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#### MARKETING OPPORTUNITY OF SOCIAL NETWORKS

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#### *Abstract*

Modern means of electronic communication generate new forms of economic organization, the development of new spheres of economy, transform social and economic institutes that used to be stable. One of the most significant consequences of information technology evolution for economics in general is the extensive use of Internet communication network means in the sphere of marketing. This defines the objective of this research: to analyze the influence of social networks on the sphere of marketing and to point out the most significant characteristics of marketing activity in different types of social media with the help of empirical study. The article shows that social networks are extensively used for solving various problems of product/brand promotion on specific market. Marketing in social networks is especially widespread in the b2c sector. The expert poll of the representatives of small, medium enterprises as well as freelancers shows that social networks have a valuable marketing opportunity. They can promote advertising new products, raise the awareness of the brand/product, provide the loyalty of consumers, create the long-lasting positive image of the brand/product. Marketing specialists prefer visually oriented social media and traditional Russian social networks. The peculiar feature of marketing in b2c sector is commitment to the use of such instruments as a personalized account of the firm, personalized community and articles about the product of service. Experts name targeting and open contact with the target audience as the main strong point of marketing in social networks, which allow one to achieve various marketing goals.

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**Keywords:** Marketing, marketing in social networks, social networks, social media, b2c sector, network technologies.



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## **1. Introduction**

Modern step of civilization development is specified by the development and spread of different forms of electronic democracy, information and communication technologies, orientation on innovations, growing importance of knowledge and information. These characteristics let us talk about the establishment of post-industrial or information society. One of the main aspects of its establishment is the economic one: it squares with and a lot determines the other spheres of social life. In the condition of postindustrial society we can speak about the development of information network economy, which assumes the development of new forms and strategies of individual, group and social economic activity. Under the influence of implementing network internet technologies the problem field in modern economic sphere becomes wider, and it is proved by the appearance of new forms of economic organization, the development of profile information technology spheres of economy, restructuring markets, transformation of employment market. The potential of networking Internet technologies, which is going to be the object of our research, must be separately noted.

## **2. Problem Statement**

Social media such as social networks, blogs, online services, photo and video hosting, etc. are the most important factors of marketing communication transformation. Social media are regarded on the whole as services of social communication based on network technologies. It should be pointed out that in social media communication takes social character, not being reduced to the process of sending and getting information, but promoting self-presentation of users, supporting social contacts, developing internet communities, forming a new kind of cultural product. It is social characteristics of communication in various social media that define their rich marketing opportunities.

## **3. Research Questions**

Social media, particularly social networks, provide great marketing opportunity which is directly influenced by the principal characteristics of social communication. The marketing opportunity of social media is the subject of this article. As a hypothesis of the research, we suppose that the maximum effect of standard marketing communication can be reached in visual oriented social networks, which allow one to not only keep in touch with the other people, but also consume brand-oriented content.

## **4. Purpose of the Study**

The aim of the research is to hold theoretical analyses of social media influence on the sphere of marketing and on the basis of the empiric research (expert poll, N=60), to point out the most significant characteristics of marketing activity in various types of social media.

## **5. Research Methods**

In the article the author draws general scientific methods of analyses and synthesis, deduction, induction, a systematic approach, which allow one to research the object claimed in the variety of its

peculiar features and functional characteristics, and the methods of applied sociology research (authorial research using the method of expert poll, N=60), analyses of secondary sociological data.

## 6. Findings

Active implementation of Internet technologies, as well as social network services based on them, into the practical economic activity sufficiently changes and widens the opportunities of business dealing, diversifies economic strategies of market participants (Kamensky & Boev, 2015; Aseeva & Budanov, 2016; Grimov, 2017; Podgorny, 2015). The role of social networks becomes especially significant in the sphere of marketing communications, PR and advertizing. Network internet technologies are widely used in solving various problems of product, service and brand promotion, in the sphere of management practice, when forming expert networks, virtualizing commercial activity, etc. (Bykova, 2015; Danchenok, 2012; Skott, 2013; Skobl & Izraehl, 2007). Such importance of network Internet technologies can be explained with a number of their characteristics, such as:

- the opportunity of creating network communities in the Internet;
- wide coverage of the audience, as well as its segmentation in social media;
- voluntary and elective nature of communicative contacts;
- informal character of communication;
- overcoming spatiotemporal limits in communication, high speed of communication;
- the opportunity of creating and spreading various content by the users themselves;
- feedback existence.

These characteristics influence the status of network technologies and The Internet in general as the main factor of modern information economics. The development of Internet technologies contributes to the appearance and actualization of brand-new practices and ways of commercial activity support. We can name such of them as:

SEO - a way of web promotion of a product or a service, based on raising position of the site that advertizes it in the results of user search input;

SMO - organizing and holding internal technical activities that raise the effectiveness of the firm's site interaction with other social venues and platforms;

SMM - a complex of activities of using social media platforms in order to promote a brand, product or service and solve problems connected with it.

