

GETTING NOTICED! SOCIAL MEDIA AS A FREE TOOL FOR SMALL BUSINESS PROMOTION

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Abstract: Social media have become an inseparable part in everyday life of a large number of people. Approximately one third of the total world populations are active social media users who connect, communicate, inform and entertain themselves in a different ways. This current phenomenon has drawn the attention not only of individuals but also companies and many researchers. Since such huge number of people are active social media users it is seen as an opportunity from the businesses to start promoting their companies on these media, and thus getting noticed by larger number of potential customers. Small businesses mostly lack marketing expertise and sufficient funds to use traditional marketing and thus their promotion activities are mainly focused on word of mouth and their personal networks. The rapid advancement of the technology and use of the social media has opened new insights and new opportunities for small businesses. This way the small companies can expand their networks even beyond their personal contacts. Therefore, in today's competitive environment it's vital for small companies to use the benefits offered by social media to promote their businesses and thus compete with larger companies. Unfortunately, many small businesses are not aware of the benefits of using social media, or they use them improperly because of the lack of understanding of those advantages. The aim of this research is to describe the importance of the Facebook as a social media for small businesses promotion, and to try to answer the research question: Do small businesses use Facebook for promotion purposes? and, Are they using it properly in sense of getting attention through expanding their connections with potential customers?

For the purpose of the study only use of the Facebook platform will be studied. The sample consists of 50 small local businesses that were randomly chosen. Through the observation methodology, the names of these selected businesses were searched on Facebook in order to check whether they have company profiles or not. Then their company profiles were observed for the frequency of their updates, nature of the updates and number of people following their pages. The study revealed that most of the sampled companies own Facebook profile, but most of them do not use all the benefits that this media offers free of charge in order to promote and grow their businesses. The main importance of this study is in increasing the knowledge about the role that Facebook as a social media can play in a small business promotion when it is used properly. The results of this study can be used by small business owners in order to understand the benefits of the Facebook on the promotion of their business. The study may also act as the informational tool that can help other scholars and researchers who may be interested in deepening the research in the field of marketing and entrepreneurship

Keywords: social media, small business, facebook, promotion

1. INTRODUCTION

The social media have become a part of everyone's life. There are currently more than two billion internet users that use social media in their everyday life and those numbers are continuing to grow. Because of its importance the phenomenon of social media has provoked the owners of all kinds of companies to start using these media as a tool for communicating and promoting their business among potential consumers.

There are many studies conducted regarding the use of social media as a marketing tool such as studies that measure branding on social media (Michaelidou, Siamagka & Christodoulides, 2011; Yan, 2011; Singh & Sonnenburg, 2012; Laroche, Habibi & Richard, 2011; Hutter, Hautz, Dennhardt & Füller, 2013), advertising on social media (Chu, 2011; Tuten, 2008; Okazaki & Taylor, 2013) or promotion on social media (Mangold & Faulds, 2009; Neiger, Thackeray, Van Wagenen, Hanson, West, Barnes & Fagen, 2012; Qualman, 2010; Thackeray, Neiger, Hanson & McKenzie, 2008). Before social media the communication between companies and their costumers was done by advertisement through different media as TV, radio, newspaper or by direct communication between buyer and the seller. The evolution of social media have changed the way of communication between companies and the buyers. Now, costumers are able to communicate directly to the company, make questions, evaluate the company offers or even give feedbacks. Whereas, companies can benefit by expanding their network, by getting visibility among large number of people, by communicating directly to their customers, by being able to gather information about customers wants and needs and by using the benefits of advertising free of charge. Even though there are numerous benefits that can be gained by using social media, there are also risk included. Companies must be very careful in using these media because they need to fulfill everything that they offer on their Facebook pages in order to satisfy their costumers. Since costumers have an advantage to express their satisfaction or dissatisfaction in those media every fail in satisfying a costumers from any company may become viral by causing damages to the company reputation. According to a study conducted

by Forbes, 82% of consumers conduct online research about the products before they make a purchasing decision but they still prefer to buy products in person. So, even that customer like to check for different products and offers online they still prefer to go physically to the shops, therefore companies should not promise things that they cannot offer to their customers, because it can cost them by receiving bad feedback on their company FB page or even commenting about the bad experience they had with a company.

The global trends of social media phenomenon have impacted also Kosova. According to a study done by STIKK the Kosovars are considered as very active internet users since 86.7% of the population use internet on a daily basis. The most of the internet user are Facebook users (73.3%). Being that those data are from year 2012 it is easy to assume that today those number are much higher. Being aware of the opportunities offered by being part of social media the presence of businesses on those media is getting increased. The simple search on Facebook will result with many company pages where they share different offers and communicate with their potential customers. But, even though those social platforms are very beneficial there are still companies that do not use all the benefits offered free of charge. The aim of this research is to describe the importance of the Facebook as a social media for small businesses promotion. This will be done by trying to answer the following research questions:

- 1) Do small businesses use Facebook for promotion purposes? and,
- 2) Are they using it properly in sense of getting attention through expanding their connections with potential customers?

