

VIRTUAL SOCIAL NETWORKS AND THEIR UTILIZATION FOR PROMOTION

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Abstract: The article deals with current knowledge of social media with the focus on social networks.

Social media offer great opportunities for businesses. However, in order to use these new business channels in the most effective way, businesses need relevant information. The main purpose of this article is to evaluate the state of utilization of social networks by businesses as well as home and foreign customers. The aim is also to point out on the importance of networking as a tool for acquiring an important competitive advantage in times of constant changes.

Key words: e-marketing, social networks, facebook

Introduction

Janouch (2010) defines social media as online media, where the content is created and shared by users. We agree with Janouch in that social media are actually “places of collective wisdom” where an opinion created on a certain product is mostly true. Therefore, they are more popular and are more trustworthy than traditional media. Whereas nowadays people tend to distrust advertising more often, businesses are left with no other option than to join the social media. We share the opinion of Matúš (2005) that the fundamental problem which businesses have to deal with is an enormous growth in number of media which address the same target group by a substitutable form. If businesses want to gain recognition, they have to search for new communication channels and advertising means which would address potential customers in a surprising and witty way (Dorčák, Pollák, 2010). Weakening of traditional and formation of new media is the circumstance favouring social media as a tool of a modern marketer. This, however, does not mean that traditional media will disappear. Different communication channels, will, however grow at a different pace (Pollák, Dorčák, 2010). We believe that number of people watching TV will be decreasing with more people spending their free time at their computers playing games, watching films and TV series online, chatting etc. We also believe that the situation of standard print media, such as newspaper, magazines, dailies etc., will worsen, as many people search for information they need on the internet. On the other hand, we believe that listening

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to radio, via internet (e.g. fun radio stream) or via standard channels will gain in popularity mostly due to worsening traffic situation.

Division of social media according to their focus

- Social networks – blogs, videos, audio, photos, chats, discussions etc.
- Business networks – connecting people from businesses, in particular people from higher and highest managements.
- Social bookmarking systems – sharing information, articles in particular, in the form of bookmarks.
- Pages with features enabling voting on the quality of content – voting on articles gets them on top positions, the more people read them, the more people vote for them.
- News – web pages with news displayed, where users can share the content and add comments.

Division according to marketing tactics is more transparent and it is this division that is mostly used for social media usage surveys.

- Social networks (Facebook, MySpace, LinkedIn, etc.)
- Blogs, videoblogs, microblogs (Twitter etc.)
- Discussion forums, Q&A portals (Yahoo! Answers etc.)
- Wikis (Wikipedia, Google Knol etc.)
- Social bookmarking systems (Digg, Delicious, Jagg etc.)
- Shared multimedia (YouTube, Flickr etc.)
- Virtual worlds (Second Life, The Sims)

For the purpose of drafting this article, we will discuss the chosen social networks in greater detail.

Social networks

Social networks are a global trend and they have been affecting communication process all over the world for couple of years now. The common motto of social networks is: “Share anything you like with people around you!”. According to a definition, social network is a set of interconnected subjects. Based on a profile information users establish contacts among themselves. Users with same ideas, visions, way of thinking, supporting single cause join groups. A network of relationships is thus created, which can be used in private and professional sphere (Success Magazine, 2010). The first social network – SixDegrees – was founded 13 years ago. Its members could search and send messages to their friends and then communicate with the rest of their friends and

family. This webpage ceased to exist in 2000, but the trend of social interconnection has survived (Sperry, 2010).

We consider the following to be the main contributions of social networks:

- they are sources of information and means for information search and exchange,
- creation of links between social networks members,
- they can help searching for new customers, or creating the right target group.

There are many different divisions of social network types. For the purpose of this article, we will discuss only two of them.

Success Magazine defines the following types of social networks (2010):

- Informational – composed of people searching for solutions to everyday problems.
- Professional – they help employees progress in their carriers or subject fields.
- Educational – they group students and teachers to cooperate on academic projects using blogs.
- Leisure – they focus on hobbies and belong to the most popular.
- Community – they publish “community content”. They include wide range of web pages where members can publish newspaper articles or comments.

Types of social networks according to Janouch (2010):

- Personal – these are the most widespread (Facebook, MySpace etc.)
- Professional – the most popular is LinkedIn, where professionals meet and discuss their work interests. Members have their professional profiles on the site and many companies choose their managers or consultants thence.
- Specialized – e.g.: Sermo.com for physicians, Inmobile.org for top managers in the field of communications.

Being part of a social network is simply “in” and it means opening to the world and providing and using information sources. Different parts of business segment also try to be trendy e.g. wellness, show business or entertainment industry, but also state and municipality administrations, media etc. We are convinced that a social network could become a sales channel, although it is mainly used for marketing. We realize that social networks are ever more popular and offer ever more services. Businesses should therefore understand them and learn how to use them to address their customers. Because social networks offer mutual communication, businesses can maintain a constant contact with their customers. A business can respond to various questions, comments, complaints etc. On the other hand, business creates customer reactions by its activities. From the point of view of marketing aims on social networks, this is a key activity. It is necessary to gain as many opinions as possible, so that marketers could define how customers perceive products and services and then adjust these products.

