

# Importance of the Social Media and their Integration in the Internet Marketing Strategies of the Companies

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**Abstract**— The Internet is becoming an indispensable tool for the individuals and business community. Modern life and contemporary work are heavily based on Internet. Consumer behavior and their expectations are changing. Knowledge of the consumer behavior represents an important element in building a successful marketing strategy. For a modern company today it is necessary to make analysis of their customer's behavior that will assist in developing strategies for their retention and attraction. Social networks play an increasingly important role in this. Nearly four out of five active Internet users today are active users of social networks. According to the Internet World Statistics data the number of social media's population continues to grow. Today, understanding of the influence of social media is becoming crucial for the business success.

The purpose of this paper is to present the needs of companies for incorporating social media into their online marketing strategies.

**Keywords**—Consumers, Internet, Marketing strategy, Social media

## I. CONSUMERS OF INTERNET SOCIAL MEDIA

The social media represent an integral part of everyday modern life of almost every person today. The social media are becoming significant source of information used by consumers, especially during the search phase when they are trying to make a purchase decision. On the other hand, the increased usage of social networks enables the companies to take care of brands and to influence the purchase process.

The social media is a tool for communication, presentation and cooperation of the companies with their existing and potential consumers, where the information flow is bidirectional.

There are many kinds and ways of classification of social media.

The generic types of social networks are the following [1:715-716]:

- General social networks – place on the Internet for gathering and meeting friends, sharing content, schedules and interests (Facebook and MySpace e.g.).
- Exchanging experiences networks – networks for professionals and practitioners, handicraft producers, software developers or musicians (LinkedIn for business and JustPlainFolks for music e.g.).

- Networks created according to interests – networks built according to interest for sport, music, finance, politics, life-styles, etc. (E-democracy - for political discussions e.g.).
- Sponsored networks – networks created from commercial, governmental and nongovernmental organizations for different purposes.

In this paper we will make a review of the general social networks and experience exchanging-networks (professional networking).

The social media not only connect individuals, but provide personalized way of communication of companies with their consumers, so that they become significant marketing tool for the companies. Researches show that consumers use social media as a source of information for products and services. The presence of the companies on these social networks enables them to increase the number of consumers and the opportunities for purchasing and informing.

Each company which wants to satisfy the consumers' needs should actively approach to the implementation of the social media into their business strategy. Ignoring this media means ignoring million existing and potential consumers who are presence on the social media every day.

Facebook, Twitter and LinkedIn are on the top of the list of social networks and they become the most popular between the consumers and companies. The number of consumers of these networks increases every day and therefore the company's plans and the performance of these networks change.

Facebook is the biggest and most popular social network where the friends, colleagues, relatives, companies, organizations etc. can connect each other and can communicate and share information, links, contents, photos etc. Facebook offers great opportunities for business and it is a social network that changes the view of the world and people's life and attracts several thousands of new users every day. On this network, there is an opportunity to create profile, group or page. While the individuals mostly create Facebook profiles sharing their photo and other basic information for business, brands, products and services is more convenient to create a page or "Facebook page". With selecting the "Facebook for Business" option, the companies have the opportunity to see all the functions and features that Facebook offers for the business users.

According to data for year 2011, Europe is at the first place with 223.4 million Facebook users (out of 900 million Facebook users registered today); second is Asia with 183.9 million and third is North America with 174,600,000 users [2].

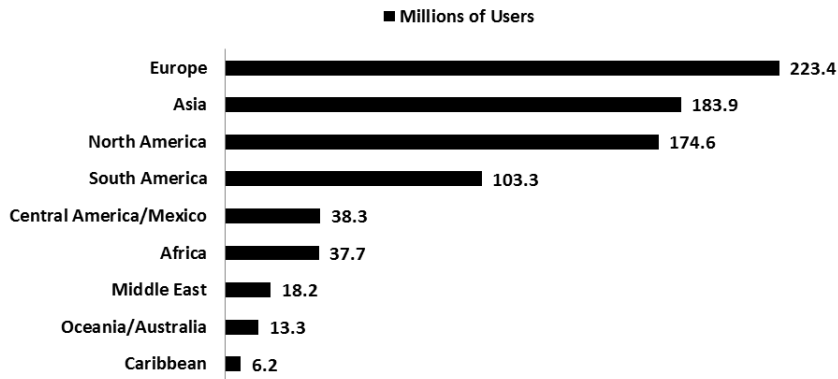


Figure 1. Facebook users in the world by geographical regions - 2011

According to the rate of Facebook penetration, Europe is on the third place, or 27.4 percent of total population in Europe uses Facebook. The first place has North America with 50.3%. In Republic of Macedonia out of 1,069.32 Internet users (by the end of 31 December 2011), 879,540 use Facebook or 42.3 percent from the total population of the country is present on the Facebook social network [3].

LinkedIn is a social media designed to connect professionals and businesses, enabling them to share information, get replies and promote themselves and their businesses. LinkedIn is network which provides networking and making business contacts. At this network the users can create profile with photo and short review of information for professionals and/or business careers and achievements. The profile is a base for connecting with other LinkedIn members. The text contained in the profile is searchable through the network (and popular search engines, Google e.g.) and enables connecting with appropriate companies or professionals.

