

How Social Media Marketing Influence on Startups

Aziza Shamsuddinova, Turiba University

Abstract

Most research on the influence and importance of marketing on running businesses in last decades concentrates on social networks bonds, such as Facebook, Twitter and other platforms. Little research considers technical bonds and how they interact with social network bonds within promotion and achieving customer attention. Thus, this research investigates how using social media network in digital marketing influence on startups and links with customer target market. First, in conceptual framework of the structure of the using social media marketing by businesses for promotion was synthesized from the business-to-business literature. This paper suggests that there is a significant gap between perceived potential of social media and social media use in innovation activity in business-to-business companies. Then, the advantages and disadvantages was surveyed about the effects of the investments in digital marketing upon the running businesses. The research used a qualitative approach and adopted the study methodology. The results provided support for the conceptual framework, with the startups increased promotion from social media marketing. An implication for entrepreneurs is that investments on marketing in social networks operate through the solid marketing strategy and activity.

Key words: social media marketing, startups, digital marketing, marketing, promotion.

Introduction

Since people come out of the digital “dark age”, there are still obscurity have place in understanding, and in some cases ignoring the changes bound to transform the way how small businesses and brands connect with consumers. More and more small businesses and startups as an individual parts of a solid marketing strategy, using content creation, search engine optimization figuring out how to attract customers from social networks as Facebook, Twitter, etc.. With typically similar goals some startups are face on different problems like stuck on lead generation, converting leads into customers, and just do not generating the traffic to the site which is needed in the first place.

As social-media evolved, there are the ropes that should be learn and grow-up in full view of an often unforgiving public. Client and agency relationships were strained and changed, for better or worse, as new skills, talent and questions about metrics and measurement came into

play. What used to be a two or three media race has now gone multi-media and multi-platform with seamless integration.

The digital leg of a brand's marketing push is not limited to thousands of Likes on Facebook or a few hundred retweets on Twitter. Common users in startups are sometimes better acquainted with digital media and are often more adept at using and managing online avatars and reputations better and more creatively than experienced advertisers and their agencies. Indeed, social media marketing is a great opportunity to exploit the potential digital media, understand where the brand stands, learning the best practices, indicating the possibilities in the most innovative global campaigns which aren't restricted to hashtags. At the end checking out the view from the other side as clients and agencies reaction and compare with what they expect from each other.

Literature review

Social media marketing is a “promotional activity” (Stephen Wilson, 2013) in social networks to gain target customers in an effort to increase sales or strengthen brand loyalty. Social media marketing may take many forms in networks, from creating a page on Facebook or account on Twitter to putting location in Google maps or Swarm and organizing event at that point with virtual badges. With the huge variety of using platforms the main marketing goal stays traditional – increasing profitability for business. Social media provides multiple opportunities for small businesses to market to consumers and build closer and more profitable relationships. However, small businesses still struggle to reach customers (Halligan, Shah, & Scott, 2009).

Much of the existing literature on startups defines them as small business and SMEs includes studies of organizations with the number of employees ranging from one to five hundred people. The research presented provides insights into marketing opportunities and challenges for startups to engage customers. Second, it examines integrated marketing communications which small businesses use to overcome the challenges they face. Third, it discusses social media, its importance, advantages, and applications, as a means of engaging customers. Lastly, it investigates social media marketing for startup business, its impact, strategy, process, empirical studies, and applications.

Numerous marketing opportunities exist for startups, namely networking and word of mouth marketing. Startup often rely on word of mouth recommendations for new customers. Word of mouth marketing provides businesses with an opportunity to give customers a reason to talk about products, making it easier for word of mouth to take place. Networking is a widely cited marketing activity for SMEs and is important during their establishment, development, and growth (Walsh & Lipinski, 2009). Siu (as cited in Walsh & Lipinski, 2009) found that in marketing their firms, SMEs rely heavily on their personal contact network. Traditionally,

economic structures favor larger firms; however, today's economy is distinguished by relationships, network, and information, favoring some of the characteristics of SMEs (Walsh & Lipinski, 2009). Rather than relying solely on their personal contact network, startups rely on the networks of customers as well.

