

Social Media in Small and Medium Enterprises

Abstract: The paper concerns the issue of using social media in small and medium sized enterprises. Many authors argue that there is a unique relationship between the social media and SMEs in the economic sphere. The social media uniquely impact the market in the marketing platform to increase sales, reduce costs and increase profitability. Also, social media enable the direct communication with clients and its adoption by firms has generally increased over time. However, little is known about how small firms use these digital technologies. Furthermore, there are not many publications about the methods of implementation of social media in small companies. Therefore, the study carried out in this research has developed a conceptual framework of implementing Social Media in small businesses. Moreover, readers can find information on the benefits of using these tools and some recommendations for effective implementation to improve business.

Keywords: SMEs, Social Media, Innovation, Online Marketing, Corporate Communication

Media społecznościowe w małych i średnich przedsiębiorstwach

Streszczenie: Artykuł dotyczy zagadnienia wykorzystania mediów społecznościowych w małych i średnich przedsiębiorstwach. Wielu autorów twierdzi, że istnieje ścisły związek między mediami społecznościowymi a MŚP w sferze gospodarczej. Media społecznościowe mają wyjątkowy wpływ na rynek w platformie marketingowej- zwiększając sprzedaż, obniżają koszty i polepszają rentowność. Ponadto media społecznościowe umożliwiają bezpośrednią komunikację z klientami. Jednak niewiele wiadomo o tym, jak małe firmy korzystają z tych technologii cyfrowych. Ponadto nie ma wielu publikacji na temat metod wdrażania mediów społecznościowych w małych firmach. W badaniu przeprowadzonym w ramach tego opracowania zaproponowano sposoby wdrażania mediów społecznościowych w małych firmach. Co więcej, czytelnicy mogą znaleźć informacje na temat korzyści płynących z używania tych narzędzi oraz zalecenia dotyczące skutecznej implementacji w celu usprawnienia działalności biznesu.

Słowa kluczowe: MŚP, media społecznościowe, innowacje, marketing internetowy, komunikacja korporacyjna,

1. Introduction

Social media has gained its popularity worldwide following the development of the Internet in the 21st century. It has fundamentally changed the ways of communication between entrepreneurs and their target customers. Also, it has changed the methods companies use to promote products or services. Social networks help the businesses in a variety of ways. Traditional marketing mediums such as the radio, TV commercials and print ads are completely obsolete now amid demands for thousands of dollars. However, with social media the business can connect with their targeted customers for free, the only cost is energy and time.¹ Social media is defined as “a group of internet-based applications built on the ideological and technological foundations of Web 2.0 and that allows for the creation and exchange of user-generated content”. The social media platform includes social networking tools (e.g., Facebook, Instagram, Twitter), professional networking sites (e.g., LinkedIn), media sharing sites (e.g., YouTube), commerce communities (e.g., Amazon) as well as blogs, and discussion forums.²

Social media is mostly used as a tool for personal communication with friends, family and partners. However, organizations are able to take advantage of innovative Information and Communication (ICT) channels to spread their message to billions of potential customers globally. The use of social media within SMEs is a key factor in the success and growth of a business. But of course, there are advantages and disadvantages of social media as well.³ Social media can overcome geographical barriers, it enables people to communicate, meet and gather information easily, and online users utilize it to seek, share, and exchange information in their everyday life. Scholars such as Schultz, Schwepker & Good; Wang et al., stated that social media has created a platform for research and new opportunities for business, has contributed to the creation of partnerships and established new business relations.⁴

The increasing number of Internet users through smart devices such as mobile phones and tablets has increased greatly the content on the internet, which has resulted in the increasing of consumption. However, as social media is a relatively new phenomenon, understanding its benefits as a marketing tool are still a challenge.⁵ It should be pointed out that there is no universally accepted definition of Social Media. The main reason to choose social media in SMEs as a topic for this paper is the authors' personal interest thorough reviews of various articles and work in a small IT company. Being managers of an IT consulting company, the authors have realized a need to advertise IT services through social media alongside traditional marketing methods.