Twitter is a network which enables the registered users to send or receive short messages known as “tweets”. This network has about 300 million users, students, professionals, organizations. The companies use Twitter as a communication tool for realization of their marketing goals. Also, companies can share information about products and services, follow the competition; inform for everyday events and answer questions to the consumers. This network offers great opportunities for the companies, but also requires active participation, so that asked questions and negative comments can be answered on time.

There is no doubt that social networks are integral part of each individual and gradually change people’s life and behavior. Not joining these networks reduces the opportunity for easier communication, access to huge volume of data, fast information, learning etc. At the same time social media networks change the companies’ environment and the way of creating business strategies and operations.

## II. INTERNET MARKETING STRATEGIES FOR ESTABLISHING CONTACT WITH THE CONSUMERS

Internet technology provides better opportunities for companies to establish recognized strategic positioning in relation to previous generations of information technology. It makes strategy more necessary than ever before. Internet companies can be top winners - if they understand the compromise between Internet and traditional approaches and if they are able to create really distinctive strategies. Internet architecture, together with the other improvements in the software architecture and development tools, has turned internet technology in more powerful strategic tool [4].

The development of the Internet and web technologies provides appearance of new marketing and internet marketing strategies. Attracting consumers is the first step in creating successful business, but after that another significant step follows – maintaining and managing consumers. Significant Internet marketing strategies for establishing connection with consumers are: affiliate marketing, viral marketing, permission marketing, search engine marketing, advertising networks etc.

*Affiliate marketing* is a type of agreement between groups of associates, from one side are publishers (also known as 'the affiliates'), that display advertising on the Internet, and on the other side are the marketers whose aim is to attract consumers and to increase their online sale. The most common tool for affiliate marketing is the “banner”<sup>1</sup> from the online marketer that is placed on the publisher’s website (owner of the website) for specified compensation (based on visitor’s click, sales or leads). By clicking on the banner, the consumers are redirect to the marketer’s website. The affiliate marketing relies purely on the financial motivation to drive sales, and that is the main difference with the referral marketing where the main motivation relies on trust and personal relationship. Amazon.com for example has strong affiliate program and its logo can be seen by around 1 million affiliate sites. Smaller online companies and individuals with significant traffic on their websites use affiliate marketing through joining to third-party services provided by intermediaries to track traffic or sales that are referred from affiliates.

*Viral marketing* refers to an internet marketing strategy that encourages consumers to communicate the marketing message to others (friends, colleagues, relatives etc.) with the opportunity to spread the message and its influence exponentially. This strategy enables the message to be spread quickly to large number of users, such as the case like viruses. Viral marketing can be used by email, group messages, forums, Chat rooms, social networks etc.

To make the viral campaign effective, Justin Kirby, a viral marketing specialist ([www.dmc.co.uk](http://www.dmc.co.uk)) suggest three unnecessary points [5:401]:

- Creative material – “viral agent”. This includes creative offer or message and how can it be spread (text, photo, video)

<sup>1</sup> Banner is a common form of advertising on the Internet. The banner is an advertisement of 460x68 pixels, usually placed at the top of the page and is intended to attract traffic to a website by linking to the website of the advertiser.

- **Plating.** Identifying to which websites, blogs or people the email should be sent to, so they can begin spreading the virus.
- **Following.** To follow the effect, to evaluate cost recovery from development of viral agent and plating.

*Permission marketing* or known as “opt-in e-mail” presents internet marketing strategy used by companies, so that they ask the consumers for accordance to send them commercials and other marketing materials. Most often companies on their website give an option for registration with email in order to get news, catalogues and other information from the company owner of the website. With every received message on email, the consumer has an option to logout from the page if he doesn’t want to get commercial materials from the company any more. An opposite of this technique is spam usage that means sending unwanted message via email to the consumers. The usage of mailing list for sending information about company and its products and services is popular way of advertising, also known as *email marketing*. Email messages can be combined with specified photos, videos which promote the product or URL (Universal resource locators) addresses. This strategy enables to reach the preferred consumers cheap and fast. Forming email lists is powerful tool for targeting consumers.

*Search engine marketing* is internet strategy that enables promotion on company’s website at the web search. A lot of engines enable the companies free submitting of their Internet addresses, called URL so that their URL can be searched electronically.

*Ad networks* provide advertising opportunities for companies who want to promote their products and services to internet consumers. These sites are usually called web publishers. Ad networks share the revenue with the publisher. This networks developed software that follows consumer’s movements among the network members (Amazon, Google, Yahoo, eBay e.g.). At each visit the software for network advertising decides which banner ads, videos and other advertisements will show the consumer the different sites in the network. One of the most popular networks for advertising is Doubleclick.com [1:388-389].

Commonly known consumer retention strategies are: personalization, customization or user adjustment etc.

The internet marketing strategy facilitates the communication of the companies and their consumers using blogs, online games, internet radio, internet TV other and social media tools.

