

Aleksandre Azmaiparashvili

Grigol Robakidze University

II level student of the Master's Programme in Business Administration

The Role of Social Media in Business

The latest tendencies indicate the greatly increased role of information in business as well as in other spheres. Development of the Internet considerably accelerated business processes which heightened the price of valuable information. Society is much more informed. This makes manufacturers and managers use the ways which simplify the process of delivering their products to society and brand development. Social media represents one of these ways which itself is characterized as being fast-developing. Forums, social networks, web-pages where music, images and videos are being uploaded, blogs, encyclopedic pages, etc. can serve as examples of social media. Today, consumers' and business attention is mostly on Facebook. There are companies which use Youtube, Twitter, blogs, but mostly these serve as the promotion of Facebook.

The difference between social and traditional media is that social media enables a consumer to express his/her ideas, get involved into discussion with a company representatives; this give us a positive effect what is expressed in increased loyalty of consumers and the brand development. As we see, Facebook serves as marketing tool which is effectively used by large and small businesses. The fact is that creating web page or making social media page is only beginning; after what starts the real work. At this stage, this serves as placing oneself on the Internet space, after which the balanced steps should be taken to reach the main goals of the company. As it is known from marketing, choosing the exact segment is crucial for establishing oneself on a market. In this case, Facebook has the capacity that enables us to advertise our product and service which will be foreseen on the desired segment. Segments are chosen according to sex, age, location and other data. The denoted capacity almost absolutely excludes purposeless budget expenses. Though, together with advertising, developing certain business pages on a social media is very important and this can be reached by standard methods and different applications. It is very important not to miss the certain business goals in order to avoid wasting time and the advertisement budget. For an effective usage of social media, it is crucial to accept certain principles which will be discusses on an example of Facebook.

First of all, it should be admitted that social media implies two-way communications and business representatives should try to establish straight contacts with consumers. In case the business succeeds in this, the new ways of improving product and service qualities will appear. In itself, it is good when the page is liked by many people and the chosen segment expresses its approval. But the negative massages also demand attention from the company. In case, the company accepts negative estimations and makes proper judgments, it will get a new ability to develop and win the customer loyalty. In other case, their loyalty may change for the worse. The worst results may be caused by

deleting negative messages. This may lead to “Streisand Effect.” This term comes from the attempt of the well-known actress Barbra Streisand to delete the photo of her house from the Internet but this attempt caused the contrary effect; it led to more spreading of the photo. Except the customers’ comments, a company’s attitude and posts are also very important. While promoting its product, business should try to avoid bringing too much useless information; sincerity is also significant because it is not difficult to discover false information on the Internet. In case the company finds such information and makes some corrections, this will definitely raise the customer loyalty.

In order to estimate the consumers’ activity level on Facebook, organizations use the amount of “Likes” as an indicator. It should be admitted that only surplus of “Likes” should not be the aim of a company. “Likes” should express a consumer’s real interest and not only a one-time action. For instance, from 1000 “Likes” 100 might be active. On the other hand, having 1000 “Likes” might mean that the post may be shared by 5000 consumers. This depends on how much consumers like the post. According to this, materials on business page should be interesting and of a high quality. Often companies make use of different applications, which make the page more entertaining and hasten the rise of consumer number. For example, it is possible to create catalogue of the product and enable consumers to make orders without leaving their home place. Companies either hire specialized marketing firms or do everything with their own forces. The more difficult the application is the higher is the possibility of using those specialized firms. Besides, some firms announce contests, for example on images. The winner will be awarded with money and his/her image will become popular and might be used for the brand advertisement. This way was chosen by “Domino’s Pizza” page on Facebook. They announced the best Pizza image and awarded the winner with \$500 dollars. This activity resulted in many new “Likes” and consumers for the company. The numerous segments of social media expect interesting offers and something new; so, the company representatives should try their best to satisfy their demands but without changing their marketing views.

Small business which really cannot afford holding immense marketing arrangements, currently has a chance to accomplish desirable results in the frames of social media could it be the product popularity or increased sales. For this, using standard functions of Facebook and putting periodical advertisements on desirable segments are necessary, which also can be quite affordable. As it has already been admitted, the most important is the right promotion which first of all means the openness of the business and interaction between a company and a consumer. Besides, companies should often renew their pages, could it be Facebook or any other social network. Business page should be different compared with other competitors’ pages which can be shown by the product strategy, page design, application diversity and its frequency. For instance, on Dell’s Facebook page we often see the information about their new products.

While developing business pages of the social network, much attention is paid to such details as, for instance, the refined title of the web-page instead of senseless figures. Besides, using other standard

functions is acceptable, such as posting the loyal client images, giving them the right to tag themselves.

For large firms as well as for small ones developing relations not only with consumers but also with the players of the industry who accomplish their activities should be priority. Relationships with brokers increase the possibility of entering into profitable contracts. As for relations with competitors, it supports making strategic contacts.

Social media is a new phenomenon and together with the success that was brought by the long term experience in this sphere, some failures occurred as well. This was caused by the mistakes from the side of companies while using social media. Problems are various, but we can single out mostly spread ones. Let us begin with the firms which while joining the social media forget the most distinctive factors – direct contact with consumers. Here occurs discussion about the brand, evaluation of advertisement direction, etc. Often from the business side an immediate question poses - how the social network is going to grow its income. They also forget that people join social networks in order to establish new contacts and feel themselves as part of unification. Besides, many small businesses do not estimate time properly. They think since the Facebook page has already been created, their success is guaranteed. This opinion is absolutely wrong. You should get a consumer interested in your product and in the promotion variety.

Establishing oneself in social media is also a responsibility and business representatives, especially marketers, should acknowledge this perfectly well. Another common mistake is that a company does not take into consideration one of the reasons why people involve themselves in the social media – relaxation and entertainment. Therefore, we can consider that a company should not bore consumers with monotony, but try to keep their high spirits without changing the main theme. Company actions should not become automatic, but often offer novelties to consumers. Other common mistakes are: creating standard web pages for business, incomplete information, ignoring relevant statistics, ripped logos instead of posters, etc. All of these have a negative effect on a company image, this works especially for big companies which already have their segment. On the other hand, for small businesses such mistakes are less risky, especially in the first period. Among privileges of small business should be admitted the possibility of direct and rapid contact with consumers. This factor presents quite serious assets for small businesses and thanks to the social media the price of this asset rises. The following question arises: how the company effectiveness should be estimated by means of the social media data? According to practice, most marketers use the indicator which counts the return on an investment. First of all, expenses of creating a web page are determined. This process may include different measures like advertisements, applications, etc. Some marketers still request quantitative indices to estimate the results, while others despite the real quantitative prognosis are convinced in inevitability of social media. Managers who request quantitative data are oriented on short-term goals and others – on long-term. Statistics show that social media develops and the number of user accounts and business representations increase. All

these create one big international market. From the foresaid we should consider social media as a strong marketing tool which, if used properly, makes it possible to reach short- and long-term goals.

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