

ATTITUDES OF ENTREPRENEURS TOWARDS SOCIAL MEDIA AS A MARKETING TOOL

Anton Florijan Barišić, PhD, CMC, MCSE, EEA, University VERN'
Trg bana J. Jelačića 3, 10000 Zagreb, Croatia
E-mail: afbarisic@chronos.hr

Krunoslav Vujnović, spec. inf., University VERN'
Trg bana J. Jelačića 3, 10000 Zagreb, Croatia
E-mail: krunoslav.vu@gmail.com

ABSTRACT

Rapid development of technologies has led to emergence of new opportunities for businesses such as social media. Online social networks and media are well recognized and increasingly used by businesses as valuable source of information regarding the design, acceptance and use of their products and services, and also as important marketing tool to reach diverse groups of customers that had not been covered earlier by their marketing campaigns.

The purpose of this paper was to research the low presence of Croatian entrepreneurs on social media and their platforms and the use of these media as marketing tools to increase business efficiency.

The main goal of the research was to find out whether social media marketing is important for businesses, to explore the advantages and disadvantages of marketing campaigns conducted through social media and to identify the best social media platforms for those purposes.

The research questions have been formulated in accordance with the objectives of the research: (a) to what extent is Social Media Marketing important for business?; (b) to what extent do companies use social media in business?; (c) do businesses have social media strategies developed?; and (d) do the costs of using social media justify their use for marketing purposes?

The conducted research has shown the attitude of the Croatian entrepreneurs toward usage of modern technologies to boost their business performance, and has indicated the possible reasons for low adoption of social media as marketing tool.

Keywords: social media, social media marketing, advertising, social networks

1. INTRODUCTION

Nowadays, it is not enough for companies to have only a business website. Social networks such as Facebook, Twitter, Google+, Instagram, LinkedIn, and content sharing sites such as YouTube etc. can greatly help improve their businesses. There is almost no area of human or business activity in which social media cannot be applied, starting with marketing, public relations, branding and promotion, reputation building on the Internet, communication, politics, and personal promotion. The benefits of access to all of these areas through social media are enormous and because of their widespread availability and accessibility, they result in better interaction and communication with the target market and customers. This changing nature of consumers shopping habits means that instead of continuing to push marketing messages out, companies must adapt to new behaviour of consumers by creating effective marketing campaigns that attract people to their business (Evans, 2011). The present classic media used in planning and executing marketing activities are being replaced by a new media space where the activities of publishing individual content are being replaced by interactive, networked multimedia content in the space of personal and interactive platforms.

2. WHAT IS SOCIAL MEDIA?

Social media is a relatively new way of marketing the business. Services such as Facebook, LinkedIn, Twitter and many others provide a free platform from which companies can market their business and raise awareness of their website. In contrast to more traditional marketing methods, social media allows two-way communication between the business and clients (Mayfield, 2008). Once a social media presence has been established, relevant and timely information can be passed to the target audience in response to current activities and events.

There is no single and unique definition of social media because different people understand it differently. Social media are a relatively new term for our area that is constantly changing each year with new platforms and features. The concept of social media is much wider than many people generally think. Most people think social media only relate to social networks such as Facebook, Twitter, LinkedIn, etc. The fact is that social media can be described as any digital system where people connect to each other (Weber, 2009).

The word "social" in this context describes the way users share the network and its content. People can share content, a short status or a lengthy content on a blog. They can also include music, video content, and images in their content. For example, a simple television network cannot be described as a social platform, but it can be considered as social if users are able to create profiles, lists of movies they want to watch, comment, and share them with others. Many companies selling some kind of products or services allow users and buyers to review and evaluate them. Such sales websites allow users to share their experiences through an online shopping platform (Blazek et al., 2012)

Due to the global popularity of today's social media, almost all new online platforms have some of the social features such as profiles, rating, commenting, sharing, etc. The power of social media is characterized by rapid development. There are millions of social media talks every day worldwide, and many of them are likely to be discussed about certain companies, employees, products, or services and competitors (Mehrabi et al., 2014). This represents an excellent opportunity to gather information about the opinions of relevant people, namely clients, potential clients, and employees.

