

Czech University Of Life Sciences Prague

Faculty of Economics and Management

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Bachelor Thesis

Social media as an effective tool to promote business

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Summary

This thesis discusses about how Airbnb is a company website that allows people to host travelers and turn their residence into an asset. Guest gets to rent rooms according to their needs. The company was established in 2008, and ten years later by a very rapid growth, the company is making turnover of millions of rooms per year. In this thesis effects of utilizing social media platforms to increase and maintain audiences for a brand like Airbnb is being discussed.

Overviewing how Airbnb has used these platforms to rapidly grow their customers and popularity by influencing their audience choices by creating emotion evoking material tailored specifically for their followers with the help of user generated content and other mixed techniques of analysis like online surveys, questionnaire and web analytics. Discussing Airbnb strategy in use of each individual platform namely Twitter, Facebook, Instagram, YouTube to engage with audience. Using business models such as Porter's five forces model and SWOT analysis it has been tried to get a grip on Airbnb current position and predict how it might differentiate in upcoming years.

Keywords: Social media, Promotion, Instagram, Facebook, YouTube, Twitter, Marketing strategies, Marketing tool, User Generated Content, Airbnb.

Extended Abstract

Today a person of any age and gender can create his or her profile in social networks and can start socializing, chatting with friends etc. For example, sites like Twitter, Facebook, and LinkedIn can influence users to keep and develop social relationship from close ones to casual acquaintances. As for customers, they want to know as much information about the product as possible before making purchases. Social networks can easily provide all requested information to customer and influence their purchase decisions. Customers can also leave their opinions about the brand or services. Therefore, marketers have no choice but to treat them differently and with greater respect (A. Bashar, 2012). In the Internet brands cannot be controlled and manipulated, users can easily exchange their opinions and comment.

Nowadays the increased dependence on modern technologies and tools for communication points out the topic of analyzing the effect of networks on daily activities and processes.

Such a topic became interesting for analyzing in the thesis due to modern conditions on the market, quantity of information available and accuracy of social media role nowadays. The thesis will focus on the use of social networks by selected company. As there is no possibility to get access to financial data of company and its budget for utilization of social networks, the results and

discussion will be based on the analysis of company's activity in social networks. Such an approach has its benefits and advantages as analysis of company's activity is based on information which is available in the Internet. The activity in social networks is not possible to hide.

Objectives

The bachelor thesis will focus on social media and its tools which can be used in marketing for various promotion strategies. In order to understand and give better overview of the subject it is needed to define marketing theories and social media concept. Besides several social media programs, platforms and tools will be introduced which business can use for its promotion purposes. The main purpose of the thesis is the research of how companies can use social media in terms of promotion and increasing their markets, find more new customers and develop loyal relationship with them which can benefit them for strong brand and enlargement of business sizes. The thesis also pays attention to dependency on social media and customer's behavior and buying decisions. The main objectives of the thesis are to investigate the influence of various social media tools on business performance, to research example of company after experiencing and using social media tools for their marketing strategies and to research cases of different promotional activities on the brand stability and interest.

Methodology

Theoretical analysis of data about marketing strategies and modern social media tools will be performed and described. This is needed in order to present the nature of the topic chosen and provide necessary evidence for the researched questions. Besides, quantitative data method will be used for better performance of numbers and other data found. Secondary and primary methods will be used as well. The first part of the thesis will introduce theoretical part and will include the introduction of marketing strategies, various social media tools which can be used in business for promotion, how those tools can help businesses to increase their marketing influence and customers' number. The practical part will include example of company which have already used social media tools and can present outcomes and results of such strategy. At the end, necessary conclusions and suggestions will be done based on the research data received and analyzed.

Conclusion

In conclusion, Marketing through social media has had a massive impact on the marketing world. More and more companies are utilizing these tools and some companies are completely stopping the use of traditional means of marketing. As a higher number of business gurus and authors of books regarding business and marketing strategies are suggesting only marketing through social media. One famous example would be “Gary Vaynerchuk” who is an American entrepreneur, author, speaker and internet personality recommending to every startup companies to only use social media platforms for marketing by saying “Even if people are watching television they do not watch the ad breaks but instead pick up their phone to surf during these advertisements breaks. So Social media platforms have made all other forms of marketing redundant”

Airbnb has cashed big on this opportunity of social media marketing as their marketing budget has increased exponentially through years for example just in U.S having a marketing budget of 3 million U.S dollars in 2014 to having 65 million U.S dollars just two years afterwards in 2016. Airbnb has been able to give new options to customers when it comes to accommodation. Though they also had to face growing competition as the business model is quite simple to copy. Therefore, in order to stay ahead of the competition, they always have to come up with new strategies and keep innovating. Data gathered through social media about their customers have been helpful to make tailored content to engage and retain their followers. Though the competition between these brands only bring better and cheaper accommodation options to the users. So, the general public is getting better deals on the expense of the brand and industry as it gives people more room to negotiate prices and services. Keeping the price under a ceiling as there is always a chance of losing long term customers to competition.

Airbnb has so far created content that the audience found personally relatable. It has also motivated the users to generate their own content to boost up their credibility on the social media platforms. Other upcoming brands and startups would also be able to benefit through adopting Airbnb strategy if they were to use some of the brands communication practices.

Given the developing digital realities of the modern world, the importance of marketing through social media will continue to change. Though marketing through social media looks like the next big thing in the world of marketing. So, for now it can be concluded that social media is an effective tool to promote business although there’s still not enough information on these marketing strategy as these methods have not been around for long. Only time will tell if social media marketing will be sustainable form of marketing or not.

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