

ANALYSIS OF EFFECTIVENESS OF SELECTED SOCIAL MEDIA

Peter Dorčák

Department of Marketing and International trade
Faculty of Management
University of Presov in Presov
dorcak@ezo.sk

František Pollák

Department of Marketing and International trade
Faculty of Management
University of Presov in Presov
Frank.Pollak@acuityeng.com

Abstract

The aim of the paper is to verify the effectiveness of selected modern means of communication on a selected online shop of a real brick and mortar company from the environment of small and middle-sized business in the Slovak market and, at the same time, compare results of the research carried out with the same research conducted in previous year. Selected marketing communication tools used in the research have focused on increasing traffic of the selected online shop. Analyzed relationships were then compared on a year on year basis.

Keywords

Internet Marketing, Social Media Marketing, Social Networks

1. Introduction

First, it is necessary to define the key concepts and relationships from the perspective of authors writing on the subject.

1.1. Social media marketing

Social media marketing is a relatively new trend in internet marketing and it is an enormous change, which all businesses have to accept. The change is in that internet advertising, which businesses were accustomed to, is not enough to promote products or brand. Marketing communication must involve social media, popularity of which is constantly growing among potential customers (socialmediamarketing.co.in).

Social media are thus becoming potent weapons of the current Internet. Their advantage is in that they provide an ample space for creativity and ideas, which are then spread among the users

themselves. The real power of social media is in creating community around a product or a brand and its active involvement. The reward can then be a substantial increase in the number of displays of the target website or in the growing number of links (Fedorko, 2010).

The current social media include:

- blogs
- microsites
- social networks
- wiki systems
- sharing videos and photos
- discussion forums
- podcasting and others (Škutková, 2010).

In the following section, social networks, which have an increasing impact on consumer behaviour, will be dealt with in more detail.

1.1.1. Social networks

Social networks - The Internet is becoming increasingly more personal. Thanks to its capabilities and functions it slowly pushes out traditional media and becomes a challenge for application of new trends in communication, but also in business. Its use brings many advantages, including the fact that we can search there for potential customers in a concentrated form – on online social networks. Their essence is the social relationship between individual participants in social networks and their mutual relationships. Social networks can thus be seen as a map of all possible, available dependencies between individual participants in social networks (Rajčáková, 2009).

Currently the popularity of social networking is huge in particular among young people, but the popularity is also growing among elderly population. Social networks can be regarded as a kind of new generation medium. They combine the advantages of blogs, chat, email, file sharing and other web applications, creating a strong foundation platform for online communication and collaboration of millions of users. They are also ideal for maintaining or making new contacts. It would be hard to find a better universal means for keeping personal connections with old friends, customers, suppliers and business partners. Social networks can also help to attract new customers or to get interesting opportunities (Delina, Tkáč, 2010). It turns out that social networks are also ideal for sharing useful information and promoting opinions, business activities, actions, projects (Vlach, 2009). Social networks have therefore attracted attention of businesses and other entities that seek to find new ways and means of communication. Companies create profiles for their products, follow discussions about their brands, organize informal marketing researches or acquire a database for promotional purposes on community portals (Delina, 2009).

2. Methods

2.1. The research object

The research object is the online shop of the company EZO.sk s.r.o. Using selected internet marketing tools we have tried to raise awareness among potential customers about the online shop and also increase its traffic and growth in number of orders.

2.2. The main purpose

The main purpose of this research is to verify the effectiveness of new low-budget promotional possibilities using modern means of communication such as email, blogs, social microsites and social networks. Also, the aim is to compare research results with the same research from March 2010 using secondary data.

2.3. Research Methods and Procedures

Research realization - The research task was conducted during the month of March 2011 in which 50 students of the Faculty of Management of Prešov University, Department of Marketing were involved. During that month, they were to comply with the same instructions set by the executor of the research, as in March 2010. Instructions were divided into 3 parts:

2.3.1. Word of mouth (WOM)

Students were to spread the good word about the online shop of EZO.sk s.r.o. The following were used for spreading the good word among friends and family members:

- email - email contained a personal recommendation with a link to the online shop,
- personal recommendations - concerned selected products of the company, but also the online shop itself, which were spread among friends, relatives, family, etc. (Fedorko, 2010).