There are a large number of products on the market that allow "listening" to social media and analyzing the collected data. Such data provides insight into industry-specific or public sector trends and can serve as a predictor of future trends. (Blazek, Kolb, Partl and Streichsbier, 2012). However, it is important to be aware of limitations regarding keeping or analyzing data collected from social media. Social media have fundamentally changed the communication with companies and people (Brogan, 2010). We are currently more connected than we have ever been, and a significant number of hours are spent on a daily basis, increasing dependency of the people on social media.

Firms that leverage the power of social media will gain competitive advantage. The fact is that there are a number of advantages of efficient use of social media. Social media should not only serve as a marketing channel but should also be used as a means of connecting with customers and other factors around the company (Richards, 2015). Social media helps successful, open and transparent companies build trust among the participants. Changes are inevitable, and companies that accept it can turn challenges into opportunities and preserve their future success (Kaplan and Haenlein, 2010).

2.1. Social vs. classic media

The classic media use broadcasting through television and radio stations, printing newspapers, magazines, etc. On the other hand, social media developing along with the technology include the use of social networks such as Facebook and Twitter, blogs, etc. The emergence and development of the Internet and related technologies have greatly prompted rapid development of social media with a noticeable trend of replacing and inheriting the classic media. It can be said that social media have the foundations of classic media; they have the same purpose; information gathering procedures are similar and they share more or less the same audience (Nichole, 2010). The main difference between social and classic media is that social media enable people to connect with others, while in the classic media it is impossible. Key differences between social and classic media are listed in the table 1.

Table 1. The difference between social and classic media

Social media	Classic media
Two-way communication	One way communication
Open system	Closed system
Marketing 1 on 1	Mass marketing
Content generated from the company (brand) and the user	Professional content
Authentic content	Proper content
Free platform	Paid platform
Metrics: engagement	Metrics: reach / frequency
Participants: users / clients	Contributors: Famous people
Making decisions: community	Making decisions: economic
Unstructured communication	Controlled communication
Real-time creation	Planned creation
Bottom-up strategy	The top-down strategy
Informal communication language	Formal communication language
Active participation	Passive participation
Available 24/7	Available during working hours

Source: Authors' work

Marketing professionals rely on media to deliver their message about products and services. For long time, the classic media served as the only channel for these messages to reach the public (Meerman Scott, 2015). Today, marketing, branding and the way companies communicate with clients or potential customers have changed because of the emergence and use of social media for marketing and communication purposes.

Many companies are struggling with implementation of social media for several reasons. There are many ways in which companies can create value for themselves, and also for their customers or suppliers. Companies can use social media to support and maintain contacts, intervention and relationship with clients and suppliers. In this way, mutual trust between companies and clients is improved. One of the most important advantages is the ability to identify potential customers. Social media allows businesses to deliver information about their products, new products, services, and ideas that can attract customers and demonstrate transparency.

The advantages and disadvantages of social media are presented in the table 2.

Table 2. Advantages and disadvantages of social media

Advantages	Disadvantages
Presenting product information	Time intensive
Searching information	Trademark issues
Tracking competitors	Copyright issues
Building customer relationships	Confidence
Generating potential clients	Privacy
Interaction with clients	Certainty
Access to broader public	Brand recognition due to the number of users
Supporting to sales processes	Negative feedback
Identifying client needs	Lack of personal connectivity
Reduce advertising costs	Negative comments
Building and maintaining clients loyalty	
Ease of use	

Source: Authors' work

In addition, such media provide companies with the ability to seek information and monitor competitors and their products or services. This way, they can also collect customer feedback that can be useful for improving or changing their own products or services. Building a direct relationship with clients and potential customers is another opportunity provided by social media such as Facebook, Twitter, or blogs, providing interaction with companies or clients, answering questions, suggestions, complaints, and giving feedback and sharing opportunities. As the Internet is expanding rapidly, social media are expanding in terms of the number of users and their capabilities (Karr, 2015).

Characteristics of social media in comparison with TV and the radio in context of message dispersion speed, the possibility of reaching the target group, costs of campaign, time investment in the campaign, and level of use by clients is presented in the Table 3.

Table 3. Comparison of characteristics of social media, TV and the radio

	Social media	TV	The radio
Speed of message dispersion	High	High	High
Possibility to reach the target group	High	Average	Average
Campaign cost	Low/Medium	High	Medium
Time investment in the campaign	High	Medium	Low/Medium
Level of use by clients	High	Medium High	Medium

Source: Authors' work

3. RESEARCH PROBLEM

The problem that has been considered in the research is the weak presence of Croatian companies in social media and the inadequate use of social media for marketing purposes in order to increase business efficiency.