The goal of the paper is to explore and analyze the importance of social media usage in the business marketing practices of different small and medium-sized enterprises. Through this research, it is highly expected to develop a comprehensive social media marketing strategy that can be integrated into a current company's marketing strategy by

recommendations and constructed guidelines for use of different social media platforms. This research will help the commissioning company to obtain a precise understanding of social media marketing practices.

2. The literature review

Anas A. Al Bakri (2017) has stated that there are no significant relationships between the use of social media and its competitive advantages. So far, it is reported that only 10% of the SMEs were using social media. Of these, 72% used Facebook, 27% Twitter and 1% YouTube. It is claimed by many researchers that the social media have improved customer service and relationships, and 80% of the improvement are in terms of products and services. Uncertainty in the method of applying social media, measuring the return on investment and persuading employees to embrace social media were the main challenges.⁶ Fosso and Carter in the work "Social media tools adoption and use by SMEs: An empirical study" indicates that firms' innovativeness, their size, the manager's age and economy sector constitute the factors that impact significantly on the adoption of social media tools within organizations⁷.

Similar work reported by Meske Ch. and Stieglitz S. suggests that social media adoption is primarily associated with non-technical barriers and challenges. In particular, these include "soft" factors such as management attitude and employee acceptance, rather than "hard" ones involving cost aspects and technical issues (e.g., system integration). Hence, in general, it is important for SMEs to take these "soft" factors into account when considering social media adoption.⁸

Based on the theories proposed so far, it is clear that if small businesses use social media tools with the right approach and obvious goals, then they can easily reach their target customers. Moreover, by using the social media in the right way can help to build a long term relationship between business and customer. Social media provides an opportunity to both consumers and business entrepreneurs to communicate effectively.⁹ Burin Prenaj in his paper writes that the main benefits are increased brand exposure and reputation management, increased targeted traffic and Search Engine Optimization, word-of-mouth and first generation market insights related to target audience and competition. In addition, while Social Media Marketing is also an extremely cost-effective solution; it mostly depends on which type of Social Media channels is used. Social Networks, Social Media Sharing sites, Forums, and Social Events sites are all considered as Social Media channels, and can all be significantly beneficial for businesses in their own way.¹⁰

3. Methodology

The authors have used the Internet and social media tools as the main sources of information for the compilation of this paper. The secondary sources are the existing literature in the field of marketing in general and social media marketing in particular. These sources provide sufficient information and material to conduct an analysis of the benefits and the challenges that SMEs face when adopting social media marketing, which made it possible to fulfil the aims of this research. It was noticeable that this research is designed in association with a specific research gap. The stated research gap is defined empirically and academically. Eventually, it is discovered that little research has been conducted on the topic of Social Media and SMEs business development. Empirically, a great growth in Social Media usage has been witnessed in large corporations as proved through Social Media campaigns in large scale companies. Accordingly, this research gap has led to the research questions specified below:

Which benefits of social media can you identify for SMEs?

Which method of implementing the social media in SMEs can be used by businessmen?

Which Social Media mistakes are made by businessmen?

4. Results

4.1. The benefits of social media for SMEs

The social media revolution has changed the way that successful small businesses interact with customers and reach out to new markets. There are six crucial benefits that we have listed here and a description how important it is for a small business to start using social media is also outlined in brief.

Increased Traffic

The most common route to generate an influx of traffic to a SME website is through sharing content on social media. It can create both a surge of new followers and an increase in website traffic.

Impact on Organic Search Results

Social signals have become one of the major factors in ranking the website. Making a presence on social media platforms and sharing educational and relevant content encourages customers to follow you or share your content with their family, friends, etc. This builds domain authority and improves organic search rankings.¹¹

Builds Branding

The SME can gain significant exposure through social media, making it an effective source of increasing brand awareness.

Online Presence

A lack of online presence is one of the biggest reasons as to why startups fail. If an online reviewing system is present, then the business will be able to reach a wider geographical audience and target certain audiences based on age, gender, education and even relationship status, meaning better sales and revenue.

Building Trust and Personality

People will only buy or invest their time and money in companies they can trust. If the SME is capable of creating an emotional connection with their audience and generate a personal feel to their business, then the company will become more attractive and trustworthy.

