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The role of social media as a tool of a company's innovative communication activities

Key words: social media, Facebook, advertising, marketing strategies

S u m m a r y: Social media and social networks conquer with surprisingly increasing rhythms more and more users and that is why they are implemented by many companies. The aim of this paper is to provide explanations of the term 'social media', their most widely accepted presentation, their use from the perspective of advertising and their effectiveness, with special emphasis on Facebook. An important goal of this paper is the presentation of innovative ideas important to the advertising market in an attempt to more fully attract potential customers with the use of new technologies. The article aims to present the way social media networks may be employed from companies and the advertising vehicles employed on Facebook which may enhance the company's innovative communication and advertising activities. This paper is a reflexion of the implications of the generalized use of information technology and social networks for business through advertising and it examines the type of opportunities the social networks of companies present for it. It introduces the concept of the 'imagined community', which is associated with the sense of belonging to a group, a concept that may be related to the innovative communication activities of a company. In that way, the paper offers a theoretical contribution to the way social media may offer the opportunity for companies to effectively target their consumers and allow for them to be part of an 'imagined community', a concept that may well be used for the environment social media offer, transcending physical boundaries.

1. Introduction

Innovation is a significant factor to support execution of the development strategy of companies (1). The implementation of new technologies and technological inno-

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vation with the use of social media and social networks conquer more and more users with surprisingly increasing rhythms (2; 3).

Since there is possibility for data tracking for those running the sites and search providers (3), a company may in fact take advantage of the way users behave, interact and use this information accordingly. This though means that users may have little choices of the way the information they provide may be finally used by the companies (4).

This papers aims to present the way social media networks may be employed from companies in order to keep customers satisfied and attract users' attention via new technologies that would enhance the company's innovative activities taking though the necessary precautions in order to be consistent with the ethical issues that may arise with a special emphasis on the use of Facebook.

We argue that in fact social media may offer the opportunity for companies to create an 'imagined community', a term initially used in another framework (in regard to elements of nationality and nationalism of a population) from Benedict Anderson in the 1980's to argue that even if people have never met, they may feel that they belong to the same group (5). This concept, in fact, may be well used for the environment social media may offer and the opportunity for the companies to create an 'imagined community' among their targeted groups all over the world transcending in that way physical boundaries.

2. Which are the social media?

We define social media websites, the web-services platforms that allow people: 1) create public or semi-profiles within a defined framework, 2) create a list of other users with whom they are connected in some way, and 3) to see and consult lists of friendly connections of their friends and profiles them. Social networking sites allow users to write in columns and reveal the social circle/ circle of acquaintances. This can result in interpersonal and social links between individuals that otherwise could have been achieved, but nevertheless, this fact is not always the target, since the 'meetings' are often based on non-web links between people (6).

The appearance of a profile varies by site, is consistent with the judgement and preferences of each user, since the configuration is at the discretion of each. LinkedIn controls what one viewer may see, based on whether he or she has paid for the existence of a personal account. Sites like MySpace allow users to choose whether they want their profile to be public and visible to everyone or only to a specific list of friends.

Facebook has a different approach on this issue—by default, users who are members of the same 'network' (Facebook) can see the profiles of other users of that 'network', unless the owner of each profile decides to refuse permission to see it even for those who are users of the network.

The next wave of social media began in 2001 when Ryze.com was launched, a website designed to help people consolidate and increase the operational and business networks. The founder of Ryze.com has characteristics indicating that the site was introduced by him to his friends—mostly members of the business and technology community of San Francisco, including entrepreneurs and investors who were behind many social media. In particular, the people behind Ryze, the Tribe.net, LinkedIn and Friendster were tightly connected not only professionally but also personally.

Friendster, another social media network, was to be the purely social site where friends could introduce one another, match and date. They believed that they could support each other, with no competition between them (7). In the end, Ryze never managed to gain mass popularity, Tribe.net grew to attract a dedicated and passionate user base (niche user base), LinkedIn became a powerful business service, and Friendster became the most important of all, only by the visual ‘one of the biggest disappointments in Internet history’ (8).

MySpace was able to increase the number of users very quickly by utilizing the former Friendster users and especially those who first had supported and followed Friendster; it differentiated itself by regularly adding new features based not only on user requests and market demand and allowing users to personalize and customize their own profiles adding HTML webpages with personal profiles offering expressive power to the users and attracting young people and teenagers who promoted events; yet, security issues was a major drawback (9, 10).

That is why companies employing social media networks need to carefully take into consideration security issues (e.g. hacking) from the use of these networks in order to appropriately incorporate them in the advertising campaigns for them and their clients.

Mark Zuckerberg founded Facebook and in early 2007 advertising space was opened within the net. Users can now not only exchange messages and write on the walls selected friends, but can also pay online gifts to friends who have birthdays and even develop their own applications and games. Some of the most popular applications towards the end of 2007 were the graffiti and Scrabble. Users create groups and organize liaison activities not limited to online activities or games yet.