Most of the companies do not have a thoughtful and effective marketing and social media marketing strategy. Previously conducted researches show that companies do not have the knowledge and adequate preparedness to effectively use social media partly because of the lack of precisely defined business strategy and goals they want to achieve by using social media. New media provide a fast flow of information and offer countless opportunities but require a great deal of dedication and professional access.

The problems faced by any company that decides to market through social media without having advertised on them before, are uncertainty about the choice of social media, their usefulness for business purposes and proper estimates of the right time for entering social media, etc.

In accordance with the above mentioned problems, as the subject of research current representation and use of social media in companies in the area of City of Zagreb and Zagreb County was defined, as well as planning and application of social media for marketing purposes. Participants' perception about the importance and role of social media in their business operations, the intentions of companies to interact with customers through social media, as well as the influence of social media on the behavior of respondents has been explored. In this context, the basic objectives of the research are: (1) to investigate whether social media marketing is

important to business; (2) to explore the advantages and disadvantages of marketing through social media; (3) to explore the best platforms for social media marketing.

Based on the predefined problem and subject of research, the following research questions were defined for the purpose of preparing and conducting research and achieving research goals.

Is social media marketing important for business?

To what extent are companies using social media in business?

Have businesses using social media developed a marketing strategy tailored to the features of social media?

Do the costs of using social media justify their use for marketing purposes?

3. 1. Methodology

Primary data were collected by doing a quantitative research by means of a test method using an e-mail questionnaire. Samples for the above-mentioned survey are found among SME companies in the area of Zagreb and Zagreb County. The guiding principle for selection of companies - participants in the research has been defined according to the EU definition of SMEs¹. In that sense the database of the Croatian Chamber of Economy has been used to find appropriate SMEs for the purpose of sending them the invitation for participation in the research. The survey was conducted among employees in marketing departments. The size of the sample was 260 companies. The response rate was 21.5%, which makes 56 responses. The survey contained 26 questions. The questions type was closed with the provided answer queries. The response time was approximately three weeks. The data entry was made automatically in real time, as soon as one of the participants completed the survey. For the analysis of data collected through the questionnaires, the method of descriptive statistics was applied.

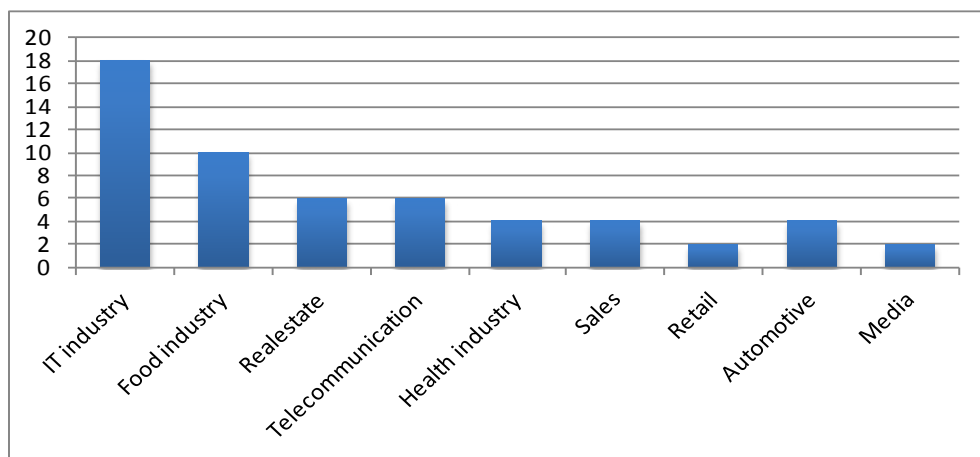
For the non-quantitative analysis and illustration of the answer to the research questions, or for the collection of secondary data, a desk research method was used, including analysis of relevant professional literature, journals, databases and other Internet sources. Inductive analysis and synthesis was used to process data collected from secondary sources.

¹ The European definition of SME follows: "The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding 50 million euro, and/or an annual balance sheet total not exceeding 43 million euro."