Inexpensive and Efficient

The benefit of using social media is that marketing is free and incredibly cost effective.¹²

24/7/365 Accessibility

Social media networks are accessible 24 hours a day, 7 days a week and 365 days a year from anywhere in the world provided you have Internet connectivity.

Better Customer Service

Social media websites also help small businesses in providing service to their customers. These networks enable one-to-one interaction and act as conversation channels and this helps in communicating directly with visitors/customers and resolve their queries as soon as possible.¹³

4.2. Conceptual framework - the method of implementing the social media in SMEs

The main purpose of this study is to develop the method of implementation of social media in small and medium companies. Therefore, the authors have developed the conceptual framework for this study as presented in figure 1 below. The figure describes certain steps to implement social media in business in general and SMEs in particular.

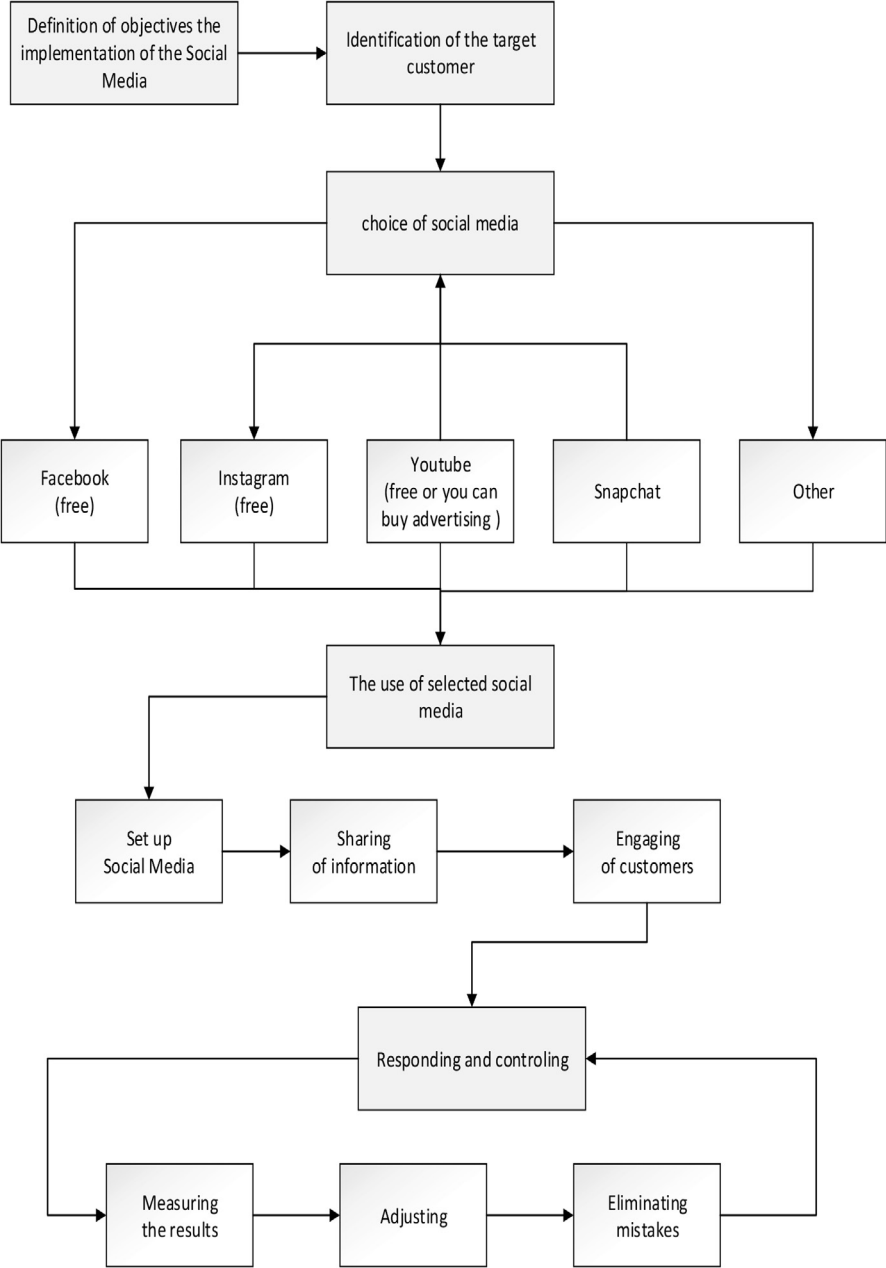


Fig. 1 Implementation of social media in small businesses, own elaboration

Implementation of social media in small and medium companies¹⁴

Step 1: Definition of objectives and strategy for the implementation of the Social Media