By the end of 2007 Facebook announces that the number of registered users had touched 30 million, making now officially Facebook the biggest social networking tool with a focus on education. In early 2008, taking advantage of the global dimensions of the instrument, actors, singers, politicians etc. create their own professional profiles for Facebook. A survey completed on 1 September 2011 illustrates an increase in use of Facebook in the top 25 country markets (11) and is presented in Table 1.

Table 1

Top 25 country markets and Facebook

Position	Country	September 2011 (millions of users)	12-month growth
	ALL	712.4	42.9%
1.	United States	154.6	15.4%
2.	Indonesia	40.1	44.4%
3.	India	34.6	162.4%
4.	Turkey	30.3	27.1%
5.	United Kingdom	30.0	8.0%
6.	Mexico	28.5	83.9%
7.	Philippines	26.2	61.7%
8.	Brazil	25.8	327.1%
9.	France	22.6	17.2%
10.	Germany	20.7	87.3%
11.	Italy	19.1	14.5%
12.	Canada	16.7	1.3%
13.	Argentina	16.2	40.2%
14.	Colombia	15.3	37.4%
15.	Spain	14.4	30.3%
16.	Thailand	11.9	131.7%
17.	Malaysia	11.5	41.2%
18.	Taiwan	10.9	53.1%
19.	Australia	10.5	10.6%
20.	Venezuela	9.3	29.8%
21.	Chile	8.9	20.4%
22.	Egypt	8.3	104.1%
23.	Peru	6.9	125.7%
24.	Poland	6.7	101.0%
25.	Pakistan	5.2	108.6%

Source: <http://gold.insidenetwork.com/facebook>.

The use of social media is thriving even in countries that are facing economic problems as is Greece illustrating the great potential and opportunities that social media networking is offering. In regard to Greece, the most successful social media employed today (12) are presented below in Figure 1.

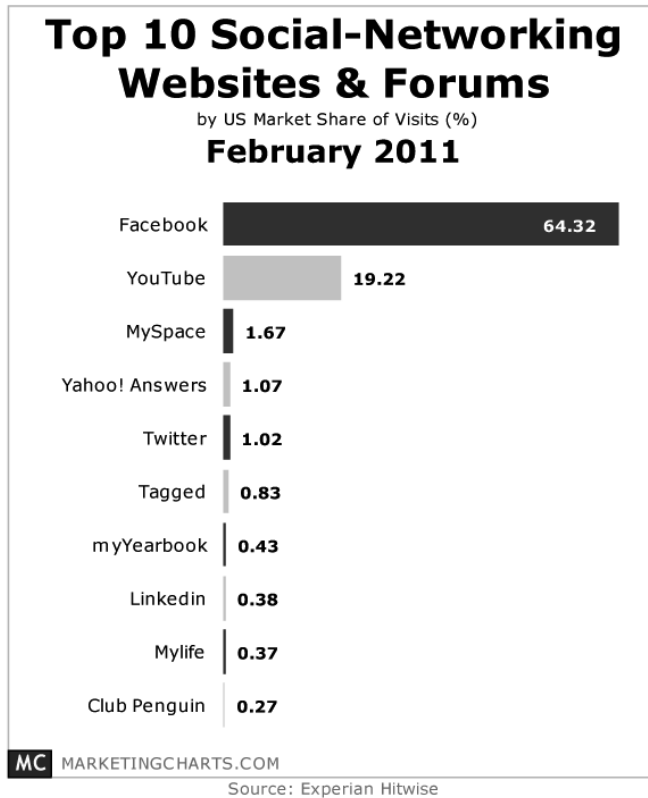


Figure 1. The most successful social media employed in Greece today

Source: Experian Hitwise.

3. Advertising vehicles on Facebook

The placement of advertisements (ads) on the biggest social networking sites such as Facebook is one of the best opportunities on the Internet for targeted advertising. Since users of this instrument provide information about their age, gender, place of residence and interests, a company may apply through the ad directly to the demographic audience that it wants to reach and influence (13). There are various ways of advertising on Facebook offering the opportunity to a company to employ innovative ways for its communication with the people and the most popular ones are described next.

3.1. Social ads on Facebook

Facebook allows advertisers to either pay by the number of impressions made in advertisements using the ‘clicks’ that users make on CPM or CPC. Social ads

offer very powerful targeting: when a company creates its ad, there is an option to narrow down the target audience that may see the company's ad by age, marital status, sex, location, keywords, level of education, workplace, political beliefs and possible relationship to someone, information that is provided by the user himself/herself.

Companies may use Facebook for social ads. This is one of the simplest ways one can promote their own products and services on Facebook. Using social classified/ social ads, Facebook provides the possibility of targeting groups based on demographic characteristics of people—users. These common features include for example age, gender as well as the interests each user has. By managing this kind of targeting groups, a company may be given the possibility of increasing the clicking through rate (CTR) the result of the following mathematical operation: clicks/ impressions. This event attracts more visitors to the website and increases while raising the potential number of customers who are in a position to attract any business. In fact, a study on the retail industry on more than 150 billion impressions from 100 retailers by Facebook social marketing platform Nanigans found that retailers have achieved an increase of 3.75 times higher click-through rates in the first nine months of 2013 than the same period in 2012 (14); this is a fact that illustrates significant role that Facebook may have on achieving the advertising and sales goals of a company.