4. RESEARCH RESULTS

After collecting the questionnaires, the analysis of the answer has been made. Regarding the industry sector, 34,63% of the respondents come from IT industry, 19,23% are active in the food industry, while 11,54% are in the real estate business. Respondents from telecommunication industry represent 11,54%, and from retail 3,85%, from automotive 3,85%, and from health and media industry each by 7,69% of all respondents. Graphically, the sectoral distribution is presented in the Figure 1.

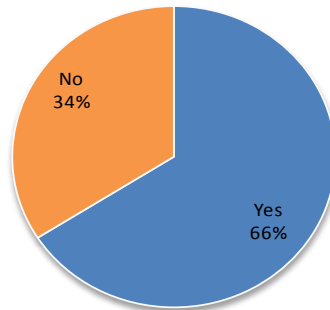
Figure 1. Sectoral distribution of the respondents



Source: Author's work

One of the research objectives was to analyse in what measure organisations combine classic marketing with marketing on social media. The results show that 37 out of 56 respondents use classic marketing (36%), while 19 of them (34%) do not use it. It is interesting to note that these respondents do not plan to use classic marketing in the future at all. Graphical presentation of the results is given in the figure 2.

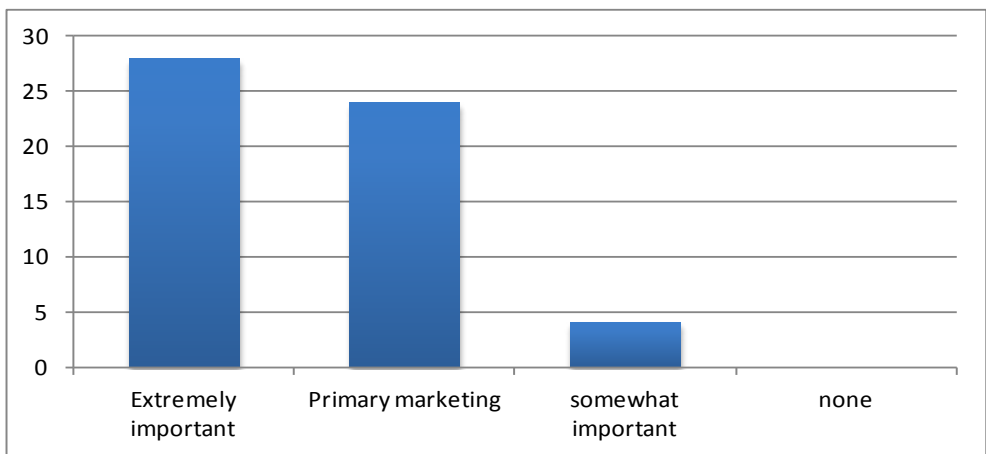
Figure 2. Use of classic marketing campaigns



Source: Authors' work

Regarding the research question about importance of social media marketing for their business, 28 out of 56 (50%) respondents answered that social media marketing is extremely important for their marketing strategies, 22 respondents stated that social media marketing is their primary marketing channel. It is to conclude that social media marketing plays significant role in company's marketing strategy. The figure 3 shows the importance of social media marketing for organizations.

Figure 3. Importance of social media marketing

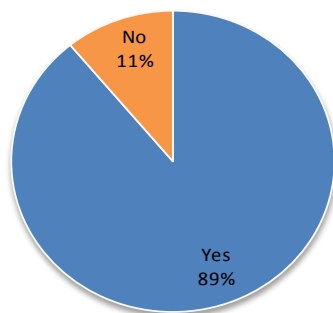


Source: Authors' work

Answers to research question about do companies have social media marketing strategies developed showed that 50 out of 56 respondents have elaborated strategy,

while 6 of them answered negatively. Graphical presentation of the answers is given in Figure 4.

