

SPENDINGS ON SOCIAL MEDIA AS PART OF MARKETING BUDGETS

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Abstract: This article aims to describe the specific aspects of social networking sites as tools of marketing communication. Regarding the assessment of the development of this topic, the article summarises the theoretical solutions of the relevant matters applying to social media. It is also focused on the social media market and using the analysis it describes the current state of the costs of this form of advertising. Another aim of this article is to evaluate and point out the possible further development in this field and refer to the potential difficulties.

Key words: marketing, Internet, social media, costs, strategies, trends

Introduction

The progress and the constant development of technologies and communication tools offer many new creative and effective forms of promotion to the marketers. It is mainly online setting of the Internet what forms this dimension of never-ceasing progress, which constantly takes the possibilities of marketers and their marketing strategies to a higher level. The social networking sites currently dominate the trends in online setting and they also make a part of modern social media. In our opinion it is pointless to discuss about the meaning and benefits of social media in terms of marketing. This impersonal, although sophisticated form of communication develops together with technological progress of options accessible in online setting while offering marketers a wide range of possibilities, as in the form of the advertisement itself, immediate communication with target groups or customer support.

A theoretical basis

Regarding social media, it is possible to conclude that they represent online basis which content is collectively formed and shared by users. It is obvious that social media are constantly changing together with their content that is also changing and increasing and there is also the continuous development of their functions and options associated with this progress. Apart of the implementing marketing strategies, the social media also make it possible for the marketers to immediately identify what are requirements of their target groups, what kind of attitudes towards the brand or company they hold, what are their problems, etc. (Janouch , 2011).

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We agree with the opinion of the author Bednář (2011), who claims that the effective use of long-term relationships in the setting of social networking sites is the solution for easier communication in the setting of social networking sites as it is possible to offer additional products and services to target groups, keep them informed about innovations in products and provided services and through targeted communication make use of the options and benefits of marketing promotion itself. Social networking sites as a more specific concept in the social media form a platform where interaction with various users takes place, where these users create their own personal profiles, mutual links and friendships as well as classify themselves as the members of a certain group with a specific content orientation, communicate among themselves and exchange information in various ways with other users- friends. At the moment, we include Facebook, Twitter, LinkedIn, Google Plus among the most important social networking sites.

Benefits of social networking sites and their use in marketing are unquestionably a part of internet business. We should recognise the potential of social networking sites regarding the achievement of marketing goals, which is the best defined by online marketing agency Krea (2011):

- building a good reputation and Public Relations,
- creating community formed by fans, customers and supporters,
- communication with the customers,
- space for publishing and sharing content,
- creating advertising campaigns aimed at the target audience.

Among additional options of marketing action in the area of social networking, authors Příkrylová and Jahodová (2010) state the following:

- creating a profile for the brand in selected social networking sites,
- collection of data about users and supporters of the product, brand,
- creating applications which enable users to upload ideas related to the company or brand,
- cooperation with the most active debater or blogger (mutually beneficial),
- monitoring attitudes and opinions expressed in discussion forums,
- uploading suitable video clips or photos on YouTube and other sites with shared content,
- creating discussion forums and contributing to them,
- setting up a corporate blog,
- special press release for social networking sites.

Equally important as knowing all the possibilities of social networking sites and benefits that come with them is to realise the importance of actually applying them in practice. Author Scott (2008) concisely and clearly set up the rules of this action in the area of social networks:

- *focus on a specific target group*: the company should create sites that are interesting to their target customers, their needs and goals, while also being important to society,

- *tough leading (intellectual, ideological and innovative approach)*: it is important to select that kind of information that will help the customer-valuable, interesting and true information,
- *creating links*: make use of links to their own sites as well as the similar sites in the field and network, links on blogs, interesting opinions, etc. „Links form web and people love them,“
- *credibility and transparency*: it is important to always use advertisement and forms of promotion based on realistic parameters, not to create delusive facts,
- *networking and attending*: answering the questions of fans, clients, customers, interested people, in the best case online and as soon as possible. Creating groups and operate in them in an active way which helps to create the impression of professionalism and interest,
- *experimentation*: always offering innovations, updating and testing new, original methods and practices that are offered by social networking sites.