In order to answer the research questions, the observational methodology was employed. The data are collected by observing the Facebook profiles of 50 randomly selected small local businesses. The main contribution of this paper is *firstly* in increasing the knowledge about the role that Facebook as a social media can play in a small business promotion when it is used properly. *Secondly*, the results of this study can be used by small business owners in order to understand the benefits of the Facebook on the promotion of their business. And *thirdly* this study may also act as the informational tool that can help other scholars and researchers who may be interested in deepening the research in the field of marketing and entrepreneurship.

The paper is organized as follows: Part two gives the literature review, data and research methodology are presented in part three, part four presents the discussion of the result, part five is conclusions and part six gives the recommendation for further research.

2. LITERATURE REVIEW

Social media have become very popular over the past few years. Even though there is no general definition of the social media they are usually described as a web based services that allow users to create profiles and communicate or share different content which is easy accessible by others (Ellison, 2007). In a technical sense the participants in those media are able to post, comment, tag, review, like, dislike, follow and many more options. Social media have drawn the attention of not only individual but also companies. Companies may engage with their customers in less expensive and more efficient way that they have done through traditional communication tools, since social media is considered as a cost-effective way of performing marketing activities (Paridon & Carraher, 2009). That is why social media have become relevant for every company regardless their size. Even though, the use of social media is not considered as an easy task because it requires a new way of thinking (Kaplan & Haenlein, 2010). Social Media may not be considered only as tool for marketing but it is a place where company interacts with its existing and potential customers. Therefore communication is considered to be the key for the success on social media. Companies that decide to use the social media have to understand that they need to be truly dedicated to communication and to be aware that this task requires time and effort to respond to all customers messages and comment (Edosomwan, Prakasan, Kouame, Watson, & Seymour, 2011).

According to Puska (2012) those who ignore the benefits of social media can be grouped into three categories; those who know little or nothing about social media, ones that are interested but don't know how to use the benefits offered by social media and ones that believe that participation in social media can be very beneficial to their companies. Social media offers numerous services on the internet. This sometimes makes it difficult for companies to choose which ones to use or how to use them. Social networks like Facebook, Instagram, LinkedIn are all social media services. Nowadays it's hard to find a person or a company that is not a part of at least one of those services. Very often, when referring to a social media we think of Facebook. Facebook is considered the most popular social media with over 2 billion users (Most famous social network sites worldwide as of September 2017, 2017).

Facebook is social network platform founded by Mark Zuckerberg. It is launched in February 2004 (Carlson, 2017). Primarily it was restricted to Harvard students only, but later was extended to all U.S universities. Since September 2006 the Facebook was available to all that have an email address (Phillips, 2017). Except the individuals companies found it as an attractive way to promote their businesses by creating Facebook pages

(Richmond, 2007). In 2009 Facebook offered an option of becoming a fan of a page, in 2009 launched the contest and promotion and in 2010 offered storefronts and adds, all those options are very useful for business promotion (Weaver, 2017). Business owners should be aware that with more than one billion daily user Facebook can be a very powerful platform to find new potential customers. It is considered that 70% of adults compare prices online before making a purchase and 17 % of adults search on social media before making a purchase (Ray, 2013). Creating pages in Facebook is an easy step by step process that takes less than 15 minutes. Businesses have an opportunity to create business pages and allowing their “fans” or “followers” to interact with them. For small business this is a great opportunity for finding thousands of potential customers, therefore not being on Facebook is something that nowadays small businesses can no longer afford (Geho & Dangelo, 2012). But, starting a business page is not enough. In order to be successful the page should be updated on a regularly basis with interesting content and businesses should communicate continuously with their followers. In a study conducted by Vorvoreanu (2009) research findings have suggested that users on Facebook prefer to connect with small businesses rather than with large companies, since they feel more comfortable sending personal messages and “like” business profiles if those businesses post discounts and coupons on Facebook. Kwok and Yu (2013) found that photo and status messages gain more attraction than links and videos and that users preferred more conversational messages over sales and marketing messages. In order to post what user “like” most, Kwok and Yu (2013) suggest that small business should learn from best examples, by checking the similar businesses that have a largest number of followers and learning from them.

3. DATA AND RESEARCH METHODOLOGY

For the purpose of the study only use of the Facebook media will be studied. The sample consists of 50 small local businesses that were randomly chosen. The businesses were all kinds ranging from clothing stores, mobile shops, bakeries and fashion designers. Through the observation methodology, the names of these selected businesses were searched on Facebook in order to check whether they have company profiles or not. Then their company profiles were observed for the frequency of their updates, nature of the updates, way of communicating with followers and number of people following their pages. Research on Facebook is widely used in a variety of disciplines since it is recognized as a tool for recruiting participants and observing behavior in a naturalistic setting (Wilson, Gosling & Graham, 2012). The observation as an instrument is widely used in many disciplines as a qualitative research method in order to gather data about people or events. The observation may give a researcher a useful information about who interacts with whom, how do the observed subjects communicate to others and also how much time they spend on certain activities (Kawulich, 2005). Moreover observation method allowed the researcher to find the comprehensive data about the nature and amount of the online content of the participants.

