Social networks as a source of entrepreneurial ideas

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Abstract

Modern information technology, especially the Internet and its services are made information accessible to everyone, anywhere, anytime. Today there is no problem how to access the information, the problem is, how to identify the right information.

A number of websites have been developed to offer support to new and already established businesses and entrepreneurs, such as: portals for accounting and tax information, portals for communication between companies and state institutions, websites with legal advice to businesses, etc... Today, social networks become popular, especially Facebook and Twitter. Following carefully all advertisers who follow a specific topic, can engender new ideas on the principle of brainstorming. In this storm many people can participate an extremely wide range of ideas.

Researches show (http://www.socialmediaexaminer.com/5-social-media-marketing-trends -new-research-2/ # more-4684, http://www.ris.org/) that social networks are source of many new business ideas, opportunities for business promotion, the place where the trends in the business environment and the global world market are predicted. Study of social networks becomes so important that new schools of study on social networks arise (http:// www.racunalniske-novice.com/novice/splet/socialna-omrezja/pinterest/diploma-iz-druz benih-omrezij.html).

This paper deals with the debate on identifying business ideas on social networks (depending on the results of various surveys) and try to stress the rationality of formal study programs on social networks.

Key words: *entrepreneurship, internet, social networks, studies of social networks*

1. Introduction

Social networks are becoming a huge, and above all, all accessible repository of knowledge that should be exploited for use of commercial and personal purposes by using the information obtained to build a better life. Among the most popular are particularly Facebook, Twitter, LinkedIn, as well as Skill Page, YouTube, Instagram etc.

"Social networks are very popular as they are already being used by more than one billion people around the world today. Although these are primarily intended for connecting with family members, friends and acquaintances, they also represent an excellent platform for activities in the field of economy, politics, education, health care and much more."

(http://www.racunalniske-novice.com/novice/splet/socialna-omrezja/pinterest/diploma-iz-druzbenih-omrezij.html)

Below are some examples of good practice on how the information on social networks can be used for good business ideas. Social networks, as a source of information were chosen because their use is increasingly topical, especially for the "Millennium" generation, which is currently entering the labor market. Knowledge is necessary in order to exploit modern sources of information, formal and informal. Therefore, we also discuss about whether such knowledge is accessible to today's generation and where.

2. Practices in Slovenia and worldwide

Researches in the world, mainly in the USA (http://www.socialmediaexaminer.com/5-social-media-marketing-trends-new-research-2/#more-4684) and Slovenia (http://www.ris.org/) have found:

- that 97% of businesses in the United States in 2012 believe, that marketing on social networks contributed to increased profits;
- 75% of respondents intend to increase their presence in social networks;
- businesses see the benefits of social networks in the participation in dialogue (85%), increase sales and partnerships (58%) and reducing costs (41%);
- among the types of advertising, marketing on social networks is in 3rd place..

In Slovenia, the use of social networks is estimated through the e-competences of citizens who transmit their knowledge to the work organization. Studies of Internet use in Slovenia in the period from 2010 onwards show:

- that the development of specific e-skills in Slovenia is markedly above the EU average in almost all segments, except in the elderly over 55 years;
- 11% of Internet users are pensioners;
- the results show that 60% of the respondents shaped a profile on at least one of the many online social networks. Among these mostly dominate youngsters aged between 16 and 25 years (75%), women (63% women and 57% men), residents of villages having more than 2000 population and medium-educated (72%);
- regular internet users in Slovenia monthly most frequently visit video and photo communities (45%) and online social networks (44%), followed by online forums (29%) and blogs (23%);
- online advertising in Slovenia is developing, but compared with developed countries still lags behind. Reviews from IAB Europe for 2011 show that in our web consumes 18.1% of total advertising budgets. The largest percentage of advertising on social networks belongs to Facebook (83%). The second is Twitter (53%), but by 2014, it is expected to grow to 64%.

As noted, 75% of the millennium generation in Slovenia is actively involved in cooperation on social networks. One might envisage that the presence of this generation on social networks also led to particularly Facebook and Twitter being used for commercial purposes. Why are lagging here behind Europe? In the challenge of further research we can hypothesize: whereas the unemployment rate in Slovenia of this generation is high, the use of modern information technologies for business purposes is less than the average in Europe. However in this paper we do not deal

with such a study. Whatever the statistics, we find that Internet users are increasingly exploiting the dimensions of social networks for business purposes.

Companies have started to realize the advantages offered by the use of social networks and even here it resulted in a flood of company profiles. But presence alone on the network is not important, it is important who has the "cool" profile (Figure 1), one that stands out and can be noticed. To create a good corporate profile (for example) on Facebook it takes a little more knowledge as to creating a personal profile, especially if you are aware of the width and depth of social networks (http://data.si/wp-content/).

Figure 1. Importance of "likes" on the social network

Source: http://data.si/wp-content/uploads/2014/09/bigstock-Hand-Pressing-Like-Button-11718554.jpg

One of the first business forms on the social networks was marketing. This is an extremely cost-advantageous form of advertising; it is proven that it is also very effective. But good knowledge of content and advertising techniques is also needed to advertise online, for to add to be seen (http://data.si/wp-content/uploads/2014/07/Small-Businesses-Social-Media-Management-Tools.jpg).

The presence on social networks for a company is nowadays actually necessary (Figure 2). Twitter is one of the fastest growing social networks, Twitter is not just a social network where users compete in who will use more hashtags or words prefixed with "#", but it is also an excellent choice for an entrepreneur who is looking for new customers, and wants to expand his or her business (http://data.si/wp-content).

