Marketing Communication on Social Networks – Solution in the Times of Crisis

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Abstract: Every day more and more Internet users use social networks, which have become a very interesting channel also for the marketing experts, who are always looking for the new opportunities how to deliver their messages to a wider range of users. Social networks are due to some of its specific features very different from traditional marketing communication channels and have several advantages as well as some pitfalls. People responsible for marketing communication must be aware of the latter, if they want marketing communication on social networks to achieve its objectives. Especially in the times of crisis, when the resources for marketing communication are very limited and requirements to maximize the return of investment are present, some specific characteristics of social networks enable companies to take the advantages of social networks for the effective communication with users.

Keywords: marketing, communication, social networks, economic crisis, channel.

1. INTRODUCTION

The global economic crisis has had a major impact on business. Many companies have found themselves in a circle. On one hand they want to increase sales, which have declined during the time of crisis. On the other hand they do not have the resources available for the purposes of marketing communication, through which companies could expand their businesses into new markets, increase sales and ensure a contribution to the economic recovery of their country. It is a fact that traditional marketing communication channels require large financial investments, which the companies in the times of crisis do not have. Social networks, as one of the newest marketing communication channels, represent an excellent opportunity for companies with relatively small financial resources to reach with their messages a wide range of potential users. It is important however, that those responsible for marketing communication are aware of the advantages as well as the disadvantages and pitfalls that social networks offer them for the purposes of marketing communication.

The purpose of this paper is to transparently present the possibilities that social networks are offering to the marketing communication in the times of crisis.

The objectives of the paper are:

- to present the basics of social networks,
- to present different types of social networks,
- to present the main differences between marketing communication on social networks and marketing communication in traditional media,
- to present the advantages and disadvantages of marketing communication on social networks in the times of crisis.

2. MARKETING COMMUNICATION

Marketing has as many definitions as it is the number of authors who write about marketing. Based on the definitions by various authors (American Marketing Association; Chisnall, P. M., 1995 p. 8; Shimp, T. A., 2003, p. 3; Kotler, P. & Keller, K. L., 2009, p. 5) we can conclude that the basic task of marketing is to identify and meet the needs of users in the most profitable manner.

Communication can be defined as the process of transmission of thoughts between users or between organization and users (Shimp, T. A., 2003, p. 3; Fill, C., 2005, p. 36; Smith, P. R. et al. 1997, p. 21).

Marketing communication as one of the marketing communication mix elements is in the literature defined as:

- the management process through which the organization participates with various audiences (Fill, C., 2005, p. 7),
- the set of all marketing mix elements of the brand, which facilitates the exchange, positions the brand and forwards the meaning of the brand to target groups (Shimp, T. A., 2003, p. 3),
- the process of communication in marketing, which purpose is to create a favourable preference for brand, product, service or person (Semenik, R. J., 2002, p. 7),
- an effective process to provide information about products or ideas to the target audience (Burnett, J. & Moriarty, S., 1998, p. 3),
- all activities through which the company communicates with the target groups about its offer on the market (Žabkar, V. & Zbačnik, B. 2009, p. 50).

For the understanding of marketing communication on social networks it is very important to know the difference between marketing communication “tool” and marketing communication “channel”. There are various marketing communication tools, some of the most frequently mentioned are advertising, personal selling, sales promotion, public relations and direct marketing. However as marketing communication tools some authors (Shimp, T. A., 2003, p. 4; Semenik, R. J., 2002, p. 261; (Pickton, D. & Broderick, A., 2001, p. 454-613) also mention sponsorship, communication at the point of sale, internet advertising, commerce and point of sale, packaging, exhibitions and fairs, etc.

Marketing communication channel is a way how communication travels from the source to the recipient (Belch, G. E. & Belch, M. A., 2007, p. 140) or device that allows the transmission of messages between an organization and its publics (Bajde, D., 2013, p. 263). As a marketing communication channel we can consider anything that is able to transmit or send the marketing communication messages, such as television, radio, print media, internet, social networks etc. (Pickton, D. & Broderick, A., 2001, p. 199).

Therefore marketing communication tool can be defined as a way of communication, and marketing communication channel as anything that enables

the transmission of the marketing message from the source to the recipient. Although this is not always the case, it is necessary to know that the Internet and social networks can never be treated as tools; instead they must always be treated as marketing communication channels. They are devices through which a marketing message travels from the source to the recipient.

