

KEY PERFORMANCE INDICATORS OF SOCIAL MEDIA IN ENTERPRISE MANAGEMENT

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Abstract: Enterprise management in an international perspective, whose conditions, processes, instruments and consequences consciously go beyond the borders of one country, requires the selection of the best actions in the specific conditions, their ways of implementation and monitoring of results, this also applies to information channels which are social media, allowing interaction between users through the exchange of information, knowledge, opinions and comments. The objective of the paper is to present and assess the research results concerning the indicators supporting the measurement of performance in social media. The development of the paper required some literature studies of scientific publications on social media in the context of strategic management and the analysis of case studies representing the solutions in the field of social media applied in selected enterprises. In methodological terms, two-stage approach was used: the first stage was the identification and ordering of the views on the indicators of assessment of social media based on the materials from specialized literature, the second stage included the exposure of theoretical suggestions which explain the problem of the measurement and assessment of the use of social media in enterprise management. The value of the presented solutions in the field of the indicators applied consists in the possibility of their use in the practice of improvement in social media assessment tools and even management control in this field.

Key words: strategic management, key performance indicators (KPI), social media

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Introduction

An appropriate system of assessment of activities is an integral part of management of business entities; in this field, an important role is played by key performance indicators (KPIs) (Grycuk, 2010). These are the indicators allowing enterprises to determine to what extent their strategic goals and plans are being implemented. Therefore, KPIs include the set of financial and/or non-financial measures individually selected by the specific enterprise by means of which they become the tool of managerial control allowing for detecting problems at an early stage of their occurrence, responding rapidly and improving management processes in the company (Calone et al., 2017). The practical set of KPIs applied in enterprises, as it is pinpointed in the subject literature, should fulfil the following conditions:

- indicators should relate to the issues important for the enterprise, included in its operational strategy,

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- the necessity to adjust indicators to the specificity of the sector the enterprise belongs to,
- the number of indicators should not be too large since the measurement should focus on monitoring the key areas of the enterprise activity,
- each indicator should have a pattern and a reference point for the tested period; (these can be the results for the previous period or the average for the sector),
- indicators should focus mainly on the assessment of satisfaction of customer needs or measurement of their satisfaction (Grycuk, 2010).

The progress in the use of social media in the implementation of the company objectives requires the assessment and identification of indicators verifying the activity in this area (Quesenberry, 2015; Quesenberry, 2017). Therefore, there is a need to increase data availability, quantity and quality of indicators used to measure and monitor the progress in activities of enterprises through the use of social media.

Around the Essence of Social Media and its use in Enterprise Management

In the subject literature, social media (SM) is defined as the category of social technologies using the Internet and mobile media, mainly films, documents, pictures and multimedia presentations to share ideas and news (Klososky, 2011). They are sets of websites and applications providing users with interactions with their acquaintances. Kaplan and Haenlein (2010) present social media as a group of Internet applications based on ideological and technological foundations of Web 2.0 which allow the creation and exchange of information coming from users. Laroche et al., (2013) pinpoint the fact that the transmitted content is not only passively acquired but it is actively disseminated by recipients.

Social media are Internet platforms, websites and/or applications the functions of which are mainly the creation, processing, reproduction, sharing, reception of all audio and visual content by different entities and responding to them in a different form; they have an open form (access for all users) or a closed form (access for the specific group of users) (Leonardi and Neeley 2018). Summing up, it should be pinpointed that if specific websites or applications come into being and serve to enable interactions between users, they constitute social media (Heymann-Reder, 2011; Lupa, 2016). In addition, they are one of the greatest innovations in the communication of the 21st century as a result of using the assumptions of Web 2.0. and they translate into all the aspects of marketing activities of enterprises (Urbanowska-Sojkin, 2018; Bajdor, 2011; Kot et al., 2017). When characterizing social media, in particular, two dimensions must be highlighted: technological dimension and social dimension. Technological dimension is based on the use of the Internet connection and devices allowing for communication via it; in this aspect of social media quantification, in the literature, the concept of social software is referred to; this concept is subordinate to the category of social computing, meaning systems, hard discs, software and any maintenance facilities,

which are essential for creating and using social networks (Thomas and Barlow 2011; Lupa, 2016). Social dimension of social media is based on interactions which take place between the Internet users; these media enables the creation of different type of content, publishing it to the specific or indefinite group of users, sharing, sending and exchanging it. By means of the above actions, networks of contacts are created and social groups of the specific characteristics, centered around the specific content. It should be emphasized that all the transmitted content is subjected to social control and can be used on any scale (Królewski and Sala, 2014; Štefko et al., 2015). The use of social media in enterprise management is mainly supported by the reasons such as: the concentration of a large number of users (present and potential clients, partners or employees), holding discussions by users related to products of enterprises and their activities. This imposes the necessity to monitor social media, the possibility of user quantification through the demographic or geographical criterion, the possibility of conducting various forms of marketing activities or developing tools which support the activities of enterprises in social media, such as advertising and monitoring tools.