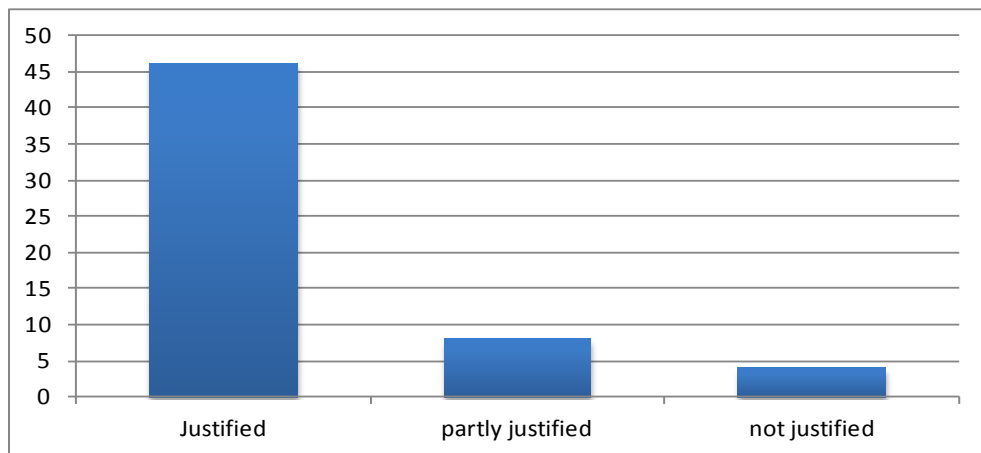
Figure 4. existence of the social media marketing strategy in the company



Source: Authors' work

With respect to the justification of the costs of marketing campaigns on social media, 46 out of 56 respondents believe that costs are justified (79%), 8 of them believe that costs are partly justified (14%), while 4 respondents think that costs do not correspond to the results achieved (7%). The figure 5 shows the justification of the marketing costs on social media.

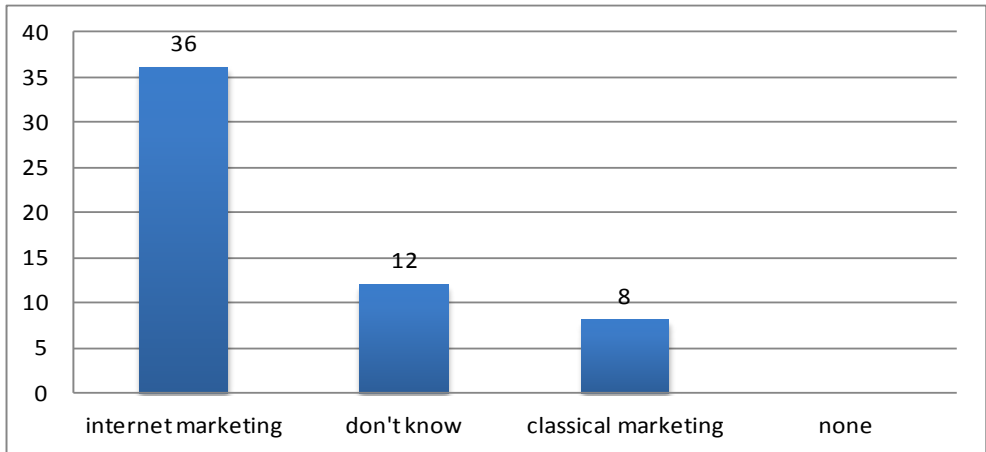
Figure 5. Marketing costs on social media



Source: Authors' work

On the question about what type of marketing produces better results for particular business. 36 out of 56 respondents believe that they can attain better results through Internet marketing (64%), while 12 of them prefer classic marketing (22%). 8 respondents out of 56 or (14%) said that they do not know what type of marketing better fits their business strategy. Reason for that can probably be insufficient knowledge, inadequate equipment. The results are presented in Figure 6.

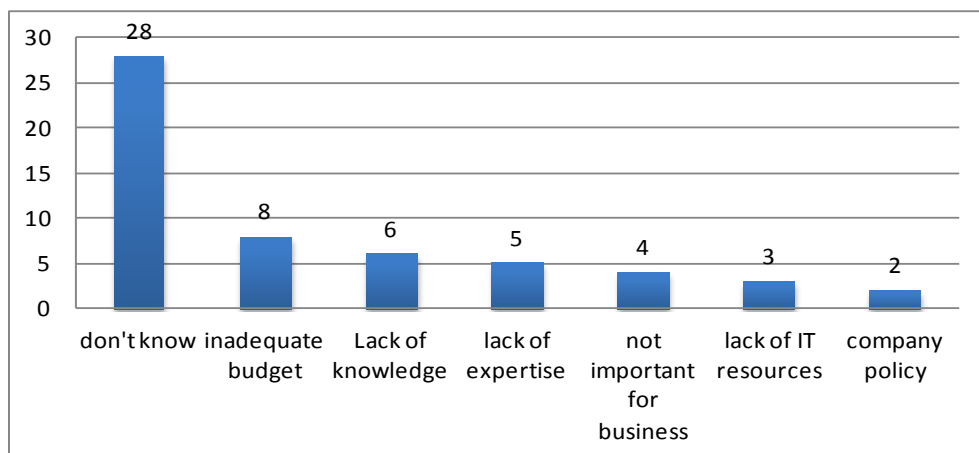
Figure 6. What type of the marketing produces better results