The current state of the matters

It has been the long time since the online setting was an unfamiliar term for the marketers, which is reflected by the annual increases of the marketing spendings in this area. It is important to emphasise that the statistics of the last years that are also supported by the opinions of the experts expect even stronger progress of promotion in social media settings in future years as well as increase of expenses associated with it.

The development of the use as well as investment into social media is confirmed by the analysis of the organisation CMO Survey (2013), which in February 2013 published the results of the survey with a sample of 468 respondents. The sample was formed by top marketers of the companies operating in the United States in the rankings such as Fortune 1000 and Forbes Top 200 as well as members of the AMA.

The results of the survey carried out by the organisation CMO Survey (2013) show an increasing trend in costs expended on advertising in social networking sites. As it is shown by Table 1, the current costs spent on advertising in the settings of social media reach 8.40 % of total spending on advertising in the online setting, however, what is even more important is the fact that respondents expect an increase in these expenses. Regarding the next twelve months, the spendings should increase by 3.10 % to equity ratio 11.50 %. It is necessary to point out the vision of the respondents who in the next five years predict the increase of the share of spendings on advertising in social media setting to the level of 21.60 %, which represents a 257.00 % increase in comparison with the current state.

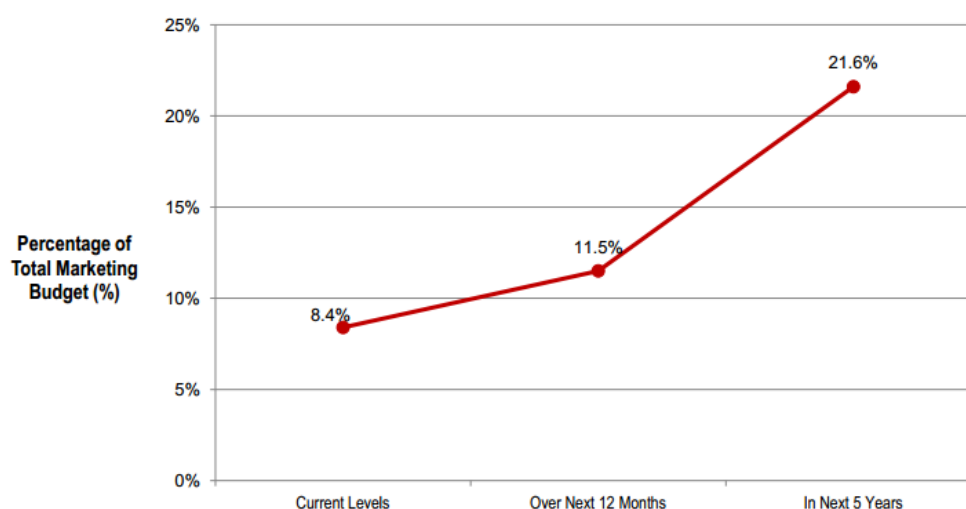


Figure 1. Predicted share of the expenses spent on Social Media

Source: Cmosurvey.org

Results of the survey published by StrongMail in December 2012 titled "2013 Marketing Trends Survey" (StrongMail, 2013) REFLECTS the attitudes of 1,002 business leaders in regards to their planned marketing budgets, priorities and challenges for 2013. Published data (Table 1) show that the increase of costs put into selected segments of Social Media is predicted to be lower in the year 2013 than 2012.

Table 1. Social Media marketing programs on which business executives worldwide plan to increase in 2012 vs. 2013

	2012	2013
Facebook marketing programs	39,00%	39,60%
Social media management technology	25,00%	26,50%
Viral / referral marketing campaigns	25,00%	23,60%
Twitter marketing programs	24,00%	23,30%
Appending social data to customer database	14,00%	18,00%
Staff	16,00%	16,10%
Training and education	16,00%	15,70%
Pinterest marketing programs	-	14,90%
Listening platforms	15,00%	14,80%
Agency services and strategy	10,00%	13,90%
Others	1,00%	3,60%

Source: Own work with the use of Strongview.com

Regarding specific business models, the largest share of costs spent on advertising in social media settings are achieved by services in a model B2C 9.90 %, products in the model B2C 9.60 % and services in the model B2B 9.60 %. Products in the model B2B reach only 7.50 % share of spendings. Prediction for next twelve months and the next five years is summarised by Table 2. (Cmosurvey.org, 2013).