2.3.2. Social network

Facebook, the most popular social network in Slovakia was chosen for this research task. Selected students were associated in a closed Facebook group called "Workgroup". Students were given specific tasks and instructions which were to be fulfilled within the working group. Tasks were divided as follows:

- for the purpose of this research students were to join an existing Facebook group called "We love hot and fragrant bath" and distribute invitations to their friends and acquaintances to join this group,
- repeatedly (at least once per 3 – 4 days) share a link on their personal Facebook profile page to:
 - any product from the online shop of EZO.sk s.r.o.
 - link to the Facebook group called "We love hot and fragrant bath".

2.3.3. Blog

This task consisted of creating a blog or a microsite, which name and description was associated with key words like esoterics, aromatherapy, sea salt or magnesium salt, natural thermoform, home spa, bath oil, books on esoterics and others. Students were to place these sites or blogs on selected websites such as Blogger.com or eStranky.sk.

The blog contained:

- a short article on effects of selected products available in the online shop. At the same time it was to draw their attention to the Facebook group "We love the hot and fragrant bath"

- place a link on the online shop in the section called Favourite pages (Fedorko, 2010). Students were to promote their blogs via email messages and their Facebook profiles (Fedorko, 2010).

3. Results and Discussion

Evaluation of research will give us an overview of traffic analysis of the selected e-shop, in which we followed:

- total site traffic,
- traffic sources,

3.1. Traffic analysis - total attendance



Figure 1: Development of the total attendance, Source: Google Analytics

The first analyzed indicator of the realized research is total attendance. This is the most basic tool of measuring the effectiveness of website promotion. It gives us an idea of how many users visited the website during the studied period of time. Compared with last year's results there was a decrease in total traffic from 3,148 to 2,904 visits, which in percentage terms, means a decrease by 7.75%. Similarly, the number of average daily visits decreased from 101.55 to 93.68 visits per day. Decrease in traffic can be attributed to decreased activity of the research participants, as the research sample was not identical with the last year's sample. If we take a closer look at the total traffic curve development, we can see that unlike in the past period, there was no sharp increase in attendance. The trend curve is rather continuous without any significant fluctuations. The moderate increase occurred only in two cases: at the beginning of the studied period, which was due to increased activity of the research participants, and in the first two days since the launch of the competition.

3.2. Traffic analysis – traffic sources

Traffic sources are access channels, from which visitors come to the studied online shop site. The figure below provides an overview of shares of individual sources in total traffic. The highest mediated attendance came from the social network Facebook, which was also reflected in the annual percentage increase of mediated visits. While in 2010 the proportion of mediated visits was 51.4%, this year they accounted for 57%. Search engines follow with 27%. Last year their share was 19.5%. The smallest share in the total traffic has direct visits with 16% (last year the share of direct visits on the total traffic was 29.2%).

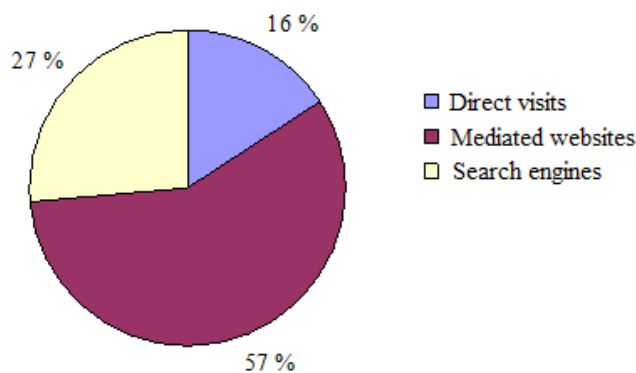


Figure 2: Share of individual traffic sources, Source: Google Analytics

The following figure provides an overview of how individual sources accounted for the total traffic.