Internet business activities

Current economy requires a combination of thinking of the old and new economies. It is appropriate for companies to keep skills and practices that have proven appropriate in the past. However, if they want to prosper they have to supplement them with the internet age tools. Internet business activities, also known as e-business, are defined by Dorčák and Pollák (2010) as “managed trading via the internet, including purchasing and selling, but also providing services to customers and cooperation with business partners”.

We differentiate several business models of internet marketing:

- E – commerce – online purchase and sale of products or services. This includes B2C type shops (sale to ultimate consumers), B2B (trading between businesses), C2B (trade initialized by customers), C2C (trading between customers), e.g. online shop
- Sale of media landscape – internet media making profit by selling advertising space e.g. internet newspapers.
- Web sites used for acquiring contacts – web sites which help companies in acquiring contacts on potential customers e.g. microblogs.
- Affiliate marketing – is a type of marketing where someone else sells a products for a fixed or proportional remuneration.

Methods

Based on the acquired knowledge on the given issue, the research aim can be specified. In this case, the research question was: “Is it possible to measure the contribution of activities on social networks?” We believe it is. It is necessary to realize that it is not possible to simply take a sum invested in activities on social networks and then calculate a turnover gained from these activities. We would then obtain information on profit or loss by comparing the results. Considering the fact that oftentimes it is not possible to obtain such information, it is necessary to think of success indicators. Most of the indicators will follow trends rather than immediate values. Because we believe, that it is possible to measure contribution of activities on social networks, we have decided to carry out a secondary marketing research using external secondary data based on analyses of theoretical foundations of current knowledge in domestic and foreign publications. It is clear from the above that the main aim of the research is to assess the current state of utilization of social networks by businesses and customers. The social network Facebook was chosen as the research subject. The following information sources were used to obtain data for this research: the social network Facebook, the internet, foreign and domestic publications, science magazines.

We have used the following secondary information sources to learn about contributions of activities on the social network Facebook:

- www.facebook.com website statistics
- Brands statistics on Facebook for the Slovak Republic,
- Worldwide brands statistics on Facebook.

The following methods were used to gain these information:

Analysis and synthesis of the researched data and indicators. Obtained external secondary information were processed and analysed with a view to clarify their mutual relationships and connexions. Tables were used prevailingly to point these out. The findings were interpreted and taken into account during evaluation.

Results

The aim of the first part of the research was to find out and describe a quality, or importance of facebook.com website through chosen indicators Page Rank and Alexa Traffic Rank. In general, Google web page ranking is considered to be the most prestigious. Ranking reflects how important a given website in their opinion is. The importance is measured on a scale of 1 to 10, where 1 is the least important and 10 is the most important. Ranking is mostly based on number and quality of links.

Table 1 shows that facebook.com has the highest possible ranking i.e. 10 points.

| Indicators | Ranking |
|--------------------|---------|
| Page Rank | 10 |
| Alexa Traffic Rank | 2 |

Table 1. Evaluation of the facebook performance intensity

Source: pagerank.jklir.net/ranky

Alexa Traffic Rank indicator reflects visits of a website, where higher value means a higher number of visits. Based on the above (table 1), it is clear that facebook.com is the second most important website in the world according to the 2011 three-month evaluation period of the server Alexa. Table 2 shows 10 best websites on the internet also according to the server Alexa (www.alexa.com).

| No. | Website name |
|-----|--------------|
| 1. | Google |
| 2. | Facebook |
| 3. | Youtube |
| 4. | Yahoo |
| 5. | Live |
| 6. | Baidu |

| | |
|-----|-----------|
| 7. | Wikipedia |
| 8. | Blogger |
| 9. | MSN |
| 10. | Tencent |

Table 2. 10 best websites on the internet

Source: www.alexa.com

We believe that businesses should be inspired by these numbers to set up pages on facebook. The web pages could not only focus on businesses but also on brands and products. We understand that Facebook has become a fashion trend for communication. Millions of people search Facebook for all kinds of things: information, pictures, videos etc. We believe that via correctly edited websites, businesses can not only communicate with facebook users, but they also provide them with an opportunity to create a long-term relationship with their potential customers. At the same time, it could also mean gaining a prominent position in searches within Facebook but also within search engines. The presented results indicate that facebook.com has a prominent position in Google search engine and at the same time, that it is very popular and visited.