3. MARKETING COMMUNICATION IN THE TIMES OF CRISIS

It is believed that any economic and financial crisis have a direct impact on both the population's purchasing power and also on the purchasing and consumption behaviour of consumer (Mitran, P. C. & Bebeseleia, M., 2011, p. 312). In the times of crisis, companies usually carefully consider the purposes their assets will be spent on. Unfortunately marketing communication is usually the first one to be left without the adequate resources, which is a big mistake. Several companies see their appropriate adaption to the crisis in media spending reduction, however such cuts will not solve the problem and even generate further ones (Horváth, D., Mitev, A. & Bauer, A., 2014, p. 52). In the times of crisis the communication activity should be constant or even increasing, although the departments of marketing and communication, as mentioned above, face wrongly budget collapse (Mitran, P. C. & Bebeseleia, M., 2011, p. 315).

Therefore marketing experts must find new ways to get new customers. In order to achieve that they must start using new channels. Internet is viewed as a powerful mechanism for building brands, reaching new markets and finding new customers. It gives companies the ability to organize and present essential information and offer many services firms a unique opportunity to make tangible the intangibles associated with services delivered. Plus, its ability to create a dialogue with the customer and track activities (Webster, K. L., 2004, p. 55). This is especially true for social networks.

The Internet as a marketing communication channel provides an exceptional potential for sales and brand building, it is efficient, and it offers unique advantages. Among the most significant trends in online marketing the following ones should be highlighted (Mitran, P. C. & Bebeseleia, M., 2011, p. 315):

- developing social networks,
- increased marketing in search engines,
- emergence of online statistical indicators,

- target distribution experience while increasing consumer behaviour,
- integration of online and offline media, since more and more sales are done on the Internet
- the downward evolution of communication through e-mails,
- marketers must focus on the message that they send, so that it is important and relevant to the consumer,
- emergence of new concepts of sites.

4. SOCIAL NETWORKS

To understand accurately the possibilities that social networks are offering to the marketing communication it is necessary to clearly define what we understand by the term social networks. The problem is that in the literature on social networks we can find different terms, such as user generated content, web 2.0, social web, social media, social networks, social network sites, social networking, etc. With all these terms the authors mention many different concepts and they use those terms in a very inconsistent manner, which causes an additional problem for an accurate definition of the terms. According to the literature review (Kaplan, A. M. & Haenlein, M., 2010, p. 60-61; Constantinides, E. & Fountain, S. J., 2008, p. 232; Boyd, D. M., & Ellison, N. B., 2008, p. 211; Gunelius, S., 2011, p. 5, 252; Edosomwan, et al., 2011, p. 79; Social Media Topics, Wells, W. H. 2011) individual terms can be defined as:

- Web 2.0 – internet platforms on which content is user generated,
- social media, social network sites, social networks – web pages based on web 2.0 which allow users to create and share content on those sites,
- social networking sites – web pages whose purpose is an online networking and making connections among users,
- social networking – content sharing, interaction and community building through social networking sites.

Based on the literature studied (Kaplan, A. M., & Haenlein, M., 2010, p. 62-64; Constantinides, E. & Fountain, S. J., 2008, p. 233; Gunelius, S., 2011, p. 3; Zarrella, D., 2009, p. 4; Safko, L. & Brake, D. K., 2009, p. 167) we believe that we can divide social networks into the following groups:

- social networking sites,
- blogs,

- mikroblogs,
- forums,
- collaboration projects (wikis and Social bookmark sites)
- social networks for sharing content,
- virtual social worlds and virtual online games.

The boundaries between different social network groups are more and more blurred and individual social networks are taking up each other's properties. Therefore, it is often difficult to pinpoint to which group an individual social network belongs to.

5. MARKETING COMMUNICATION ON SOCIAL NETWORKS

As mentioned by Zimmerman and Sahlin (2010, p. 11), we can define marketing communication on social networks as the use of social networks to achieve marketing and communications objectives. Marketing mix 4P, which in traditional and also in digital media consists of a product, price, place and promotion (marketing communication), on social networks consists of people, platform, participation and promotion (Gambhir, S).