Measurement of Performance in Social Media (Social Media Assessment Indicators)

The main assessment indicators of social media include: clicks, likes, shares, comments, brand mentions, profile visits and active followers. Clicking the links proves the quality of the title and image included in the specific link (Raudeliuniene et al., 2018). A large number of clicks with a few likes and shares indicates the interest of the customer but it does not provide particular quality required to engage the viewer; this indicates the necessity to improve the link in the field of moving the content, testing different titles and/or visual effects (Kozielski et al., 2017).

Likes are the signal for most algorithms on platforms that the specific content deserves a higher position in research results. The growing number of shares from the specific post with sub-network members – co-workers, friends or family members indicates the attractiveness of the link and its quality. Comments amount to starting a conversation through an accurate and interesting content; they can take the form of praise, criticism or general discussion and, in contrast to silence (lack of comments), they support marketing. The growing number of comments in social media means being well, social. Brand mentions through tags and mentions specify the number of conversations on the specific brand. This is another social media KPI that really focuses on your relevance because it shows that you are maintaining top-of-mind awareness (Oliveira and Figueira, 2017).

Not all social media platforms will provide profile visits. The people that are just starting to scope out your business, however, will definitely visit your profile. This KPI is not as important as the others, as you cannot really measure an intent to buy, but profile visits do indicate interest in brand beyond your latest post. An active follower is considered to be someone who has logged in and interacted with

content within the past 30 days; unfortunately, for most brands, the majority of people who "like" or follow your page are unlikely to visit it regularly let alone check out its content. The range of social media can be measured by assessing the number of followers or fans; it is the number of those observing without any involvement.

The way of measurement of activities in social media listed above can be ordered and included in two basic groups: the first one – the involvement and the other one – the range. The assessment of involvement most frequently takes place by giving the number related to: users registered in the database, redirections to external websites, sending invitations to friends/ recommending actions, posts/comments on websites, clicks of 'cool'/'like it', threads/posts on forums, completing questionnaires, submitted competition entries, users taking part in competitions, votes for contest entries, installing applications/games or playing games. In the assessment of the range, there are given the numbers concerning: unique user/visitor (UU), page view/impression (PV), click through ratio (CTR) in any target groups (age, gender, education, place of residence), clicks of creations, website visits, page views, conversion rate (CR) or the number of UU on websites.

Methods

Key Performance Indicators of social media were one of the main components of the theoretical and empirical explorations carried out by the team of the researchers formed by the employees of the university in cooperation with business practice – an IT company operating in the European market, managed by the authors of the present study. The primary objective of the research was to analyse and assess the material, strategic and operational range of the use of Key Performance Indicators of social media since they are the tools supporting the works of marketing departments of specific companies.

The basis for the content of the study is primarily theoretical considerations in the field of the essence of KPI and social media. The premises adopted for the conducted research originate from the resource-based approach and refer to the development of enterprises through acquiring data and information on macro- and microenvironment of enterprises from social media. KPI of social media were identified and subjected to the analysis in the course of the second stage of the research, which was quantitative and qualitative in its nature, by comparing the numbers and attempting to understand human interactions, processes which accompany social media through comments. On the basis of the case study, there was specified the range of the use of return on investment, i.e. profitability index, applied in order to measure the performance of the enterprise it defines return on investment (ROI) and indicators concerning the range of the companies such as: electronic parts trade (A company), advertising market, (B company), manufacturer and seller of non-alcoholic beverages and food products (C company) and manufacturer of telecommunication technologies (D company). The developed case study was identified in the course of own research of the working group data

of Social media and Worth of Mouth Marketing (WoMM) for years 2011-2017; the case studies of the assessment of social media performance illustrated the practical course of the analysed process.

Areas of Assessment of Social Media Performance of Enterprises in the Empirical Research (case studies)

The literature review indicates that the range and criteria for assessment of social media are multidimensional and very extensive. Generally, it should be concluded that KPI must be designated; the knowledge of the level and dynamics of these indicators is helpful both for customers and enterprises conducting activities in social media. An example can be Best Buy, which presented the level of ROI, obtained due to social media (Table 1).