### **III. SOCIAL MEDIA INTEGRAL ELEMENT OF INTERNET MARKETING STRATEGIES**

With the revolution of social media consumers worldwide become very most powerful. They forced companies to think about how to become more transparent and responsible. Social media enabled companies in times of economic crisis to learn how to do more with less money - to receive messages from consumers, to spend less money on classic media. People want to share and feel connected to others, brands, organizations and even governmental institutions that they love and trust. Facebook Like button, introduced in April 2010, has already been added to more than two million different web pages. This button enables more than 900 million users with one click to express approval of the company, organization, product or idea. Social media look like the world’s largest cocktail party where everyone can hear what others say and join the conversation with someone else on any topic of their choice. But there is a difference between the real and online entertainment. What is significant in the first, there is a

conversation with many people in one night, but online and via social networks there are numerous conversations with thousands or millions of people at once. And in the both parties will be found pleasant and unpleasant people [6:4-6].

Some reports [7] confirmed that consumers who log on to Facebook once a month and buy least quarterly, 62 percent of those buyers read comments from their friends related to the products. These comments help consumers to learn about products, and to 48 percent of them social sharing helps find information about products.

For the companies, research shows that their presence on social platforms and strategic involvement in discussions of social networks is aimed at supporting business goals, fostering favor of consumers to the brand and creating additional value. At the 64 percent of the companies, structure and roles within the marketing department, human resources and public relations have changed significantly as a consequence of social work, while most companies today (80 percent) regularly carry out some form of measuring the success of their activities at the social media, but also face challenges in measuring the scope of the external public. In seeking ways to measure the return on investment in social media, 84 percent of companies are focused on information from the target public engagements on social networks, 69 percent follow the number of messages, 53 percent analyze the attention that they have achieved, and 51 percent assess the tonality of the message and the feedback from the target audience [8].

Marketing on the social networks is moving with quick steps. Companies seriously incorporate it into marketing strategies and very carefully follow and communicate with many customers present at these media. Even for 42 percent of the companies today, Facebook is critical or important to their business [9]. Strategy performance of companies on the social media should include several important elements: they will promote (which products and services and on which target group), their registration on social media (social media selection and registration), finding appropriate manager of social media such as Ping.fm and Hoot Suite, prepared plan for updating, with whose realization will provide valuable information about the company's work, a way of finding friends and followers, active involvement of friends and followers and plan for continuous active performance [10].

A lot of companies adhere to many rules when it comes to social media marketing. Companies preparing plans for publication, monitor comments, use tool for managing announcements, doing promotions and recruiting fans and have separate teams responsible for social networks. One such example is a “Bozinovski - Watches and Jewelry” company that integrates social media into their marketing strategy. This company uses the tools of hootsuite.com monitor the comments and posts on social media. Tools of wildfireapp.com are also used to create interactive promotions on social media [11]. The fact that this company has over ten thousand Facebook fans shows the effective approach to social media.

eMarketer [12] predicts that for advertising on social networks 7.72 billion dollars will be spend in 2012, including paid advertising on social networks, social games and applications. Growth in 2012 will be faster than in 2011, although in 2013 and 2014, eMarketer expects growth rates to fall, but still remain with double-digit figure. By 2014, eMarketer expects nearly 12 billion dollars going to advertise on social networks worldwide. Nearly half of that money has come from the U.S. and little changes in the predicted period are expected. In 2012, the U.S. for advertising on social networks will spend 3.63 billion dollars compared to 2.54 billion dollars in 2011, and continue to climb to 5.59 billion dollars by 2014.

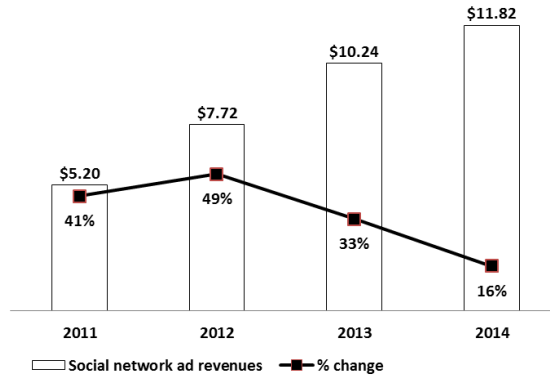


Figure 2. Social Network Ad Revenues Worldwide, 2011-2014 (billions and % change)

There is no doubt that social media become a major business media, which should be integrated into the online business strategy to be able to reply to the new consumer environment and increase their number.

#### IV. CONCLUSION

In the new Internet environment the companies have to be consumer-oriented to be competitive on the market. Consumers represent the most important part for the company. The company can provide long-term competitive power only through solid long-term relationships with consumers. Internet sites for social networking and blogs on the internet have bigger impact on consumer behavior. The company's presence on social media gives them the opportunity to reach a wide range of people, to present their products and/or services, to communicate with existing or potential customers, answer their questions, to adapt and to analyze the needs of consumers. The consumer, however, who will visit the social profile of the company, will receive more information about products and services of the company. Hence, the companies that will integrate elements of social media marketing strategy have a greater ability to influence the consumer's decision to purchase.

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