4. DISCUSSION OF RESULTS

The samples of 50 small local businesses were checked on Facebook whether they have business profiles or not. Result show that 90% (45 companies) of the observed businesses own Facebook business pages, while 10% (5 businesses) resulted that do not have business page or the page was unable to be found for unknown reasons. Even though most of the sampled businesses use Facebook, observation of their account showed that not all of the businesses use their pages properly. For the purpose of the study the business pages were observed for the number of followers, frequency of their posts, nature of their posts, rating from their followers and whether they communicate with their potential customers by replying on their comments and messages. The pages were observed for their activities from the current time to one year back.

Table 1. Summary of the observation results

| Number of companies owning FB | Percentage | Frequency of posts | Nature of posts | Number of folowers | Response rate | Rating |
|-------------------------------|------------|----------------------|-----------------|--------------------|------------------|-----------|
| 11 | 24% | Rare | Product photos | less than 2000 | within a day | no rating |
| 17 | 38% | 10- 20 times a month | Product photos | less than 10000 | within few hours | above 4 |
| 10 | 22% | Very often | Product photos | 18500-33000 | within an hour | above 4 |
| 7 | 16% | Many times a day | Product photos | 15000-66000 | within an hour | above 4 |
| 45 | 100% | | | | | |

Source: Authors calculation

Table 1 gives the summary of the observation on the Facebook business pages. 24% of the small businesses update their page very rare, they have low number of followers, they rarely comment on their posts and they have no ratings from the costumers. 38% of the companies post between 10 and 20 photos of the products monthly, their number of followers is higher with up to 10000 followers, they usually reply within few hours and their average rating from costumers is 4 stars. 22% of the small businesses post on facebook very often, almost every day, their response rate is satisfactory and their number of followers ranges from 18500-33000. 16% of businesses post many times a day they communicate a lot with their costumers and have high number of followers ranging from 15000- 66000.

Through observation it was found that businesses that are very active on their Facebook accounts, update their pages frequently with product's photos and communicate with their potential customers have much higher number of followers and as a result they have higher rating. While, small businesses that use their Facebook profiles rarely, don't post often and usually fail to respond to customer's messages and comments, as a result have much lower number of followers.

Results show that it is obvious that Facebook as a social media if used properly can give small businesses a chance to increase their visibility online and thus getting noticed.

5. CONCLUSION

The aim of this research was to describe the importance of the Facebook as a social media for small businesses promotion, and to try to answer the research question: Do small businesses use Facebook for promotion purposes? and, Are they using it properly in sense of getting attention through expanding their connections with potential customers?. The sample of 50 small local businesses was chosen. Through observation methodology they were checked if they own Facebook business profiles. Their account were observed for the frequency of their updates, nature of the updates, way of communicating with followers and number of people following their pages.

The results show that 90% of the chosen companies do have FB business profiles. But, 64% of them are not using properly the opportunities that are offered by this media and as a result their number of followers is much lower than in cases when the update of the FB profile is done more frequently.

The opportunities offered for free by Facebook are numerous. But it takes time and effort to keep the followers informed and satisfied, as Kaplan and Haenlein (2010) said: the use of social media is not considered as an easy task because it requires a new way of thinking. The companies should understand that it is not enough if they just open a business page on Facebook. They need to be careful, because once they go viral followers as potential buyers will interact with them, and if companies are not ready to take this challenge is better that they don't create Facebook accounts at all. It is better not to have a business page than have it and using it improperly. In order to use all the benefits for promoting their businesses companies should dedicate considerable time and effort. They should be prepared for positive and negative comments and reviews, and they need to be careful that everything that they promise online should be offered by them in the stores. They should also learn from their competition, and other companies that have large number of page followers. Beside product photos it is suggested that Facebook users tend to like status messages and conversational messages, therefore small businesses should post also different kind of attractive messages besides product photos.

It can be concluded that the role of Facebook in a small business promotion is vital because it gives the opportunity to reach high number of audience. Therefore, small businesses should dedicate their time and effort to properly and effectively use all those benefits that are being offered by Facebook free of charge.

6. RECOMMENDATION FOR FURTHER RESEARCH

Like every research, this research also has its limitations. Firstly, the study was limited only on small local businesses. Secondly, study was conducted with small sample size. Thirdly, only Facebook as a social media was studied. However, regardless of the limitations the study has opened some new insights on the role of the social media and especially Facebook on small business promotion and has also offered a significant contribution to the related literature.

In order to produce more reliable results in the future studies it is recommended to focus on larger samples, in studying the role of other social media on business promotion or even using different methodology approach.

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