Table 1. The level of ROI achieved from the social media campaign in A company in years 2006-2010*

Assessment measures	years				
	2006	2007	2008	2009	2010
Net profit (billion \$) from the social media campaign	1.1	1.4	1.4	1.0	1.3
Revenue from sales (billion \$) from the social media campaign	30.8	35.9	40.0	45.0	49.7
ROI (%) from the social media campaign	3.6	3.9	3.5	2.2	2.6
*the Report of 2016, shared by A company, allowed for the account of ROI only in the presented period of time					

The research results presented above indicate that the average level of ROI for five years amounts to about 3.2 percent. Its highest level, which indicates the highest performance of social media, was recorded in 2007; ROI reached 3.9 percent. In the years of 2009 and 2010, the level of ROI significantly decreased – respectively by 1 percent and 0.6 percent in relation to the average level for five tested years. When ordering the data relating to ROI for the needs of the calculation of the average, the median value amounting to 3.5 percent is obtained; the calculated median means that, in two periods, ROI was below the median and, in another two periods, ROI was above the median. However, the president of A company speaks positively about the use of social media while sharing the principle that one cannot be into social media only when “everything goes your way; one must handle it both on a sunny and rainy day” (A company). Moreover, in A company, it is pinpointed that its message will be directed everywhere the people are, and they are primarily in social media. In A company, as a sales network of electronic equipment, it is emphasized that social media create a real perpetual motion: the more the people are engaged in social media the more the demand for constant contacts with others and personal computers and mobile devices for maintaining them; thus, social media occupy the central position in the company strategy (Giamanco and

Gregoire, 2012). In the company activities, social media are also used by B, C and D companies, for which the level of performance indicators in social media was defined (Table 2).

Table 2. The level of performance indicators of social media for B, C and D companies (as of the data for the end of June 2018)

Indicators	B company	C company	D company
I. Indicators relating to the range			
campaign coverage (UU)	3 334 239	36 893 070	275 587
advertising form views	68 489 709	*	389 125 425
number of creation clicks	91 589	*	331 354
number of page views	88 029 518	*	*
number of UU on page	2 537 071	*	3 262 210
CTR	*	0.015%	0.15%
CR	*	30.6%	*
PV on section	*	*	1 459 884
II. Indicators relating to the involvement			
number of users registered in the database (fans)	69 000	1 867	66 357
invitations sent to friends/recommendations of actions	220 329	*	436 111
number of clicks of 'cool'/'like it'	13 683	*	*
% of players of all the brand fans on FB	*	15%	*
scored recommendation links	*	*	95 714
number of pictures sent	*	*	7 000
number of votes given	*	*	233 426
*no data			

No data in Table 2 indicates current problems associated with the measurability of social media. The verified areas of the range and involvement suggest the potential directions in this field. Moreover, there are still arising new types of services satisfying the needs of Internet users not recognized so far or based on the ways of Internet use not previously noticed, which will affect the measurement of effectiveness of activities in this area; some of the performance indicators of social media referred to will be included in the description of the social media market, others will become challenges and others may become standards, following the pattern of other markets (Miotk, 2017).

The range of social media campaigns conducted in B, C and D companies is significantly diversified; their widest range was recorded with the manufacturer and seller of non-alcoholic beverages and food products. The range of the social media campaign of C company, dominating against the background of the surveyed enterprises results from the adopted development strategy.

An interactive agency – B company organized a campaign on Facebook. The aim of the activities was to instantly build the community interested in the fight of Klitschko-Adamek, whose sponsor was Toshiba, and to reach them with the information on the contest, in which it was possible to win the tickets for the fight; the objective was to build the group of minimum 30 000 sympathizers of the action profile within four weeks. The task of the agency was to build the involving profile; the like page was set up: “nie ma mocnych na Polaka- Tomasz Adamek mistrzem świata” (*there are no stronger men than the Pole – Tomasz Adamek – the champion of the world*). Due to the publication of the involving and virus content, within 4 weeks, there were 69 000 engaged sympathizers who cheered the boxer before the fight; the group of sympathizers was to be the minimum of 30 000, therefore, it was exceeded twice. In addition, more than 220 000 sent invitations to friends/recommended the action. C company introduced a new taste to the market in 2011–Green Mango. The task of the agency was to prepare the launch of a new taste option on the Internet, on the brand website on Facebook.com and engage the fans of the company. The operations on Facebook were based on two themes: exoticism and dancing. In the area of activation, there were used two applications, the objective of which was possibly high involvement of the brand fans. The assessment of the activities in this field was based on three indicators relating to the range and two indicators concerning the involvement. The dominant indicator against the background of those discussed previously was the number of recommendations of the action. D company took the action of building the brand awareness by a nonstandard promotion using a social mechanism. The effects of the operations in this field were assessed according to 6 indicators of the range and 5 indicators of the involvement; the range of the indicators used, compared to the companies analysed previously, was definitely the widest; the applied packet of indicators assessing social mechanisms was significantly expanded and diversified (Luo et al., 2012). The observations for that period are associated with possessing of individual and diverse specific objectives by the company, which translates into too extensive expansion of the system of indicators which are not known to other organizations.