Facebook is mostly about creating networks. Groups constitute a great opportunity to create a social network of people with the same interests, hobbies and opinions. If it is possible to create a group for a certain brand, it is a great opportunity for a company to influence and attract customers. Table 3 shows 5 of the most successful brands in Slovakia.

| No. | Brand name | Number of fans |
|-----|-----------------------------------|----------------|
| 1. | Kofola | 144,081 |
| 2. | Nike Football Česko / Slovensko | 78,357 |
| 3. | Martinus.sk | 46,631 |
| 4. | BMW Slovensko | 39,805 |
| 5. | Hewlet Packard Slovakia, s. r. o. | 27,755 |

Table 3. Top 5 brands in Slovakia

Source: www.socialbakers.com/facebook-statistics/Slovakia

As the table 3 shows, the brand Kofola with 144,081 fans took first place according to statistics from Facebook for Slovakia. Nike Football Česko / Slovensko with 78,357 fans took second place, with the average growth of 760 fans

per month. Martinus, the biggest internet bookstore in Slovakia with 46,631 fans took third place. The average monthly growth in the number of fans for Martinus.sk was 868. Fourth place with 39,805 fans took the brand BMW Slovensko, with the average monthly increase in the number of fans of 1,704. According to Facebook statistics, fifth place took Hewlett Packard Slovakia s. r. o., the IT company (Slovak market leader) with 27,755 fans. With a growing popularity and an increasing number of users of Facebook, businesses and brands tend to move and realize their campaigns here. Our aim was to answer the following question: How do Slovak companies use facebook? Because profiles are reserved for real people only (some Slovak companies breach this rule), Facebook pages are the most appropriate for the requirements of brands and businesses (these pages aim at promoting a correct utilization of Facebook pages for Slovak businesses). Another possibility for companies, which want to use Facebook, is to organize events. Events or actions are suitable for placing a new product on the market, short-termed attention notices informing about sales etc. Facebook is a suitable place for conversation about products and brands. A company page on Facebook in combination with Facebook Ads together with an appropriate utilization of all of the possibilities of the interface could become another home in the online word for a business or a brand. We believe that this all depends on the skilfulness of businesses and good ideas.

As we have pointed out above, the great marketing potential of Facebook lies in building groups for brands. We believe that this is an effective means of gaining new customers for a business. Table 4 shows results of an analysis of the world's most successful brands on Facebook.

| No. | Brand name | Number of fans | Percentage growth of number of fans |
|-----|-------------|----------------|-------------------------------------|
| 1. | Coca – Cola | 23,780,662 | +12.55 % |
| 2. | Starbucks | 20,282,644 | +7.04 % |
| 3. | Disney | 18,418,472 | + 19.32 % |
| 4. | Oreo | 17,435,035 | +8.28 % |
| 5. | Red Bull | 16,418,086 | +14.57 % |

Table 4. World's top 5 brands on facebook for the last three months of 2011

Source: <http://www.socialbakers.com/facebook-pages/brands>

The most popular brand with Slovak Facebook users is a cola-type drink Kofola, however, the brand Coca – Cola is on the first place worldwide. This drink has 23,780,662 fans, with a percentage growth of 12.55 % for the last three months. The growth rate of the number of fans is 40,085 per day, 626,503 fans per week and 1,236,152 fans per month. In the worldwide coffee business, Starbucks is the most popular brand. Therefore, it does not come as a surprise that it is in second place with 20,282,644 fans. The brand Disney is in second place with 18,418,472

fans. The brand Oreo took fourth place with 17,435,035 fans. The brand Red Bull took fifth place with a group of 16,418,086 fans.

Summary

The analysis results show that consumers express their relationship to brands of individual products via Facebook. They can share their experiences with certain brands with their friends and obtain verified firsthand information. Companies can thus gain fans who introduce brands to their fans. This is the type of communication that creates the basis for a powerful viral marketing, which we think, companies should make use of if they want to succeed on social networks. American experts try to keep pace with constantly changing trends in social media. Recent survey of Creative Group shows that 65% of marketing managers in the USA argue that this is in some way difficult. 35% of them do not consider this a challenge. Social media offer great opportunities for businesses. However, in order to use these new business channels in the most effective way, businesses need relevant information. They can learn what is working and what is not for the competitors through social networks. In conclusion, we can only agree with many authors who argue that in times of constant changes, networking is very important and useful for businesses.

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WIRTUALNE SIECI SPOŁECZNE I ICH WYKORZYSTANIE W PROMOCJI

Streszczenie: Artykuł bada stan wiedzy dotyczący mediów społecznych w odniesieniu do sieci społecznych.

Media społeczne oferują biznesowi bardzo duże możliwości. Jakkolwiek, aby wykorzystać nowe kanały biznesowe efektywnie, podmioty gospodarcze potrzebują właściwej informacji. Głównym celem tego artykułu jest ocena stopnia wykorzystania sieci społecznych przez przedsiębiorstwa jak również lokalnych i zagranicznych klientów. Ponadto głównym celem jest wskazanie istoty *sieciowości* jako narzędzia nabywania ważnej w tych czasach ciągłych zmian przewagi konkurencyjnej.

本文论述社交媒体特别是社会网络的最新知识。

社交媒体为企业提供巨大的机会。然而，为了最有效地使用这些新的商业渠道，企业需要

相关的信息。本文的主要目的是评估企业和国内外客户利用社会网络的情况。另外，本文

还指出了社会网络作为一种工具的重要性。在这个不断变的时代，社会网络是一种获取重

要竞争优势的手段。