

CZECH UNIVERSITY OF LIFE SCIENCES IN PRAGUE

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Diploma Thesis Abstract

**Economic Analysis of Facebook Impacts and Chosen
Marketing Campaigns**

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Summary

The diploma thesis is focused on the economic analysis of the Facebook impacts and created marketing campaigns for the company Balakryl.

First part deals with the theoretical background of social media with the focus on social media marketing and usage of social media as a marketing tool. In addition company Facebook, Inc. is closely researched bringing focus on its history, usage and financial matters. Usage of Facebook as a marketing tool is furthermore examined, concentrating on the tools for Facebook marketing analysis and measurement.

Practical part then analyses concretely actual Facebook impacts resulting from its activities and ecosystem. Practical example of added value resulting from Facebook ecosystem is demonstrated on company Zynga, Inc. Lastly, the impacts of created Facebook media marketing campaigns for company Balakryl are analysed. The campaigns are evaluated and future forecast and recommendations are proposed.

Key words

Social Networks, Facebook, Marketing, Marketing Campaign

Introduction

It all began with only static place where authors skilled in web technologies could post their content and where visitors could only passively read this content. Everything started to change in the year 2004 with the arrival of Web 2.0. Term Web 2.0 appointed whole new development stage of the Internet history and social media sites when replacing static content of websites by the space for sharing and content creation. From that point on, the content was created not only by individuals or group of authors, but also by common users, including even people with little to no information technology skills.

It took just few years for social media and social media tools to gain on their nowadays popularity. Among the most popular belong Facebook, Twitter and YouTube, all of them not being older than 10 years. Generally, social media include several types of social media platforms such as social networks, blogs, wikis, media sharing sites, podcasts and microblogging. With no doubt, recently the most popular types of social media are social networking websites such as Facebook, the largest representative of the social media sites.

At the end of year 2014 Facebook reached incredible 1.23 billion monthly active users which represent almost half of the whole population with the access to the internet. But why is Facebook so popular? With such amount of active users around the world Facebook offers major social tool to connect with wide audiences including friends, family, colleagues, constituents and also consumers. The fact that social media websites are broadly spreading among people couldn't be ignored by businesses and marketers. It is just the possibility to connect with consumers that is the most important from the economical point of view. Facebook offers businesses the environment and tools to address and connect with their customers, to advertise more effectively and to build their brand identity. Facebook expresses a new generation of social media organisations who has significant global impact and creates economic value through enabling ecosystems. This means that economic impact of Facebook consists not only of traditional narrow measures of economic impact but also of broader impact which is created due to Facebook allowing third parties to create added value across the economy.

In order to utilise this channel it was necessary for many business to start with social media marketing. Nowadays it is no more the question whether to join social media sites or not, but rather how to operate on them in the best and the most favourable way. Marketing on

social media offers relatively easy and cheap way how to deliver business message to audience which can range from closely targeted to very widely specified one. Besides that businesses can utilize social media marketing to increase brand awareness, its popularity and to build long-term relationships with customers.

Facebook is developing quickly and until now it has been able to keep up with latest demands and trends of society. However its history is still short and it is a question of time to prove if Facebook is a real thing or just another internet bubble which will be replaced sooner or later by new and more advanced tools. For now, Facebook is trying to do everything so that it doesn't happen.

Objectives and methodology

The main objectives of the diploma thesis are to evaluate the economic impact of Facebook marketing activities and to establish and assess concrete Facebook marketing campaign. Furthermore the role of Facebook in the online industry is evaluated as well as efficiency of set marketing campaign and factors that are affecting it. Lastly future recommendations for established marketing campaign are made.

Methodology of the diploma thesis is based on study of literature and summary of gained information with the use of synthesis, induction, deduction and extraction from available academic and non-academic resources. Analytical part is based on real case study where Facebook marketing capabilities are examined with the use of methods of both qualitative (descriptive) and quantitative analysis. The data will be processed using software Excel.

Based on both theoretical and practical part, a general conclusion is formulated.

Conclusion

Facebook has significant global economic impact which was evaluated in the diploma thesis as one of the two main objectives. With the help of the study it was found that Facebook economic impact can be compartmentalized into two categories of effect – the narrow effects, caused by Facebook’s day-to-day activities, and broad effects, accruing to third parties who create added value across the economy as a result of the Facebook ecosystem. The diploma thesis further explored actual economic impact in the European Union countries and in the United States. Key study findings sum up the total Facebook added value to the European economy up to €15.3 billion. The major part of Facebook economic effects is represented by broad impacts whilst the narrow impact represents only circa €0.2. Considering the job contribution, there were estimated circa 232,000 created jobs in 2011 which were associated in some way with Facebook throughout the European Union countries. In the United States only Facebook App Economy has added in 2011 from \$12.19 billion up to \$15.71 billion in wages and created over 182,744 jobs as a direct result of the Facebook platform. Furthermore, in order to present practical example, Zynga company was focused on and its added economic value across the economy emerging as a result of the Facebook ecosystem was covered. Generally, it was proved that Facebook contributes to the economy to relatively significant extent.

As the second main objective, the Balakryl Facebook marketing campaign was established and assessed. The campaign was compartmentalized into four subsections - setting up Facebook profile, developing Balakryl fan base, continuous page content creation and promotion, and supporting Balakryl event Recy-Věci 2014. Firstly, the most important questions, necessary for framing Facebook marketing strategy and laying out the components of successful Facebook marketing plan, were presented and answered. Further on, realization of all four subsections of marketing campaign was described in detail as well as evaluated. Specific goals for all subsections were set as follows:

- Construct Balakryl Facebook fans base and increase number of fans
- Increased the brand recognition and brand awareness
- Increase brand popularity due to offering value added content
- Utilize channel that would support Balakryl event Recy-Věci 2014
- Develop strong overall presence on Facebook

All set goals of Balakryl Facebook marketing campaign were attained. Facebook marketing activities led to increase of the brand awareness and popularity and development of strong presence of Balakryl brand on Facebook. Overall, the campaign was evaluated as effective one.

In conclusion it was proposed for Balakryl company to continue with Facebook marketing activities and suggestion for future Facebook marketing strategy of Balakryl company was made.

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