Figure 2. Types of corporate presence on social networks

Source: http://data.si/wp-content/uploads/2013/02/dru%C5%BEabnao-mre%C5%BEja.jpg

Since tweets are very short messages, they must be carefully designed to achieve their purpose and audience, its potential customers. There are a whole studies about when and how to send messages in order for them to get noticed.

Social networks are not only a medium for advertising and communication, but purely a business platform for these start-up companies. A platform for massive funding (so called crowdfund) is a new form of collecting start-up capital for the implementation of business ideas, particularly through networking at social networks. In 2009, the annual growth of these platforms was 61 percent. Slovenes also participate in one of the most famous of these platforms, Kickstarter, where some companies have also succeeded. However, some believe that this form of raising capital is great in theory, but somewhat more complicated in reality. It is established that around 55% of startup businesses fail on Kickstarter (http://www.rtvslo.si/mmc-priporoca/okoli-55-odstotkom-zagonskih-podjetij-na-kickstarterju-ne-uspe/334518).

Summary of findings regarding the use of social networks for business purposes at the same time indicates a trend of growth in entrepreneurial ideas on networking. It can be concluded (http://data.si/wp-content/):

- Social networks will also become business platforms and will have to become part of a strategic marketing plan for companies. Only this way the company will be able to successfully operate.
- Google+ will become increasingly more popular as social network, as Google is the largest web browser. Therefore Google+ should also be included in the list of social networks, which can be exploited for commercial purposes.

- Using pictures and photographs will be even more widespread, especially with applications like Instagram and Pinterest.

- The use of video will also be on the rise due to the effect achieved by the transmission of information via video. Google is also aware of that, which is why Google already owns YouTube.

- Advertising through social networks will become increasingly more costly, because all the most popular networks increasingly expose payable adds.

3. How to access knowledge

In the previous section we have presented trends in the world and in Slovenia in the areas of good practices on how social networks can be used as a source of entrepreneurial ideas and as a medium of business growth. A company's presence on the networks requires much more knowledge than it is necessary to set up a personal profile. Even the communication is different. Where to obtain the appropriate knowledge, where to train for proper use of information sources, such as social networks for business purposes?

In Slovenia several companies and institutions are engaged in researching and studying the data on the social networks for different purposes so it is possible to conclude, that the labor market of the future will be a place with experts with relevant formal knowledge in this field. Some examples of rapidly evolving business environments, where the necessary skills and competencies use of the latest ICT:

- management of data and information in the area of criminology, shaping public opinion and election forecasting, etc.. (http://www.fvv.uni-mb.si/ovd2013/);

- development of software tools that use artificial intelligence methods (Data Mining) to analyze data from social networks and discover a new knowledge (http://www.salviol.com);

- control of public information, which is collected on social networks, analysis of public opinion, especially from the network Tweeter (http://www.gama-system.si);

- analyzing large amounts of data online in order to form a foreground, or the so-called Web data mining, research in the area of Semantic Web (http://www.ijs.si/ijsw/E9);

- recognition of online social networks as an opportunity to promote innovation in enterprises and organizations (http://www.croz.net).

In Slovenia no such colleges yet exist, which would formally educate trained experts in social networks. Even abroad we found only one; Studies of "social media" at the University Newberry, USA, as a master's program, which trains for employment in the field of manufacturing, sports, media, politics and tourism.

(http://www.newberry.edu/academics/areasofstudy/artsandcommunications/socialmedia.aspx).

Even abroad the need for knowledge management, which is covered by social networks, is expressed which is evident from the numerous articles in scientific and professional journals:

- Social Network Analysis and Mining – published in www.springer.com/computer/database...%26.../13278;

- Data Mining Based Social Network Analysis – published in www.siam.org/meetings/sdm08/TS1.pdf;

- IEEE Xplore - Data mining for social network analysis – published in ieeexplore.ieee.org › ... › Intelligence and Security Inf;

- Data Mining: Using Predictive Analysis and Social Network Analysis – published in technologyvoice.com › Social Network Analysis;

- Mining social networks: Untangling the social web – published in The Economist, www.economist.com/node/16910031.

Very solid informal knowledge on the use of social networks is even available on the internet and it's for free. The world's best universities offer on-line education and training, including on the use of social networks (https://www.coursera.org/). Mainly teachers today need this knowledge, because the students of today's generation (a Millennium generation) are very familiar with new technologies. Social networks being used daily from different devices: tablets, notebooks, smart phones. They need a teacher who knows how to steer through modern technology to the right information. So it will be necessary to include such skills in teaching studies.

4. Conclusions

Social networks are full of ideas that people are expanding the global network. All generations participate. In the information society, information is the main source of everything and business is not exempted.

Social networks have become a huge source of knowledge that can be exploited for commercial and personal purposes. Among the most popular are particularly Facebook, Twitter, LinkedIn, as well as Skill Page, YouTube, Instagram et al. Even Google, with its new platform ranks among the modern networks and is no longer only the most widely used web browser. Trends in the development of social networks suggest that it will be a very popular platform for entrepreneurial challenges and business in general in the future. Online advertising will probably become a paid service, at least for publications, which will occur in the most visible locations in the network.

The use of these new technologies requires more and more multidisciplinary skills, especially for creating effective business profiles. Schools that offer adequate formal knowledge almost don't exist, not in the world, nor in Slovenia. Mostly available is informal education, including online and for free. However, for the serious business ideas, advertisements and analysis of data from networks, some more competencies are needed.

The Millennium generation is coming and it it's already present in the labor market today. For that people it's typical to use all the modern technology for all purposes, personal and business. For these young businessmen, social networks are as a global office without walls, where it all happens: from idea to realization of the transaction. It's likely they should be followed!

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