Table 2. Predicted share of expenses spent on Social Media for specific models

The share of Social Media in overall expenses spent on promotion		
Next 12 months	B2B - Products	11.1%
	B2B - Services	11.8%
	B2C - Products	13.2%
	B2C - Services	11.4%
	Overall	11.5%
Next 5 years	B2B - Products	22.6%
	B2B - Services	21.2%
	B2C - Products	24.6%
	B2C - Services	22.6%
	Overall	21.6%

Source: Own work with the use of Cmosurvey.org

Equally important as the share of expenses is a degree of actual implementation of social media in the marketing strategies of the relevant companies. The published results of the analysis of the organisation CMO Survey (2013) show that only 9.90 % of respondents states that their marketing strategy includes a complex strategy for the use of social media. 16.70 % of respondents consider the implementation of social media in their marketing strategies to be the average. 15.20 % of surveyed respondents states that social media are not a part of their marketing strategies. Considering published results, it can be claimed that 40.70 % of respondents perceives the integration of social media in terms of their marketing campaigns positively, while on the other hand, 42.50 % of respondents perceives the implementation of social media in their marketing strategies as insufficient (Graph 2).

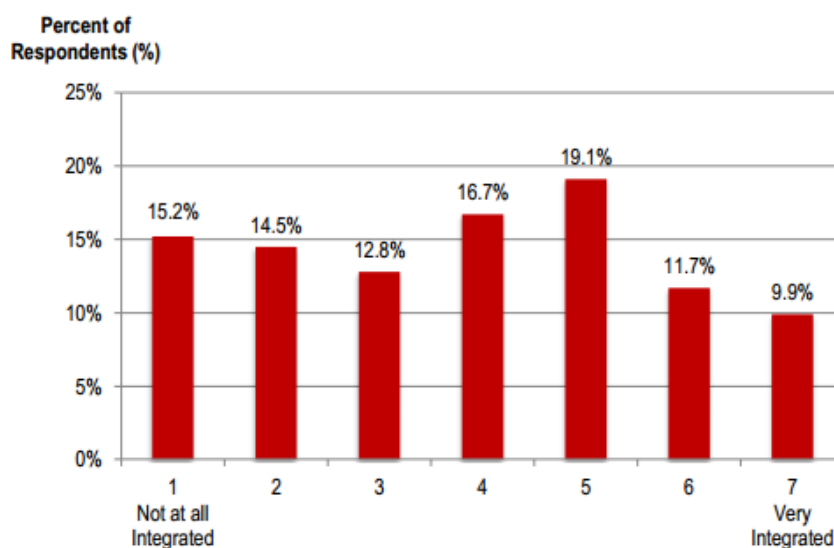


Figure 2. Perception of integration of social media in terms of marketing strategies
Source: Cmosurvey.org

The current state of the matters on the domestic market

The trend of costs spent on advertising in the online setting described above is also shown in regards to our market. For comparison, we present the results of the analysis of spendings on online advertising in Slovakia for the first half of 2012 that was carried out by an association IAB Slovakia. As it is obvious by observing Figure 1, the first half of 2012 recorded a significant annual increase to 26.9 million euros, what means an increase of 27.00 % compared to the last year. It is essential to emphasise that the relevant figures represent the media-net value of space, therefore excluding the agency commissions and bonuses, as well as media partnerships, resulting in the real market value being lower.

If we take a closer look at the individual tools that form the absolute values, in the period of first half of 2012 dominates a banner advertisement with a share of 39.00 %. It is followed by advertisement in the area of search engines with a share of 35.00 %. The last of the three of the most important tools is represented by classifieds with a 19.00 % share. An interesting discovery is that the share of the costs spent on email marketing represents a 0.63 % or equally interesting finding of 1.00 % share of the expenses spent on mobile marketing, which does not correspond with the global trend of rapid increase of this field, that can be associated with the spread of so-called wise mobile devices - smartphones (IAB Slovakia, 2012).