Source: Authors' work

The reasons for inadequate social media marketing strategy vary from company to company. Elements affecting the strategy are: inadequate budget (14%), lack of knowledge about social media (11%), lack of expertise (9%), non importance of social media for the business (7%), lack of IT resources (5%), company policy (4%). About 50% of respondents do not know what elements influence strategy development. Graphical presentation is given in Figure 7.

Figure 7. Reasons for inadequate social media marketing strategy



Source: Authors' work

5. CONCLUSION

Existing social media, their features, advantages, disadvantages and the future have been analyzed. It has been concluded that social media have great potential for business operations. Social media technologies and their overall presence are constantly improving and developing at a growing pace, introducing ever new applications and options to customers.

The research has shown that proper implementation of activities and proper planning of social media through various strategies and campaigns can lead to better business results in general. In order to better understand marketing activities, and take the advantage of using social media, companies need to introduce tools for measuring marketing activities, whether by using their own measuring system or third party solutions. The risks connected with advertisement on social media have been explored and results indicate that companies have to be educated about these risks in order to avoid any negative and unpleasant situations when using social media as a marketing tool.

Further survey analysis has shown that customer relationship building is one of the most important social media strategies. The reach and positioning on search engines are closely related, and a number of methods are identified to increase the reach to the preset ultimate goal.

The methods of generating potential customers are explored. Tracking and controlling the competition can help in improving company's own product or service.

Empirical research gave answers to the previously set research questions. Responding to the research questions, more than half of the respondents answered that social media marketing is very important for their business. They claim that Internet

marketing produces better results in comparison to classic marketing methods, but there are companies that do not know which type of marketing provides them with better results, either because of ignorance or inadequate access to information. Less than a third of respondents believe that better results are achieved using classic marketing.

The results of the survey regarding the question about using a social media-oriented marketing strategy tailored to the characteristics of social media show that companies in most cases create their own appearances on social media independently and use poorly the help of professional agencies.

It can be concluded that companies recognize the power of pictures and videos in advertisements and majority of respondents use them regularly. Responding to the question related to costs of using social media for their marketing purposes, majority of companies consider that costs of marketing actions using social media are fully justified, and in that sense, most of them increasingly allow marketers to self-assess and dispose the marketing budget. The marketing costs are tracked and justified on a daily and weekly basis.

The results of the survey have also shown that Croatian companies are less present on social media networks due to the fact that some companies think classic marketing is better for their business, while other have no sufficient information about the usefulness of social media marketing for their businesses.

Despite the existence of awareness of the possibilities of social media in the function of market expansion and access to increased number of potential customers and users, Croatian companies are poorly utilizing the functionalities and proven benefits of using social media.

The companies generally recognize the power of social media in terms of marketing campaigns, but they also recognize some obstacles such as lack of time, insufficient budget or even lack of social media knowledge, inadequate IT resources, and certain company policies.

Regarding the sample size, it can be said that research results are indicative and can be used as good basis for further research.

STAVOVI PODUZETNIKA PREMA DRUŠTVENIM MEDIJIMA KAO MARKETINŠKOM ALATU

Anton Florijan Barišić, PhD, CMC, MCSE, EEA, Veleučilište VERN
Trg bana J. Jelačića 3, 10000 Zagreb, Hrvatska
E-mail: afbarisic@chronos.hr

Krunoslav Vujnović, spec. inf., Veleučilište VERN
Trg bana J. Jelačića 3, 10000 Zagreb, Croatia
E-mail: krunoslav.vu@gmail.com

SAŽETAK

Brzi razvoj tehnologija doveo je do pojave novih mogućnosti za poslovanje kao što su društveni mediji. Društvene medije poput online društvenih mreža kompanije prepoznaju i koriste kao vrijedan izvor informacija vezanih uz dizajn, prihvaćanje i uporabu njihovih proizvoda i usluga te kao važan marketinški alat za pristup različitim skupinama kupaca koje ranije nisu mogle biti obuhvaćene njihovim marketinškim kampanjama.