Marketing in social media is the direct object of this research. All the types of internet support of commercial activity mentioned above are interconnected and can be used in complex, basing in the maximal use of network technologies resources. But it is marketing in social media that is of great interest, as it reflects and involves not so much organizational and technical support, but social communicative resources of network technologies, addressing the consumers directly. As the main purposes of marketing in social networks we can point out the following:

- advertising new product;
- raising the awareness about brand, product or service;
- creating long-lasting positive image of the brand, product or service, providing the loyalty of the consumers;

- raising the profit and the sales result;
- developing stable social connections and contacts.

Marketing in social networks is widely used by business leaders and by minor economic subjects. In connection with it, the research of social responsibility of different firms and companies through their interaction with concerned party in social networks held by Petuhov (2014) is of great interest. Within the framework of this research the presence of the biggest Russian firms and companies in social networks was studied (250 biggest companies according to the journal "Expert") by their sector profile. Some important patterns were discovered (see Table 01).

**Table 01.** The representation of the leading Russian companies in social networks by their sector profile (in % of the number of companies in each sphere)

Economy sector	Characteristics in % in social networks			
	vkontakte	Facebook	Twitter	The average of the three social networks
Banking, insurance, investment	46,2	57,7	57,7	53,8
Telecommunication, media	33,3	66,7	66,7	55,6
Retailing	42,9	53,6	35,7	44,0
Food industry, pharmacy	16,7	38,9	38,9	31,5
Energetic, housing and communal services	22,2	38,9	27,8	29,6
Chemical industry	7,1	35,7	35,7	26,2
Transport	23,5	35,3	17,6	25,5
Metallurgy	11,8	35,3	29,4	25,5
Building, engineering	21,1	26,3	26,3	24,6
Machinery	14,3	25,0	21,4	20,2
Mining	4,3	21,7	17,4	14,5
Distribution trade	7,7	11,5	15,4	11,5
Agriculture and forestry, printing industry	0,0	0,0	0,0	0,0
Research wide (N=249)	20,9	34,9	30,1	28,6

It was stated that the activity area of the company influenced greatly the level of its activity in social networks. The greatest activity is demonstrated by b2c companies, (sector of business-to-consumer, i.e. the companies that provide products and services for the final individual consumer). They primarily include banks, insurance companies, communication service companies, mass media and retailers. At the same time companies of the b2b sector (sector Business to business, companies that provide services and products for business and industry) use social network for communication with parties concerned much more rarely (Petuhov, 2014). The intended function of the companies (social responsibility in practicing communication with stakeholders), that was studied by Petuhov (2014), is different from marketing communications but in many aspects accompanies it and on the whole represents the level of the business leaders' real presence in the social media.

In other words, we can conclude that social networks, being as well an instrument of marketing communication, are most widely used by the firms and companies that produce services and consumer goods. Thus, according to the statistics data, 96% of marketing specialists use social media for promoting business online.

However, the question of using SMM in the sphere of small and medium entrepreneurship, including the sphere of freelance is not very clear. These spheres massively cover the participants engaged in producing and consuming the final product. The tendency of using social networks by these participants as a marketing instrument is a representative characteristic of the marketing and advertizing potential of social networks and business in general.

In this regard in September-December of 2018 we conducted a social research of using marketing in social networks by the representatives of small and medium enterprises, as well as freelance (method: expert poll, N=60, communication department staff, specialists in business analytics in companies, individual entrepreneurs and freelancers were interviewed).

We asked a question about the particular kinds of social networks that are preferred in the marketing sphere. Thus, it was stated that the following networks are used: YouTube – 92%, Instagram – 89%, Vkontakte – 82%, Odnoklassniki – 41%, Twitter – 33%, Facebook – 31%. Small and medium enterprises (especially freelancers) usually are not targeted at international market, that is why the proportion of foreign social networks (Facebook and Twitter) is smaller compared to the proportion of Russian ones (Vkontakte and Odnoklassniki). Together with this, the accent on visual (photo and video) form of marketing communication is of principal importance. As it was discovered during the research, the overwhelming majority of users used the resources of photo and video hostings (YouTube, Instagram) for promoting their brand, product or service. This tendency is explained by the general refocusing of social media from text content to visual one, and by the success of the latest formats - interview, review of specialties on Youtube, online testing of products, etc. On the whole the cumulative percent is 368%, which can be explained by the possibility for the respondents to mention all the social networks used. It was pointed out that, on average, business representatives used the recourses of more than three social networks in the sphere of marketing. It is connected with the desire of maximum coverage (including the language attribute), using various means and channels of communication which are specific for profession-oriented social networks.