Marketing Challenges of Businesses

Researchers widely agree that marketing practiced in small firms is different from that of large organizations (Coviello et al., 2000; Gilmore et al., 2001; Hill, 2001; Reijonen, 2010). Small firm marketing has been described as informal, unstructured, spontaneous, and reactive (Gilmore et al., 2001; Reijonen, 2010). According to Stokes (2000), in small firms, marketing is used for immediate needs and little attention is paid to plans and strategies. SMEs direct their attention to sales in order to survive (Stokes, 2000). For all issues outside of advertising, such as customer satisfaction measurement and improvement and design of customer service and support, the sales function has a slightly greater influence (Walsh & Lipinski, 2009; Harris et al., 2008). One of the most prevalent areas in which a small business has problems is marketing (Huang & Brown, 1999). This is due to the inability to employ a marketer to carry out marketing activities for the business (Berthon, Ewing, & Napoli, 2008; Moss, Ashford, & Shani, 2003; Gilmore et al., 2001). Moss, Ashford, and Shani (2003) state that "Relatively little is known about SME marketing activities..." There exists a lack of knowledge about marketing activity in small businesses, suggesting that "such functional specialization may rarely exist" (Moss, Ashford, & Shani, 2003). According to Walsh and Lipinski (2009), marketing in SMEs is not as well developed or influential as it is in large firms. Large organizations are often large enough to have a marketing department that permits the delineation of functions and activities. This difference can be attributed to certain limitations that small firms face including limited resources in terms of finance, time, and marketing knowledge (Gilmore et al., 2001; Reijonen, 2010). Complex theories may be considered inappropriate in small enterprises (Hogarth-Scott, Watson, & Wilson, 1996). According to Reijonen (2010) "it is argued that owner-managers of small firms tend to view marketing narrowly" (p. 279). Social media enables small businesses to overcome the challenges of limited budget, lack of expertise, and positioning against larger competitors. Small businesses are not the same as big businesses and therefore cannot be expected to have the same marketing resources. Competitive advantage often has to be sought from other sources and by other means (Gilmore et al., 1999). Several models of marketing exist that provide guidelines for businesses to survive and grow. However, marketing theory that a large organization uses cannot be generalized to a small business which has different characteristics and requirements. As a consequence, small firms are moving from conventional marketing practices towards more affordable, interactive, and integrated marketing.

Social media has caused a significant change in the strategies and tools companies use for communicating with customers. Mangold and Faulds (2009) argue that “social media combines characteristics of traditional IMC tools (companies talking to customers) with a highly magnified form of word-of-mouth (customers talking to one another) whereby marketing managers cannot control the content and frequency of such information.” Companies are limited in the amount of control they have over the content and distribution of information. Ignoring such user-generated content is not an option. Companies must be able to monitor and respond to conversation, both positive and negative, surrounding the brand. There are ways however, that companies can influence discussions in a way that is consistent with the organization’s mission (Mangold & Faulds, 2009). Social media marketing enables companies to achieve a better understanding of customer needs in order to build effective relationships.

A unique role of social media is that enabling customers to talk to one another is, in a sense, an extension of traditional word of mouth communication (Mangold & Faulds, 2009). Managers are faced with the question of how this power can be harnessed to benefit the organization. Although companies cannot directly control what consumers are saying, they do have the ability to influence the conversations consumers are having (Mangold & Faulds, 2009).

Social media and the internet have transformative powers, allowing entrepreneurs to form powerful connections and reach new audiences that previously couldn't be accessed from the ivory tower. For the past decade, social media marketing become strong and powerful tool for businesses to integrate and enhance the social media efforts used to promote events, programs, offers, products and services.

Methodology

The case study approach is used in qualitative studies to answer questions such as “how” or “why.” This approach is an empirical inquiry that investigates a phenomenon in depth in order to understand the underlying patterns and causes (Yin, 2009).

Sampling

The sampling approach of qualitative inquiry typically focuses in depth on relatively small samples rather than all possible cases. Information-rich samples are selected purposefully in order to illuminate the questions under study (Patton, 1990). The sample was collected through an Internet search using keywords such as small business, success, and social media marketing. From the search results, the researcher chose which sites to view based on relevance to the research question.