Approaches to marketing communication on Social Networks

In marketing communication on social networks we distinguish between the strategic and the campaign approach (Zarrella, D., 2009, p. 197). Strategic or long-term approach are things that companies are doing for a longer period of time on a regular basis (regular communication with users via blogs, tweets, forums, Facebook profile, etc.) and it helps to achieve strategic goals of marketing communication on social networks. Strategic approach to marketing communication on social networks helps building brands and company reputation (Zarrella, D., 2009, p. 197). Flanagan (2010, p. 103) even believes that the ones responsible for marketing communication on social networks should have different strategies of marketing communication on social networks based on target audience, offers, brand, etc. It is not self-evident that the same approach is appropriate for all audiences and all brands, even if the company or the brand owner are the same. In order to successfully implement the strategy of marketing communication on social networks, it is necessary to create meaningful communication with the target users. When the ones responsible for marketing communication on social networks know

what information users value, they can engage them in a meaningful and lasting conversation (Packer, R., 2011, p. 5).

Once a company builds its strategy of marketing communication on social networks through regular communication with users, it can start with a short-term activities (projects) of marketing communication on social networks. Those short-term activities should be consistent with the strategy of marketing communication on Social Networks and must have defined objectives and time plans. Project communication on social networks is usually reflected on the large but temporary changes in sales (Zarrella, D., 2009, p. 197).

Differences between marketing communication on Social Networks and marketing communications in traditional media

Despite the fact that marketing communication is a basic element of marketing mix in traditional and digital media and also on social networks, social networks offer quite different possibilities of marketing communication than traditional media (Tomše, D. et al, 2012, p. 347). Colliander (2012, p. 35) found out that social networks are more effective than traditional media in brand positioning and brand perception. Users that have been exposed to the marketing mes-

sage on blogs have more positive attitudes toward the brand than those who have been exposed to marketing communication in online magazines. Basic differences between marketing communication on social media and marketing communication in traditional media are that in marketing communication on social networks users have the chance to participate actively and that social networks allow two-way communication (Zarrella, D., 2009, p. 197).

In addition to interactivity and two-way communication Hausman also mentions the following differences between marketing communication on social networks and marketing communication in traditional media (Table 1).

As in marketing communication via traditional media, so it is also important in marketing communication on social networks that we use integrated marketing communication, namely, that all messages coming to the user are aligned with each other. As in 2003 Berggren, Calder and Kolsky (p. 250) mentioned the need to integrate the internet into marketing efforts, it is now important not only that social networks are one of the marketing communication channels, but that marketing communication on social networks is in coordination with marketing communications in other media.

TABLE 1: Differences between marketing communication on social networks and marketing communication in traditional media.

Marketing communication on social networks	Marketing communication in traditional media
Open system	Closed system
Transparent	Non-transparent
On on one communication	Mass communication
User oriented	Product oriented
Users co create the content	The content is created by professionals
Unique content	Polished content
Basically free	Payable
Measuring the effectiveness: participation, user involvement	Measuring the effectiveness: reach, frequency
Players: users, opinion leaders	Players: celebrities
Community-driven decisions	Economy-driven decisions
Unstructured communication	Controlled communication
Created this in the present	Created in the past, release dates are known
Informal communication	Formal communication
Active user involvement	Passive user involvement
Low costs	High costs
Requires time	Results are seen quickly

SOURCE: (Hausman)

Advantages and disadvantages of marketing communication on social networks in the times of crisis

If we focus only on the benefits particularly relevant to marketing communication in the times of crisis, we clearly must highlight the low cost. In the times of crisis companies usually do not have high budget for marketing communication, therefore those responsible for the marketing communication must find the most cost-effective possibilities.

Social networks offer different options of advertising as a payable form of marketing communication (such as banners, sponsored links, etc.), but most of them also offer fully free options, for example Facebook and Twitter profile, writing blogs and/or participating on blogs from other authors, participating in forums, posting videos on YouTube, etc.

Another important advantage of marketing communication on social networks is the possibility to fully use the power of viral marketing. In the times of crisis it is important for companies to get new orders as soon as possible. To achieve that, they must transfer their marketing messages as quickly as possible to the widest possible range of users, for what the viral marketing is the best possible option. Scott (2010, p. 106) believes that viral marketing is one of the best ways to reach targeted users and mentions different possibilities for the use of viral marketing on social networks (Scott, D. M., 2010, p. 94-106). Because viral marketing messages can spread very quickly among users, and as a result the marketing message will reach a wider range of users than it would with the use of traditional ways of marketing communication.

Qualman (2009, p. 89) mentions that people appreciate other people's opinions, which means that in the future we will no longer look for products, but the products will find us through recommendations of other users on social networks. Social networks have also started to take over the role of internet search engines when looking for information. Users appreciate the opinions and advice of other social networks users even more than the information that they can find through search engines (Qualman, E., 2009, p. 89). That means that with social networks an individual company can create opportunities for the development of trust, which may result in an increase in sales, which is, as mentioned earlier, very important in the time of crisis.

