

Czech University of Life Sciences Prague

Faculty of Economics and Management

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Diploma Thesis

**Use of Social Media for Marketing and Promotion in the
consumer electronics business and its effect on overall
reputation in the Czech Republic**

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Summary:

This diploma is focused primarily on the use of social networks by Czech companies, as the author is studying in the Czech Republic. Unfortunately, the author does not have access to firms' financial information and their budget for utilization of social networks. Therefore, the study is based on the analysis of companies' activity with social networks.

Keywords: social media, business, company, advertising, budget, B2C, propagation, campaign, strategy.

Aim and methodology:

The main goal of the thesis is to compare several B2C companies in the Czech Republic, determine how they use widely social media in business, and analyze their marketing campaigns. The methodology of this study is based on analysis and synthesis of technical information resources dealing with selected issues. The main method of gathering information for practical part is the visual analysis of marketing campaigns on the Internet. The practical part of the diploma work is based on SWOT analysis, benchmarking, financial analysis and regression.

Literature research:

Social networks meant a transition to a new level of marketing. This new level of marketing was offering the option to choose very clearly the target group, to limit marketing costs, in online mode to get information concerning the effectiveness of the campaign realized on the Internet, etc. The marketers' fears that the advertisement will not be seen by those to whom it is intended, but will be watched by wrong audience, are now in the past.

It is obvious, social networks are just beginning their big development, but even now we can see that almost all serious companies have profile on at least one social network. Social networks are created on the basic human need which of course is

communication. This type of media has given all of us the big opportunity to communicate online with friends and relatives, post our photos, share photos with other people, and so on.

Practical part:

Company that has the highest number of social networking sites is Mironet. Then again, the creation of a large number of profiles on social networks, does not automatically mean their application and effectiveness in the promotion of company's products.

The investigated Czech companies are using the social networks for their direct purpose - to communicate with the customer. The only exception is Alza company, that exploits the network mainly as an advertising platform and does not particularly moderate the discussions. On the other hand, Alza is very successful on the Czech market, so perhaps its approach to advertising is correct.

Furthermore, all firms work predominantly with Facebook, which nowadays is a key social network for the Czech Republic. This does not mean that the situation will be the same in the future; after all, the situation in IT sector is changing very quickly, so we need to take into account that all firms will have to apply more forces to work with other social networks.

Facebook should become the main point of activity for the company. This is the social network that is mostly used in Czech Republic, so it should be the basis. On the other hand, it is necessary to take into account other social networks, Instagram and Twitter.

When working with social networks, it is necessary to answer people's questions as soon as possible and moderate the discussion. It is unrecommended to let the discussions develop uncontrollably, especially when it comes to customers' dissatisfaction. When making posts, you should focus on humor and avoid such advertising as this "buy from us, because we have the best/cheapest product".

Nowadays, the visualization of the company and the creation of association are very important. Therefore, companies should create and use in their operation with networks, an easily recognizable Mascot.

The profile of the company on the social network should be well ordered. There should be created albums with photos categorized accordingly, and the profile should have a specific structure, etc. Thereby, the well managed and ordered profile will create a good impression over the users (future buyers) and they will think that in the company itself everything is clearly arranged and all demand or wishes are fulfilled.

Conclusion:

This diploma thesis analysed three companies, Mironet, Datart and Alza, with a focus on their activity in social networks. All three companies are undisputed leaders on the Czech IT market. An interesting fact is that majority of these companies activate in neighboring Slovakia, which can be explained by the similar culture and common historical past of Czech Republic and Slovakia.

Further, all firms have a profile on Facebook, which is explained by the fact that this social network is the largest in the Czech Republic. The results of the research showed, that the firms use this certain social network very actively, with posts placed almost daily and there is also active communication about the products of the company.

Notable is that all three companies also work with the Slovak market. Firstly, this can be explained, by the fact that Czech Republic and Slovakia had been part of one country (Czechoslovakia) for many years and these countries are culturally very close. It should be mentioned, the sales growth in Slovakia is much higher than in the Czech Republic, which speaks about the rapidly growing Slovak market. In the future, increasing activity of the firm should be expected on the Slovak market. On the other hand, not to forget that there is the probability to reach very quickly the ceiling of sales, in case of Slovakia, because the number of population in the country is much lower than in Czech Republic.

At the end of diploma work, on the basis of the performed analyses of all companies, suggestions for improvement were offered. For Alza shop, the suggestions

were the following: start the activity on Twitter; change the location of Facebook button on the page (in the right or left upper corner of the page); place information about Alza shop; organize awards and voting; moderate the discussion; make photo-albums; and do pay-per-click advertising on Facebook. For Mironet: reduce the number of social networks, where registered; focus the attention on Mascot promotion; reduce the advertising with sexual content and create an English profile on Facebook. For Datart: create the Mascot of the firm; change/replace company's color into a lighter colour; open an English profile/account into Facebook; open an account in Instagram; strengthen the presence on the Slovak market.

If we recall the partial goals given at the beginning of the work, then the goal of Alza shop is principally advertising. Unfortunately, the firm establishes only a few other goals in its campaign. It could be even noticed that sometimes Alza does not moderate the discussion on its Facebook page, but posts the advertisements only. Mironet, on the contrary, exploits its social networks by 100%, it constantly places advertisings, communicates with consumers, solves their problems and provides very interesting information about the results of its activity and operation. In case of Datart, company uses social networks for advertising and communication. Moreover, Datart and Mironet used it for placing the job offers and information about the company.

When about the implementation of the second goal then on the basis of the research it can be affirmed that Facebook, Twitter and Instagram are the fundamental social media widely used in the Czech Republic, nowadays. Facebook is on the first place in the list.

The case with the fulfillment of third aim of diploma thesis, is not so ordinary because each company uses its type of advertising and it is impossible to make a common picture. Mironet, for example, advertises mostly computer games and phones; while the rest companies advertise everything. Based on the above arguments, it can be affirmed that all partial goals have been fulfilled.

The biggest restraint of this diploma is the author did not have unfortunately access to internal information about the campaign, which the company conducts on social networks. Certainly, the study would have had a bigger added value if taking into consideration the comparison of expenditures volume and comparison of the increase in sales. The following restraint is that social networks represent just a part of the marketing

tools used by the companies. Thus, the influence of advertising volume on social networks and on company's revenue is very difficult to evaluate.

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