Data collection methods

An interview and unobtrusive methods were used to collect the study’s data; to know what strategies an entrepreneur uses on social media to engage customers. How the entrepreneur

perceived his own efforts was also identified. The interview provided enough detailed information of how the entrepreneur uses social media that the results could be analyzed deeply. Review of documents was also relevant to the case study topic and the researcher collected data through collection of the business's social media activity.

Summary

For the purposes of this research, a case study was chosen as a research strategy, in which an interview and unobtrusive methods were the main data collection sources. The information obtained through the analysis of interviews and social media activity provided insight into how the small business uses social media to engage customers. Startup owners must take advantage of social media for the opportunities it provides. The problem however, is that a major challenge for small business owners is how to effectively reach customers with limited resources. The research provided a description and understanding of a small business's social media strategy. Such insights may be used by other small business owner-managers for their social media strategies.

Results

It was necessary to interview a small business owner recognized for using social media to identify what strategies they use to engage the public. It was also important to analyze the business's Facebook and Twitter posts. The business was selected because of its recognition in Uzbekistan, Tashkent as a small enterprise that used social media to grow the business. The business's Facebook and Twitter page were also investigated, confirming that the business was an active and frequent participant on both.

Background of participant

The Sharqona Afif LLC, established in 2011, is an factory based on production of hose and henna. Although she was introduced to social media strategies in the class, she started learning more once she became more involved with Facebook and Twitter. Company joined Facebook and Twitter on October 18, 2013 and had 1,217 Facebook fans and 788 Twitter followers.

Interview

One qualitative phone interview was performed on March 10th, 2015. The interview took approximately 15 minutes to complete and mostly followed the questions that were predetermined, but because the interview was semi-structured, additional questions were sometimes asked, based on the direction of the answers at the time.

Interview questions

The interview questions were developed based on social media strategies and experiences from existing literature. The topics asked in the interview included: Purpose, Strategy, Challenges.

Results.

The researcher's strategy for analyzing the transcribed interview began by reading through the interview transcript and underlining potential answers to the research question. The first time a theme was noted, the researcher highlighted the text in which it was observed. Afterwards, the same color was used to highlight text each time a theme was observed. At the end of the document, a brief description of each theme was written. The transcript was reviewed again to identify themes that the researcher may not have noticed on the first reading and to revise theme descriptions. The following section explains the major themes found from the analysis with selected quotes that help clarify why the themes were identified.

Summary

The participant primarily uses social media for networking and creating relationships with others. Posts collected from the business's Facebook and Twitter pages served as the second research source that corroborated and supplemented evidence gathered from the interview.

Presentation of the Data

Table 1 Post Frequencies by Category

Category	Facebook	Twitter
Engagement: specific		
• General Discussion	5	52
• Other's Experience	1	38
• Customer Service	2	1
Content Sharing	8	72
Announcements		
• Support Others	1	45
• Business/Product Related	6	15
• Deal/Promotion	2	1
Engagement: general		
• Ask Questions	6	15
• Other	3	7
• Contests	2	4
• Solicit Information	0	1
Total	36	251

A count of posts reveals that posts are more frequent on Twitter. This is to be expected as the micro-blog enables fast, brief conversations and engagement (Weinberg & Pehlivan, 2011).

Discussion

It is important to first discuss the demographics of the business that participated in the research. The participant was an owner of an Internet-based accessory retailer and wholesaler. Prior to starting the business, the participant did not have a Facebook or Twitter account. The participant was introduced to social media and social media strategies through a marketing class. After the class, however, the participant learned more and more as company started to get involved with Facebook and Twitter. At the time of the data collection, the business had 1,217 fans on Facebook and 788 followers on Twitter. These numbers show that the participant has been building and maintaining relationships with consumers. The business has implemented a variety of engagement strategies to grow its audience and keep them interested. Users would not fan or follow a business if they had nothing to gain from the relationship.