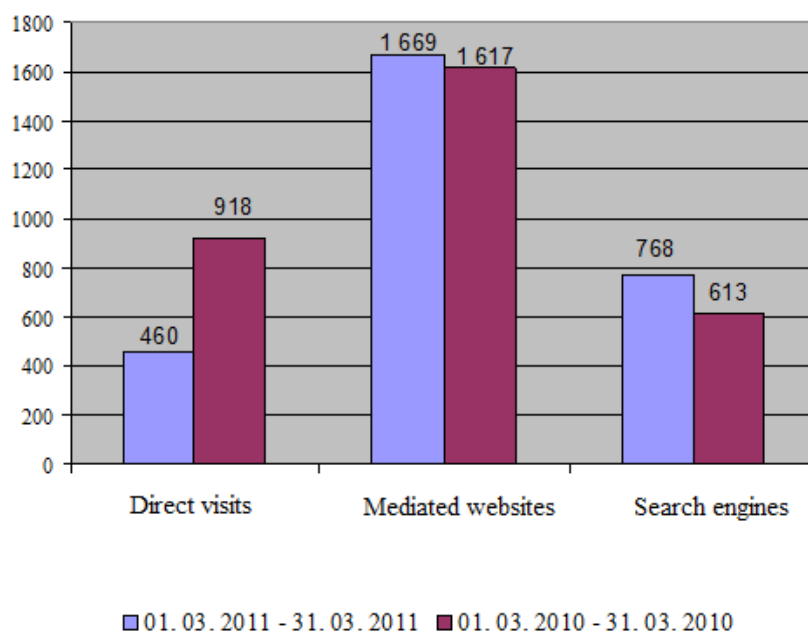


Figure 3: Overview of main traffic sources, Source: Google Analytics

Medium/source	Visits	Website/	visits	Average time spent on the site	New visits
Facebook					
1.3.2011 - 31.3.2011	1,510	3.25	0:02:08	62.85%	48.81%
1.3.2010 - 31.3.2010	1,362	2.84	0:01:57	65.57%	55.36%
Difference in %	+ 10.87%	+ 14.32%	+ 9.43%	- 4.14%	- 11.83%
Direct visits					
1.3.2011 - 31.3.2011	460	5,09	0:04:10	78.91%	34.57%
1.3.2010 - 31.3.2010	918	4.83	0:03:10	68.52%	45.42%
Difference in %	- 49.89%	+ 5.34%	+ 31.54%	+ 15.17%	- 23.91%
Google search engine					

1.3.2011 - 31.3.2011	610	4.81	0:02:00	78.69%	54.43%
1.3.2010 - 31.3.2010	599	4.28	0:01:43	86.14%	62.60%
Difference in %	+ 1.84%	+ 12.44%	+ 16.99%	- 8.61%	- 13.06%

Table 1: Overview of main traffic sources, Source: Google Analytics

It turned out that most visitors come from mediated websites which apart from Facebook include blogs or microsites that research participants were to create as part of the set tasks. As we can see on the figure 3, there was only a slight increase in comparison with the previous results. A slightly higher increase was recorded for search engines, which form a kind of access channel to the studied website. In spite of the fact that even in this case Google search engine became the most widely used search engine, it recorded the highest year on year decrease by almost 20% at the expense of another search engine Seznam.cz. We found that the proportion of visits from the search engine Seznam.cz rose to 158 visits. Table 1 provides a more detailed overview of individual sources where the social network Facebook was analyzed in more detail from among all of the mediated websites.

Based on this year's and last year's results we can see that all three traffic sources showed a positive trend in the average number of pages per 1 visit, with an average time on the website and at the leaving rate. It turned out that most visitors come from the social network Facebook, which was due to activity of research participants within that social network where they were to place their blogs and promote selected products from the online shop. Comparing to the previous period activities on Facebook also show other positive results. In addition to the higher number of visits coming from Facebook, other studied parameters also increased, with the exception of new visits which annually decreased by 4.14%. Direct visits are another analyzed traffic source. While in 2010 they represented the second most used source of visitors just after Facebook, in this case, direct visits qualified for third place. From among the three sources they recorded the highest year on year decrease by almost 50%. The reduction may be caused by the above mentioned activity on Facebook, which mediated the access of visitors to this website. The good thing is, however, that all other parameters of direct visits showed better results than in the previous year. The highest increase of almost 32% was in the average time spent on the site, which grew exactly by 1 minute. Similarly, the proportion of new visits showed an improvement of over 15% and from among other sources new visits had the highest percentage. Leaving rate also showed similar improvement when it decreased to 34.57%. At the same time it was also the lowest leaving rate for other sources of visits. Within the sources of visits we focused on the parameters of the most widely used search engine Google. In comparison with last year's 601 visits it recorded a slight increase by 1.84%.