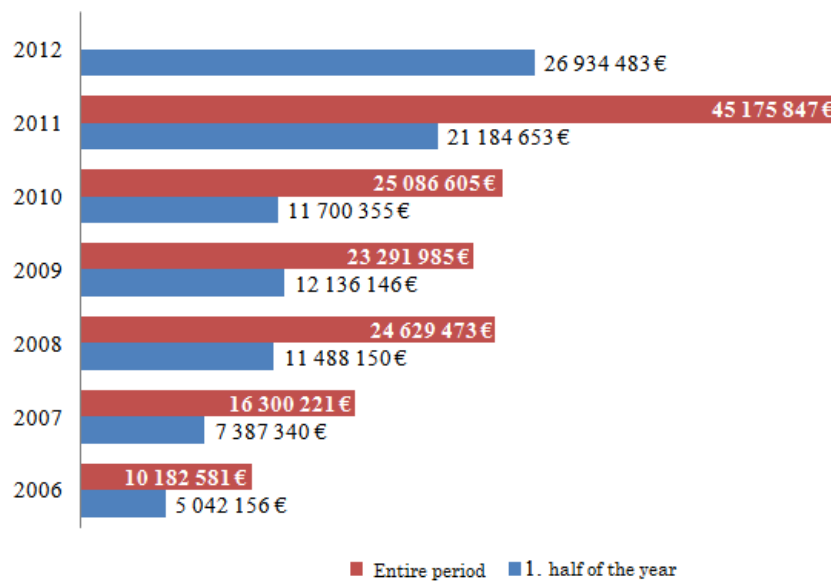


Figure 3. Overall expenses spent on online advertisement in Slovakia

Source: Own work in accordance with IAB Slovakia

Because the results of the analysis of the association IAB Slovakia do not contain the evaluated variable of social networking sites, it is impossible to describe the current state in terms of global progress.

Summary

Traditional ways of communication slowly lose their importance because of the influence of the fast progress of communication in the online setting of the Internet which gives communication with other people a new extent. Social media are the variable which records worldwide success with hundreds of millions of users and this is proved by the huge interest of the business field as well as by either already carried out or planned investments in this new section of advertising.

During the last years the trend of social media has been recording a strong interest of marketers all around the world, however, it is important to state that this field is still young and it is constantly developing. In academic circles as well as in practice it is possible to encounter the opinion that social media are just overrated trend. Despite of that, in our opinion should social media be considered as a significant part of other forms of online marketing as well as a relevant component of marketing planning.

Research Plan, Project

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WYDATKI NA MEDIA SOCJALNE JAKO CZĘŚĆ BUDŻETU MARKETINGOWEGO

Streszczenie: Celem artykułu jest przedstawienie specyficznej aspektu stron dotyczących sieci społecznych jako narzędzia komunikacji marketingowej. W odniesieniu do oceny rozwoju tego zagadnienia, artykuł podsumowuje teoretyczne rozwiązania dotyczące odpowiednich zagadnień, mających zastosowanie w mediach społecznościowych. Artykuł koncentruje się również na rynku mediów społecznych, i za pomocą analizy przedstawia aktualny stan kosztów tej formy reklamy. Kolejnym celem niniejszego artykułu jest ocena i wskazanie kierunków dalszego rozwoju w tej dziedzinie i odniesienie się do potencjalnych trudności.

Słowa kluczowe: marketing, internet, media społecznościowe, strategie, trendy

灑金錢在社會化媒體的 AS 部分營銷預算

摘要：本文旨在描述社交網站的特定方面的營銷傳播工具。關於這個話題的發展進行評估，本文總結了適用於社交媒體有關事項的理論解。這也是專注於社交媒體市場上，並用它描述了這種廣告形式的費用的當前狀態進行分析。這篇文章的另一個目的是評估，並指出可能進一步發展在這一領域，並指潛在的困難。

關鍵詞：市場營銷，互聯網，社交媒體，成本，戰略，趨勢