A very important advantage of social networks compared to other marketing communication channels in the times of crisis is, that most social networks

reach globally, which means that the marketing message can at low cost reach users all over the world very quickly (within a few weeks or even days) (Tribby, M. E.).

As the advantages of marketing communication on social networks some authors (Chron; Empowernetwork, Advantages And Disadvantages Of Social Media Marketing; Nibusinessinfo) mention a very broad base of users (potential buyers), the possibility of transferring marketing messages very quickly, the interaction with users (which results in an increased loyalty), obtaining important information that can help to improve business, the fact that social networks on search engines appear among the first displays (which brings more users to specific websites), the fact that the compelling content attracts the attention of potential customers and increases brand awareness, the ability to react quickly to the industrial development (which may highlight the professionalism of the company or its employees), the possibility to react quickly to the feedback posts and the fact that this type of communication can increase customer loyalty. All these advantages of marketing communication on social networks are general, but in the times of crisis become even more prominent.

In addition to the mentioned advantages of social networks compared to the other marketing communication channels, social networks also have some disadvantages and pitfalls, which those who communicate with users on social networks should be aware of. Bhanot (Chron) mentions that the disadvantages of marketing communication on social networks compared to their advantages are insignificant, but they should nevertheless be taken into account. The main disadvantage of marketing communication on social networks is that managing the profile requires time, a certain degree of effort and a certain level of knowledge (Zimmerman, J. & Sahlin, D., 2010, p. 11; Chron; Empowernetwork, Advantages And Disadvantages Of Social Media Marketing; Sandilands, T). Other disadvantages of marketing communication on social networks are also the possibility of negative feedback from the users, the lack of control over the users' responses and difficulty in selecting the right network to achieve the objectives (Chron, Chron).

The problem may also be that users sometimes see marketing communication on social networks as intrusive (Chron). This is only true for communication for which users did not give permission, for example advertising and posts that users receive from other users on the basis of viral marketing. Therefore it is important that the marketing messages on social net-

works have added value for the users, so they will not see them as intrusive and will share them with other users on the basis of viral marketing.

6. CONCLUSIONS

It is a fact that in the times of crisis there is a necessity for companies to adjust their business process and carefully consider which investments will have to be cancelled. Unfortunately, marketing is usually the first in row for money cuts, which is a big mistake. As a result, those responsible for marketing communications in companies have to find new ways to transfer their messages to the widest possible range of users at minimal costs. Due to their many advantages, compared

to the other channels of marketing communication (low costs, global reach, rapid spread on the basis of viral marketing, etc.), social networks represent an excellent opportunity to attract new customers and increase sales in the times of crisis. In addition, the current practice shows that current marketing strategies should focus more on consumers and their needs (Mitran, P. C., & Bebeseleia, M., 2011, p. 314). Brands are also more successful when they build deep, emotional connection with users (Diaz, A., 2013, p. 44). All these facts speak in favour of social networks as a marketing communication channel also in the future. Not only in the times of crisis, but also in the times of economic growth, companies should seek opportunities, try to obtain new customers and increase their sales on social networks.

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Sažetak:

Marketing komuniciranje posredstvom socijalnih mreža – Rešenje u vreme krize

Denis Tomše, Boris Snoj

Svakoga dana sve više korisnika Interneta pridružuje se socijalnim mrežama, koje su postale veoma interesantan kanal komuniciranja ne samo za njih, već i za marketing eksperte koji su uvek u potrazi za novim kanalima koji omogućavaju prenošenje poruke širokom krugu korisnika. Socijalne mreže se, po osnovu nekih specifičnosti, veoma razlikuju od tradicionalnih kanala marketing komuniciranja, u odnosu na koje imaju i neke prednosti i nedostatke. Osobe zadužene za marketing komuniciranje moraju biti svesne tih nedostataka ukoliko žele da komu-

niciranje putem socijalnih mreža odgovori na postavljene ciljeve. Naročito u vreme krize, kada su resursi raspoloživi za marketing komuniciranje veoma ograničeni i kada su prisutni zahtevi za maksimiziranje povraćaha na investicije, neke specifičnosti socijalnih mreža omogućavaju kompanijama da ostvare prednosti ovakvog komuniciranja sa korisnicima.

Ključne reči: marketing, komuniciranje, socijalne mreže, ekonomska kriza, kanali komuniciranja

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