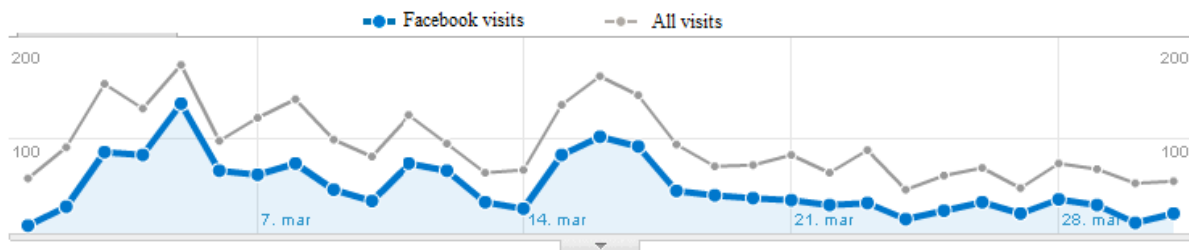


Figure 4: Share of visits coming from Facebook in relation to all visits, Source: Google Analytics

Figure 4 reflects development of the total traffic and also the development of traffic coming from Facebook. The traffic from Facebook copied the development of the total traffic during the whole period. When the total traffic increased the traffic from the social network increased and vice versa. The power of Facebook did not only reflected in the fact that, once again, it had the highest

proportion of mediated visits over the given period, but it also became the largest source of total visits with the share of 52%, while in 2010 its share on the total traffic was 43.27%.

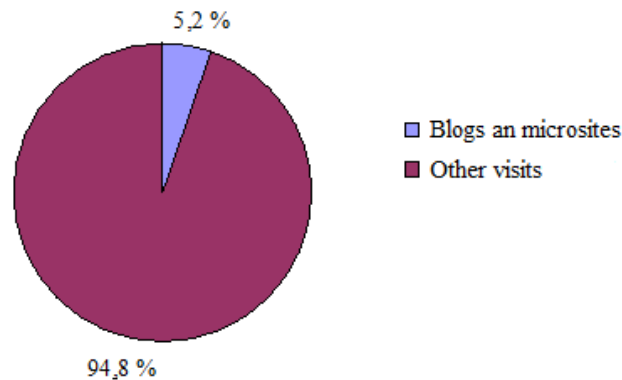


Figure 5: Share of microsities and blogs on the total traffic, Source: Google Analytics

Created and promoted blogs and microsities were another potential source of traffic. Using these tools the research participants were to spread the good word about the online shop and recommend the selected products in the form of short and eye-catching articles. Their task was to share blogs or microsities on their Facebook walls. Nevertheless, we observed decrease in the share of these tools on the total traffic. Compared with last year, when their share of total traffic accounted for about 7.9% this year, their share fell to 5.2%, which represents a year on year percentage decrease of around 30%. This may have been caused by smaller activity in sharing blogs and microsities by research participants, or insufficiently motivating character of statuses through which the research participants promoted their blogs and microsities.

4. Summary

The article discusses the issue of new trends in advertising with an emphasis on online and social media marketing. The aim was to test the effectiveness of selected modern means of communication - emails, blogs, microsities and the social network Facebook. At the same time, our goal was to compare the obtained research results with the results of the same research carried out in March 2010 using secondary data. Efficiency of selected means of communication was verified through the online shop of the company EZO.sk. Although we failed to increase the traffic of the monitored online shop compared with last year, we did record other significant and positive facts. For example, these may include lower leaving rate of the online shop's returning visitors, as well as higher number of pages viewed within the various sections of the online shop, from which we can conclude that visitors paid more attention to them. Besides the above positive results certain negative facts were recorded in some cases. Decrease in the overall website traffic and higher leaving rate of new visitors can be included among them. To conclude, we would like to state that in times of tough competition, it is not enough just to start offering a high-quality product on the market without its proper promotion. Conventional media of advertising messages such as flyers, billboards or posters, which attack us from behind every corner, can instead of the desired effect - drawing our attention, cause the opposite effect, even though companies invest considerable financial resources in them. This is also the reason why marketers have begun paying more attention to marketing communications in conjunction with the surge of Internet and social media in recent years, importance of which continues to grow today. In addition to providing companies with the opportunity to reach target segments, social media also fulfil requirements on a low-cost

promotion. The issue of using social media for marketing purposes also shows to be an interesting and promising area for further investigation.

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