Svrha ovoga rada proučavanje je male nazočnosti hrvatskih poduzetnika na društvenim medijima i njihovim platformama te slabo korištenje tih medija kao marketinških alata za povećanje učinkovitosti poslovanja.

Glavni ciljevi istraživanja bili su saznati je li marketing društvenih medija važan za tvrtke, istražiti prednosti i nedostatke marketinških kampanja provedenih putem društvenih medija i identificirati najbolje platforme društvenih medija za te svrhe.

U skladu s ciljevima istraživanjima, formulirana su istraživačka pitanja: (a) u kojoj je mjeri marketing na društvenim medijima važan za poslovanje; (b) u kojoj mjeri tvrtke koriste društvene medije u poslovanju; (c) razvijaju li tvrtke strategije marketinških nastupa na društvenim medijima; (d) opravdavaju li troškovi korištenja društvenih medija njihovu uporabu u marketinške svrhe?

Provedeno istraživanje ukazalo je na stav hrvatskih poduzetnika prema korištenju suvremenih tehnologija za unapređenje i poboljšanje njihove poslovne uspješnosti te je ukazalo na moguće razloge slabog prihvaćanja društvenih medija kao marketinškog alata.

Ključne riječi: društveni mediji; marketing društvenih medija; oglašavanje; društvene mreže

LITERATURE

1. Evans, L. (2011). *Social Media Marketing: Strategies for Engaging in Facebook, Twitter and Other Social Media*. Indiana: QUE Publishing.
2. Blazek, P., Kolb, M., Partl, M., i Streichsbier, C. (2012). The usage of social media applications in product configurators. *International Journal of Industrial Engineering and Management (IJIEM)*, 3(4), 179-183.
3. Brogan, C. (2010). *Social Media 101: Tactics and Tips to develop your business online*. New Jersey : Wiley Publishing Inc.
4. Kaplan, A.M., i Haenlein, M. (2010). Users of the world, unite! The challenges and opportunities of Social Media. *Business horizons*, 53(1), 59-68.
5. Karr, D. (2015). *9 benefits of social media marketing*. Preuzeto s <https://www.marketingtechblog.com/b2b-social-media-benefits> (17.9.2015.)
6. Levinson, J.C. i Gibson, S. (2010). *Guerrilla Social Media Marketing: 100+ Weapons to Grow your Online Influence, Attract Customers and Drive Profits*. Canada: Entrepreneur Media Inc.
7. Mayfield, A. (2008). *What is social media?*. Preuzeto s <http://ebooksoneverything.com/marketing/WhatisSocialMedia.pdf> (17.9.2015.)
8. Meerman Scott, D. (2015). *The New Rules of Marketing & PR: How to Use Social Media, Online Video, Mobile Applications, Blogs, News Releases, and Viral Marketing to Reach Buyers Directly*. New Jersey: Wiley Publishing Inc.
9. Mehrabi, A., Islami, H., i Aghajani, M. (2014). The effect of social media marketing on customers' brand loyalty. *International Journal of Academic Research in Business and Social Sciences*, 4(8), 480-495.
10. Mirchevska, T. P., & Markova, S. (2011). Emergence of the Social Consumer-The Impact of Personalisation, Localization and Social Collaboration on Consumerism. *Annals of the University of Petroşani Economics*, 11(3), 229-236.
11. Nanji, A. (2015). *The Most Effective Social Networks for Marketing a Business in 2015*. Preuzeto s <http://www.marketingprofs.com/charts/2015/27718/the-most-effective-social-networks-for-marketing-a-business-in-2015> (17.9.2015.)
12. Nichole, K. (2010). *4 ways to Measure Social Media and Its Impact on Your Brand*. Preuzeto s <http://www.socialmediaexaminer.com/4-ways-measure-social-media-and-its-impact-on-your-brand> (17.9.2015.)
13. Richards, M. (2015). *Social Media: Dominating Strategies for Social Media Marketing with Twitter, Facebook, Youtube, LinkedIn, and Instagram*. Washington: CreateSpace Independent Publishing Platform.
14. Solis, B. (2010). *ROI: How to measure return on investment in social media*.

Preuzeto s <http://www.briansolis.com/2010/02/roi-how-to-measure-returnon-investment-in-social-media> (17.9.2015.)

15. Weber, L. (2009). *Marketing to the Social Web. How digital customer communities build your business*. New Jersey: John Wiley and Sons.