Summary

Achieving the overarching goal of entrepreneurial activity, which is to increase value for the company and consumers, is conditioned by adequate achievements. In the contemporary conditions of the functioning of enterprises, it is hard to deny that it is worth using social media to increase revenue from sales and minimize risk; they are complex communication channels, which enable establishing and maintaining constant contacts of the enterprise with its environment. The results of the theoretical and empirical research provide an opportunity to develop the range of monitoring of effects of actions taken in social media. There are clearly distinguished their two basic groups: the range and the involvement. In each of these groups, there are different indicators; in spite of their differentiation, in each

of the surveyed enterprises, there is clearly marked and dominates the sharing of information with friends, social groups, in which stakeholders operate; therefore, modern technologies are the potential for creating value and implementing strategic goals. The verification of the level and dynamics of the key performance indicators of social media in enterprise management is therefore the basis for assessment of achievements in the implementation of the adopted strategy in this field and requires constant improvement. Further improvements in the field of KPI of social media will aim at the development of the model of social media audit in the area of the enterprise, consumer and completion.

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KLUCZOWE WSKAŹNIKI EFEKTYWNOŚCI MEDIÓW SPOŁECZNOŚCIOWYCH W ZARZĄDZANIU PRZEDSIĘBIORSTWEM

Streszczenie: Celem opracowania jest prezentacja i ocena wyników badań dotyczących wskaźników wspierających pomiar efektywności działań w mediach społecznościowych. Opracowanie artykułu wymagało przeprowadzenia studiów literaturowych publikacji naukowych na temat mediów społecznościowych w kontekście zarządzania strategicznego oraz analizy studiów przypadków reprezentujących rozwiązania z zakresu mediów społecznościowych stosowanych w wybranych przedsiębiorstwach. W ujęciu metodycznym zastosowano dwuetapowe podejście: pierwsze to identyfikacja i uporządkowanie poglądów z zakresu wskaźników oceny mediów społecznościowych oparte na materiałach pochodzących z pozycji literatury specjalistycznej; drugie to ekspozycja sugestii teoretycznych, które objaśniają problematykę pomiaru i oceny wykorzystania mediów społecznościowych w zarządzaniu przedsiębiorstwem. Wartość przedstawionych rozwiązań z zakresu stosowanych wskaźników polega na możliwości ich wykorzystania w praktyce doskonalenia narzędzi oceny mediów społecznościowych a nawet sprawowania kontroli zarządczej w przedsiębiorstwach.

Słowa kluczowe: zarządzanie strategiczne, kluczowe wskaźniki efektywności, media społecznościowe.

企業管理中社會媒體的關鍵績效指標

摘要: 企業管理在國際視野中，其條件，過程，工具和後果有意識地超越一國的邊界，需要在特定條件下選擇最佳行動，實施方式和結果監測，這也適用信息渠道是社交媒體，允許用戶通過信息，知識，意見和評論的交流進行交互。本文的目的是介紹和評估有關支持社交媒體績效衡量指標的研究結果。該論文的发展需要在戰略管理的背景下對社交媒體上的科學出版物進行一些文獻研究，並分析代表在選定企業中應用的社交媒體領域的解決方案的案例研究。從方法論的角度來看，採用了兩階段方法：第一階段是基於專業文獻資料對社交媒體評估指標的觀點進行識別和排序，第二階段包括理解建議的理論建議。衡量和評估社交媒體在企業管理中的使用問題。所應用的指標領域中提出的解決方案的價值在於它們可用於改進社交媒體評估工具，甚至是該領域的管理控制。

關鍵詞: 戰略管理，關鍵績效指標 (KPI)，社交媒體