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Faculty of Economics and Management

Department of Management



Extended Abstract of Bachelor Thesis

The Role of Social Media in On-line Marketing

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Summary

This thesis tries to assess the role of social media in modern on-line marketing and evaluate different marketing techniques and its success in the social media marketing strategy. Firstly, it describes the basic term, which are in a close relation to the topic. It defines terms such as marketing, on-line marketing, advertising and communication. It presents the main social media, their basic description and use in marketing.

Further, it analyzes a concrete social media brand account on Facebook and its marketing practices and evaluates its success. It focuses on implemented user engagement techniques such as contests and games and the development and growth of its fan base. The thesis describes their main contests since beginning of their operation and evaluates its contribution to increase in numbers of fans. The thesis describes and evaluates their use of advertising campaign to support these contests. It also evaluates their communication skills and techniques based on monitoring of their conversations with fans and their problem solving and therefore the overall relationship between the brand and its fans.

In the final part there is an overall evaluation of social media use in on-line marketing, concluded mainly on the observation and results of the practical example. It also provides a recommendations concerning further involvement in social media and its implementation into the brand's marketing strategy.

Keywords: Marketing, on-line marketing, targeted marketing, viral marketing, social media, Facebook, marketing strategy

Introduction

On-line marketing is an inseparable part of current marketing mix. It includes websites, search engines, e-mails and social media.

Nowadays, social media is a very important part of peoples' everyday lives. Most of the time people use internet, they spend a large period on the social media, connecting with their friends and interests. It is the basic tool for internet communication and therefore cannot be overlooked. In January 2014 74% of all internet users used some kind of social media (Pew Research Project, 2014).

Around 90% of marketers use social media in their marketing strategy. They spend a lot of money and effort, while trying to keep up with the pace of customers and the social

media evolution. Many of them are not sure about the amount of impact they make and therefore underestimate the power of consistency. By employment of the wrong, or too many different social media, they might lose their original purpose and even harm the company, or its name.

Every kind of social media has a different purpose and impact. Some of them are focused on entertainment, others on sharing pictures, or communication. Social media is considered as the fastest channel for spread of information, especially in crisis situations. The numbers of users are growing every day and social media might one day become the major way for communication between customers and companies.

Aims and Methodology

As companies invest a lot of effort, time and resources the aim of this bachelor thesis is to determine the actual importance of social media in modern on-line marketing.

The theoretical part describes different on-line marketing channels and platforms, their brief history and use in current marketing. The thesis also deals with the trend of advergames which is nowadays a very important part of on-line marketing.

The practical part of the thesis focuses on Facebook marketing of the WUNDER-BAUM® brand in the Czech Republic by its sole importer. It observes the marketing techniques and communication with real and potential customers. By the analysis of data based on their marketing techniques such as different contests and events and other important factors the thesis determines the progress since its beginning and therefore its role in on-line marketing.

In the first part of the thesis, focusing on a literature review, the information is drawn not only from the professional literature, but also from on-line sources due to the current nature of the topic. The information is summarized and systematically sorted to provide basic information and the foundation for the following part.

In the second part the major method used is analysis, conducted on relevant data provided by the major techniques used to monitor behavior on a particular Facebook page. It will mainly be the analysis of statistics from *Facebook Insights* during the page's operation and their evaluation. A comparison of different types of content and contests offered and their success will also be used. A very important part of social media marketing is the communication between the users and the brand which is being closely monitored and observed in this thesis, to assess its efficiency and response time and rate.

Results

All the analyzed contests were very successful and provided a large amount of fan engagement and enabled wide interaction. It definitely improved the brand perception and recognition.

When accumulated results during the contests and after they were compared a clear signal about the evolution of likes was sent. It is basically not possible to expect any major increase in likes without the implementation of contests and a large commitment to the content.

The Facebook marketing team of WUNDER-BAUM® had and still has a very good response rate and response time of less than 24 hours, which ensures fans' trust and satisfaction. This response time and rate was evaluated based on the observation of their communication with customers on their page.

Despite new Facebook policies and quite a narrow product portfolio to work with they managed to employ a successful Facebook marketing strategy.

Conclusion and recommendations

Social media is undoubtedly a very important part of on-line marketing, but only if used appropriately. To reach its full potential it should not be used as an independent channel, but as a compound of more than one with a web page as its pillar and supported by traditional marketing. The main goal of social media should be to increase traffic to the website and increase customers' satisfaction by personalized user support.

Although, their marketing strategy is very successful, in the future WUNDER-BAUM® should definitely consider implementing Instagram in their social media marketing strategy as it is gaining importance among other social media and because of its picture orientation, which is suitable for their the presentation of their products. If implemented, it should be interwoven with all the other media used to gain as much importance as possible. Twitter might also be a very good idea, because it could help to promote Facebook campaigns and bring attention to their Facebook page. All the media can be interlinked by hashtags. WUNDER-BAUM® could also try, if possible, to reuse the already created applications by changing the message within, which might significantly reduce the cost of next contests.

Although Facebook is advertised as being free and perfect for every purpose anyone can imagine it is not as ideal as it seems. It is a business and every good feature has to be paid for. On the other hand it still comes out as much cheaper than traditional marketing, even though it should be at least partially supported by it. Every promoted post has much higher reach than un-promoted.

Social media is an inseparable part of on-line marketing, but it cannot be considered as the only part of it. Even though nowadays it is a very important due to its high usage by customers, marketers has to implement other on-line marketing techniques also, for example direct email marketing where it is not necessary to pay to reach the target customers. However social media can be very helpful in broadening the email list by highly interested targets.

The social media has a great supportive role in on-line marketing. More personalized approach within social media helps to create relationships with customers and therefore their brand loyalty. Moreover, it is a trend, and every business has to keep up with popular trends to be acknowledged by public as a business worth to pay attention. By presence on social media every business sends signal, that they are up to date, modern, social and open to interaction.

Resources

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