Social ads also offer the advertiser a possibility to place them in the area of 'News Feed' (the main page of each user which sees all new 'Facebook Friends') where it may attract the attention of other users. A company also can target users' friends who have recently had some kind of involvement and exposed to the product or advertising message either through the 'Fan Page' or through the 'Facebook Beacon'; highly targeted these actions yield even better results.

3.2. Products/ services pages on Facebook

Facebook also provides the ability to create social groups and individual product pages (fan pages) for each company, product, or simply website. Such process is followed by search and invitation of users to follow these social groups or supporters (fans) of these pages. Encouraged users—creators of social groups or product pages use the function of 'invitation' to either increase the number of supporters of one page or the number of participants in a social group. Both pages and groups are two excellent communication channels and with proper use, they can collect all their possible future and existing customers and also may increase more as the reputation and visibility of individual brands—brands on Facebook. Value creation through social media tools can be achieved and companies implement their use in many different sectors (15); the use of tourism can well employ the potential that the implementation of new technologies may offer (16).

3.3. Facebook—the word of mouth innovative tool of the company

Selling to a friend a product or your service can be easier than selling to a stranger. The important element thus is to try to attract more and more friends simply because the active users of Facebook are really many. It should therefore be the user who follows the product, service, webpage and must take part in these social groups, which may be variously associated with the product or company and within the process of socialization, interaction with members of these social groups takes place in order to create and develop new friendships. When these people begin to learn and trust the firm or the product for sale from their friends, the more likely it is they will buy the products. Research has found that the word of mouth from relatives and friends is considered to be very important to the decisions made (17, 18, 19) and this is an opportunity widely offered on Facebook.

4. Critical approaches—the future of advertising in social media

An already existing and ongoing dialogue about the importance of social networking sites is under discussion. Scholars still have a limited understanding of who does and who does not use these social networking sites and both quantitative and qualitative research all over the world may shed light on the way social media may be better implemented.

Building marketing strategies without enough information is difficult for marketers; ethnographic research on populations and netnography on the Internet (20) is predominantly harder to achieve, yet it may have the best possible access to the target audience. This, however, will be able to help in learning how to understand the long term effects of these tools.

The social media networking have a lot to offer to a company's innovative activities for advertising itself and communicating with its existing and potential target groups. Since physical and digital world will be inextricably connected, iPhone applications and mobile technology with which people are linked to their profile on Facebook and Twitter allow the exchange of data. It all may bring huge revenues via online shopping to the companies with the collection of information about the potential target groups associated with their specific interests (21).

Social media offer the opportunity for companies to create an 'imagined community' among their targeted groups all over the world, transcending in that way physical boundaries.

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Rola mediów społecznościowych jako narzędzia innowacyjnych działań firmy w zakresie komunikacji

Streszczenie: Media społecznościowe oraz sieci społeczne zdobywają coraz więcej użytkowników w zadziwiająco szybkim tempie, dlatego też są one wykorzystywane przez wiele firm. Celem niniejszej pracy jest wyjaśnienie terminu „media społecznościowe”, ich najszerzej akceptowana prezentacja, ich wykorzystanie z punktu widzenia reklamy i ich efektywności, ze szczególnym naciskiem położonym na Facebook. Istotna jest również prezentacja innowacyjnych pomysłów ważnych dla rynku reklamowego, próbującego w szerszej przyciągnąć potencjalnych klientów przy użyciu nowych technologii. Ma ona na celu przedstawienie sposobu, w jaki sieci mediów społecznościowych mogą zostać wykorzystane przez firmy, a także prezentację nośników reklamowych wykorzystanych na Facebooku, mogących zwiększyć innowacyjne sposoby komunikacji wykorzystywane przez firmy oraz działania reklamowe. Praca ta jest refleksją nad implikacjami związanymi z uogólnionym wykorzystaniem sieci społecznościowych i technologii informacyjnej w biznesie poprzez reklamę i bada typ możliwości, które stwarzają dla niego sieci społecznościowe firm. Przedstawia koncepcję „wspólnoty wyobrażonej”, kojarzonej z poczuciem przynależności do grupy – koncepcję, która może być związana z innowacyjnymi działaniami firmy w zakresie komunikacji. W ten sposób praca oferuje wkład teoretyczny do sposobu, w jaki media społecznościowe mogą zaproponować firmom możliwość efektywnego kierowania oferty do konsumentów, a także pozwolić być częścią „wspólnoty wyobrażonej”. Zamyśl ten z powodzeniem może być także wykorzystany w ofercie środowiska mediów społecznościowych, wykraczając poza granice fizyczne.

Słowa kluczowe: media społecznościowe, reklama, innowacje w procesie komunikacji, „wspólnota wyobrażona”