In this step, it is necessary to precisely determine what effects we want to achieve in the set time horizon - what we care about most. The social media marketing strategies may vary according to the type of SMEs.¹⁵

Step 2: Identification of the target customer

Marketing research aimed at identifying the recipients of the product / service. Before a company decides to introduce changes to its offer, it should recognize to which target group the new product is targeted. In determining the target group, factors such as:

- Consumer habits;
- Place of using the service / purchase of the product;
- Age;
- Place of residence (city / village, size of the town);
- Frequency of buying a new product.

Step 3: The choice of Social Media

When the target group of clients is determined, it is worth considering which social networking sites to choose, taking into account the purpose of using social media. There is no universal rule that would allow an effective choice of social media and define how to use them. Neither is there a rule for deciding or predicting the 'to be done' things for digital marketing through online portals or social media. Some of the arguments for such marketing follow and all the services listed below can be used at the same time. However, everyone runs different kinds of businesses, reaches other target groups and uses a different language for the accomplishment of the said task. Therefore, you need to constantly check what works, measure how it works and change if you do not achieve the expected results. Not all social media platforms will be suitable for your business and objectives and below we offer a high-level look at the most popular platforms. The answer will bring you closer to choosing the right platform: Facebook, Instagram, YouTube or Snapchat. Remember to test your results each time using the tools available within these networks or by Google Analytics. Promoting your online business means continuous testing of results.

Facebook

Facebook is one of the most popular websites designed so far. It is used by 13.7 million users in Poland. The age group that is the most active there is between 18 and 24 years old. Facebook allows you to place various content: video, scraps, photos, links. The big advantage of Facebook is the expanded advertising module. The advertising formats we find there are:

- liking the page
- activity regarding the post
- clicks redirecting to the site / conversions on the site
- acquiring contacts
- reactions to invitations to events
- local recognition
- brand recognition
- taking advantage of the offer
- sales of the product catalog
- visits to the company
- video display

Internet marketing for small businesses in Facebook helps primarily in promoting the brand. Facebook may be used as a medium to reach the actual website of the company through direct links. It omits the advertising cost involved in the product promotion. On this basis, the company can check what works, verify the effectiveness of the funds invested and the correctness of the elements of a specific target group: age, location or language.

Instagram

Instagram (bought in 2012 by Facebook) is another social networking site, very popular in Poland. It is addressed to the slightly younger age group, which is in the range of 18-24 years. High-quality photos are important for this tool. The photo placed on Instagram is much more involved than the same photo posted on Facebook. In an interesting way, you can interest others and tie them to the brand. Instagram is strongly developing its e-commerce tool that will allow you to go directly from the photo to the online store. Undoubtedly, it will be a huge convenience. Instagram strongly promotes videos that generate the most engagement and often open themselves, effectively attracting attention.

Snapchat

Another medium is Snapchat, which has also recently introduced ads. It is addressed to younger users. The target group is 13-18 years. Characteristic of the site is that the form is not important. It is important to make films that disappear 24 hours after the broadcast.

YouTube

YouTube in Poland has over 13.4 million users. Of all the previously mentioned websites, YouTube is the most cost-intensive. Its target group is users between 24-35

years old. The big advantage of Youtube is the very extensive analytics. After placing the movie, we can trace when and what the viewership was and in what hours it reached the peak. It is often used for tutorials, thanks to which some brands effectively attach clients to each other. In addition, there is a growing number of increasingly better quality recordings.

4.3. Social Media mistakes made by businessmen

Social media can be a good tool for small businesses. Depending on how communication is conducted in social media, one can gain a group of loyal recipients, or on the contrary – expose a company’s reputation and incur losses. That is why it is necessary for the owner of the SME to keep an eye on the events on the social media activities primarily regarding their company or their products. Below a few mistakes have been listed to maximize profits and for a responsible person to make the social media a better tool for the marketing and expansion of their business.