Also, we arose the question about the concrete channels and instruments of marketing communications used in social networks. Answers given were divided up as follows: personalized community (100%), personalized account of the firm (95%), articles about the product/service in different social media (56%), applications (44%), banner advertizing (34%), contextual advertizing (31%), contests (28%), other (5%) (See Table 02). Thus, the instruments of direct presenting information through communication on behalf of the official account or community are the most important. Applications and contests are not so widely used, advertising is also viewed by the users as a specific sphere and is not connected directly with the social media. It is peculiar that the most demanded networks using various channels and instruments of marketing are "Vkontakte"(cumulative percent - 397% of usage), Instagram (395%), YouTube (384%).

**Table 02.** The Usage Of Channels And Instruments Of Marketing Communication (Distribution By Social Networks)

Channels And Instruments Of Marketing Communication	Social Networks					
	Vkontakte	Odnoklassniki	Facebook	Twitter	Instagram	Youtube
Personalized Account Of The Firm	94	83	88	100	100	100
Personalized Community	98	84	67	15	100	100
Articles About The Product/Service	84	42	43	3	100	100
Applications	13	8	21	14	7	14
Contests	35	19	12	16	21	43
Banner Advertizing	28	20	20	25	37	12
Contextual Advertizing	39	18	19	22	34	12
Other	6	3	4	2	6	3
Total (In % By Each Social Network)	397	287	274	197	395	384

This tendency can be explained by the general popularity of these social networks that has already been stated by us and their broad functional possibilities as well.

We have found out that the most important advantages of marketing in social networks are described by the interviewed businessmen and freelancers as follows:

- targeting (86%);
- open contact with the target audience (62%);
- efficiency (52%);
- users' loyalty (42%);
- low cost (29%). These qualities are mentioned as key ones in the research (Kosteckij & Malkova, 2013).

Some of these advantages will be described below.

Although the general credibility of the population towards advertisements (especially those shown on TV) is quite low, the use of social networks as a marketing instrument is quite efficient. It is explained by the fact that the advertisements in social networks are viewed as independent opinion of a usual user, not attached to a famous media person. Thus, the research results show that 87% of social network users rely more on the opinion expressed in social media, not on the official information.

Principal is the ability of the user's participation in the process of working on the firm's product, its improvement, which can be brought to life in crowdsourcing mode (Howe, 2008). Thus, the manufacturers of "Lego" with the help of the virtual graphic constructor that was placed on the firm's site, let its future customers create a 3D model of a toy, which will go on sale if it gets the approval of the other site users (Goodman, 2012).

The respondents also mention the ability of targeting. Social networks possess a great potential of segmenting the audience (particularly, using the social demographical characteristics indicated in the user's personal profile, by studying the comments left, the search requests, etc.) and working out targeted advertisements. Such advertisements, as the interviewed mentioned, must also take into account the values

and the content type that are most relevant to this audience, and can be based on bringing in Big Data technologies.

Thus, social networks are used by marketing specialists due to their broad functional abilities and the advantages of marketing communication determined by them. It is principal that social networks can be used over the whole period of the campaign, providing the opportunity to achieve multiple goals. Thus, according to the research held by Social Media Examiner, companies use social networks to achieve three goals: maintaining the client relation, providing the transparency of communication, introducing novelties (Kara, 2012).

Among the most significant and promising means and instruments of marketing development in social networks we can point out the following:

- development and appliance of the social network culture objects: viral videos, internet memes, which are the product of social network communication environment and successfully contribute to the promotion and capitalization of this or that resource. As an example we can name the memes Zhdun, ("the Awaiter"), Stoned Fox, which spread in social networks and encouraged the promotion of other products and services in the social media.

- wide spreading of online messengers (Viber, Whatsapp), various strimming social media that change the architecture of virtual communication and expand the boundaries of marketing in social networks.

## **7. Conclusion**

Summing up what has been said, we have stated that social networks possess significant marketing potential and can promote advertising of a new product, raise the awareness about the product, brand or service, creating their long-lasting positive image, providing customers' loyalty, raising the profit and the sales result, creating stable social connections and contacts. Most activity in social networks is demonstrated by the b2c companies, (sector of business-to-consumer, companies oriented at services and consumer goods production). The results of our sociological research show that marketing specialists prefer visual oriented social media (Instagram, YouTube) as well as traditional Russian social networks (Vkontakte). The peculiar feature of marketing in the b2c sector is the orientation to using such instruments as: personalized account of the firm, personalized community, articles about the product/service in the potential of such instruments as applications, contests, banner advertizing and contextual advertizing. All in all, the main advantage of marketing in social networks is targeting and open contact with the target audience, which allow achieving various marketing goals.

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