte users;
- 2) 1,3 million active Instagram users;
- 3) 413,026 active Facebook users;
- 4) 27,776 active Twitter users.

The Vkontakte network remains the most popular in almost all aspects. The second and third line of the ranking is occupied by Instagram and My World from Mail.ru Group, slightly behind Facebook. And the most common type of activity on social networks is commenting on other people's posts (24.81%). In second place is the search and acquisition of new acquaintances (21.9%). 12.44% of respondents participate in various discussions. Although, according to Kazakhstan statistics, young people aged 15-30 use VKontakte more, people over 30 use Facebook. In 2018, Facebook's share of the Kazakhstan market was 26.4% of all users of social networks, YouTube - 25.4%, Twitter - 21%,

Vkontakte - 16.4%, Pinterest - 5%, Instagram - 4%, others networks - 1.8%. According to the president of the Internet Association of Kazakhstan, Facebook use is only two cities - Astana and Almaty, the rest of the country use VKontakte, Odnoklassniki, and Instagram. According to official data, 75% of online retail trade is in Almaty.

Advertising market

The main factor that social media influences in commerce is the advertising market. According to data "Central Asian Advertising Association" in 2018, the total volume of advertising amounted to about 50 billion tenges. The shares of media segments in the estimation of advertising volumes are as follows: TV - 52%, outdoor advertising-18%, digital-16%, radio-8%, and the press-6%. The results of the study confirm that the share of TV advertising as the most comprehensive and cheap media channel in terms of 1000 people is still leading. Internet advertising is developing most dynamically, showing an increase in its share from 7% in 2014 to 16% in 2018. The most

promising channel, which is growing due to an increase in advertisers, and not prices, is the Internet. This is due to the overall development of this communication channel, as well as to the fact that due to a significant increase in price, TV is leaving not only medium-sized customers but also large ones. From TV, they flow smoothly to YouTube with its incredible growth (according to some estimates, 2.5 times over the past year), targeting capabilities and Analytics of results.

Conclusion

Social media unconditionally takes a huge role in e-commerce. It can be verified by researchers before. But we can't prefer one social network than another, because each social media channel has its own audience. According to surveys, we can say Instagram, Vkontakte and Youtube has a huge role in targeting audience to store or product. The share of big cities in e-commerce is apparently according to the analysis. In conclusion the future of e-commerce is in relationship with the audience, social media help in building it.

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