4.3.1. Basic mistakes

Do not say anything to comments and messages

It is necessary to initiate discussion and respond to customer activity. Communication in social media should be two-sided. Clients do not want to follow the ad profiles, but engage in relationships with those who participate in the discussion and speak on the news.

The language of the message unmatched to the medium

Every social media has its own specific language and form of communication. If you decide to create a profile on a specific platform, you need to adjust the strategy of presence on it to the rules in force there. For example Facebook is relatively universal and you can use many different types of content: text entries, photos, videos, surveys, etc. Snapchat - here communication is based on spontaneous videos and photos, very loose and focused around entertainment

The language of the message unmatched to the group of recipients

The appropriate language and subject should be used, tailored to the group to which the social media message is directed. If the potential client is teenagers, the language of communication should be simpler, easy to understand and “entertaining”. In turn, in the case of older clients, communication should take place more seriously and specifically.

Too voluminous and too often published content

Customers have limited time to review new posts in social media, and those too time-consuming to learn are simply ignored. Thus one should communicate with the help of images and a short message restricted to the specifics themselves.

Not taking into account mobile recipients

Mobile devices at the beginning of 2015 accounted for over 80% of all devices used to view social profiles. This vast majority requires you to adapt the published content not only to the short time of focus, but also to small displays relative to the monitor.

Quarrels in the comments and publicly offending customers

One of the foundations of effective communication in social media is not to conflict, quarrel and exchange accusations, and above all - refraining from insulting your clients.

4.3.2. Critical mistakes

Incomplete profiles

Profiles that lack basic information or photos look unprofessional, do not arouse a positive impression about the brand and make it difficult to contact it.

Theft or abuse of copyright in their posts

Just because something is easily available on the web does not mean it is free or legal. Unfortunately, it is common practice in social media managers to use commercial images found in the Google image search engine, as well as to use images whose license allow their use only with information about authorship.

Buying fans

Increasing the number of fans or watching at first glance may give some image benefits, but in many cases, customers stop trusting the company. What's more, social networking sites also notice it and lower the reach of posts on profiles that have suspiciously many inactive followers.

Bad or excessive use of hashtags

Hashtags are used to "hook up" for discussions about similar topics. The problem with them is that only a few of us fully understand how to use this tool to effectively increase the reach of entries and avoid mistakes.

Focus on the quantity, not the quality of the fans

In addition to buying fans, it is also a big mistake to focus mainly on their quantity. A popular practice among novice administrators of social profiles has become inviting friends to observe them, even though these friends are very rarely interested in the subject. This increases the meter, but does not give any advantage from the point of view of collecting leads or simply selling.

Not attempting to sell through social media channels

Some businessmen say that social media does not sell, however, there is no reason why you should give up the promotion of products or services to company profiles. If we ensure that the majority of the content published is valuable to the recipients, an advertisement presented from time to time will increase sales even without paying for promotion in these channels.

Unchecked information

The company should pay special attention to the reliability and truthfulness of the information it provides. Clients faced with too frequent mistakes or deliberate disinformation will lose their trust.

Invalid link

This can end with a “burnt” tweet that leads nowhere or brings about an image crisis. Mistakes and mishaps in social media can be mentioned much more, but these should be avoided in every situation.³⁶

5. Conclusion

Social media ignite digital marketing with an alignment to the purchasing behavior of consumers. The study carried out in this paper reveals that the increasing numbers of consumers are exploring Internet services and reviewing products to carry out a preliminary investigation towards the price and quality before making final decisions. Social media marketing ensures the building of relations with customers and prospects through regular, low-cost personalized communication, reflecting the move away from mass marketing.

This study has demonstrated that social media marketing has a significant influence on the SME's business performance. Social media has become the medium that facilitates and expands communication between the SMEs and their customers. The social media are able to create a unique environment for the SMEs which enables businesses to increase their prospective market, reduce the marketing cost, increase sales, and offer closer customer relationship management. Overall, social media can be a useful tool that is aligned with business marketing strategies; inexpensive, interactive, dynamic, and collaborative.³⁷ Proper adoption of social media as the marketing tool for SMEs may significantly positively influence the business in this sector.

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