Implications

The following implications for small business owners emerged from the study:

1. Networking and creating relationships with other businesses, increases brand exposure. By promoting another business or their product, they may promote yours. Engaging others makes your business visible to their audience and has the potential to reach hundreds or thousands of consumers.
2. Focusing more on relationships than sales, increases sales. Social media provides businesses the opportunity to engage their audience on many different levels, including personal. In the beginning, it is important for a business to focus on creating relationships with consumers. An owner can show interest in its audience by commenting on individual's posts or asking questions. Doing so also exposes the business to friends of fans and followers, increasing the business's reach. Asking for feedback is a great start to encouraging engagement.
3. Interesting content promotes interaction. Posts such as links to videos and pictures are more attention grabbing than large amounts of texts.
4. One main barrier to entry is a learning curve. Although social media is free, it has the potential to take up one of an owner's most valuable resources: time. Small business owners may learn by involvement or ask for help in the beginning.

Conclusions and recommendations

It is important for businesses to recognize what they want to achieve by using social media. No longer is it enough to create a Facebook or Twitter account and post to or check it once a week. Businesses must be active participants on these channels and to do so they should have some knowledge on how to use them, including strategies for engaging the audience. In today's social media driven environment, it is essential that small businesses understand

Facebook, Twitter, and the strategies behind using social media. Therefore, determining how a small business used social media to engage consumers was important. For many new small businesses, social media may be a new endeavor. Future researchers may perform a similar case study with multiple small businesses in order to compare the strategies among the owner-managers. Future researchers may also study a small business which has considered its social media efforts to be unsuccessful.

The list of references of an article

1. Jeff Jarvis, *Public Parts: How Sharing in the Digital Age Improves the Way We Work and Live*, NYU's Robert F. Wagner Graduate School of Public Service
2. Awareness. (2011). *11 strategies to increase engagement*. Retrieved March 2, 2012, from <http://info.awarenessnetworks.com/Strategies-to-IncreaseEngagement.html>
3. Bandee. (2012). *About Us*. Retrieved March 2, 2012, from <http://www.thebandee.com/About.html>
4. Berg, B.L. (2007). *Qualitative research methods for the social sciences* (6th ed.). Boston, MA: Pearson and Allyn and Bacon.
5. Berthon, P., Ewing, M. T., & Napoli, J. (2008). *Brand management in small to medium-sized enterprises*. *Journal of Small Business Management*, 46(1), 27-45. doi:10.1111/j.1540-627X.2007.00229.x
6. Bresciani, S., & Eppler, M. J. (2010). *Brand new ventures? Insights on start-ups' branding practices*. *Journal of Product & Brand Management*, 19(5), 356- 366. doi:10.1108/10610421011068595
7. Business.com. (2010, September 21). *How B2B marketers are finding success integrating social media & search marketing*. Retrieved September 8, 2011 from <http://www.business.com/info/socialmedia-search-integration>
8. Cohen, J. (2012, April 13). *Supply your team with content to share on social media channels*. Retrieved April 22, 2012, from <http://www.radian6.com/blog/tag/8020-rule/>
9. Coviello, N., Brodie, R., & Munro, H. (2000). *An investigation of marketing practice by firm size*. *Journal of Business Venturing*, 15(5), 523-545
10. Moss, D., Ashford, R., & Shani, N. (2003). *The forgotten sector: Uncovering the role of public relations in SMEs*. *Journal of Communication Management*, 8(2), 197-210. doi:10.1108/13632540410807655
11. Stokes, R. (2011). *eMarketing: the essential guide to digital marketing*. Retrieved from http://resources.quirk.biz/ebookv4/Engage/Part3_Chapter15_Social_Media_Strategy.pdf?ac=wHXBHy

12. Taylor, C. (2011, September 8). *Twitter has 100 million active users*. Retrieved from <http://mashable.com/2011/09/08/twitter-has-100-million-active-users/>
13. Walsh, M., & Lipinski, J. (2009). *The role of the marketing function in small and medium sized enterprises*. *Journal of Small Business and Enterprise Development*, 16(4), 569-585. doi:10.1108/14626000911000929
14. Marshall, C., & Rossman, G. B. (2010). *Designing qualitative research*. (5th ed). Thousand Oaks, CA: Sage.
15. Maxwell, J. (2005). *Qualitative research design: An interactive approach*. (2nd ed). Thousand Oaks, CA: Sage.
16. Krippendorff, K. (2004). *Content analysis: An introduction to its methodology*. Thousand Oaks, CA: Sage.