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## **COMPARISON OF THE USE OF SOCIAL MEDIA IN MARKETING BY BIG AND SMALL ENTERPRISES IN POLAND**

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### **PORÓWNANIE UŻYWANIA MEDIÓW SPOŁECZNOŚCIOWYCH W MARKETINGU PRZEZ DUŻE I MAŁE FIRMY W POLSCE**

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**Summary:** The rapid and continuous development of new technologies at the turn of the 20th and 21st century and the ever-growing importance of the Internet allow companies to change the rules of competition in many sectors. The Internet has proven to be an effective tool for improving market position and at the same time has become an indispensable tool for communicating with customers. Opinions on businesses and goods or services offered are formed by online communities, and market position is built on comments posted by Internet users. The purpose of this article is to identify the types and examples of social media used for internet marketing by WIG30 companies and NewConnect companies. The study used the netnography method (virtual entrainment) and was conducted among twenty listed companies in Poland. The results show that the WIG30-listed companies are companies with a strong market position and a large number of loyal customers. However, they do not turn their back on social media and utilise more than five examples of them. On the other hand, the smaller NewConnect-listed companies are less recognizable among customers, so they should strive to establish interactions with online communities, using more social media for that purpose.

**Keywords:** social media, Internet marketing, marketing.

**Streszczenie:** Szybki i ciągły rozwój nowych technologii na przełomie XX i XXI wieku oraz stale rosnące znaczenie Internetu umożliwiają firmom zmianę zasad konkurencji w wielu sektorach. Internet okazał się skutecznym narzędziem do poprawy pozycji na rynku, a jednocześnie stał się niezbędnym narzędziem komunikacji z klientami. Opinie o firmach i oferowanych towarach lub usługach są tworzone przez społeczności internetowe, a pozycja rynkowa opiera się na komentarzach publikowanych przez użytkowników Internetu. Celem tego artykułu jest identyfikacja rodzajów i przykładów mediów społecznościowych wykorzy-

ketingu internetowym przez firmy WIG30 i spółki NewConnect. W badaniu wykorzystano metodę netnografii (etnografii wirtualnej) i przeprowadzono ją wśród firm notowanych na giełdzie w Polsce. Wyniki pokazują, że spółki notowane na liście WIG30 to firmy o silnej pozycji rynkowej i dużej liczbie lojalnych klientów. Jednak nie odwracają się od mediów społecznościowych i wykorzystują więcej niż pięć ich przykładów. Z drugiej strony, mniejsze firmy notowane na NewConnect są mniej rozpoznawalne wśród klientów, dlatego powinny dążyć do nawiązania interakcji ze społecznościami *online*, wykorzystując do tego celu więcej mediów społecznościowych.

**Słowa kluczowe:** media społecznościowe, Internet, marketing.

## 1. Introduction

Modern companies are facing an enormous challenge, i.e. to function and compete on a turbulent and ever-changing market. The old methods of communicating with clients as well as their needs and preferences, are either being questioned or disappearing for good, and maintaining a constant competitive position is becoming more and more difficult.

Direct marketing is now becoming less and less effective, while opinions on businesses and their products and services are being shaped by online communities. Therefore, the biggest challenge for modern enterprises is to find the best way to reach and communicate with the end recipients. This entails a modification of the company's approach to customers and is linked closely to online communication, which needs to be based on respecting their individualism. Another key issue is also access to products or services. Customers expect access anytime and anywhere. The most effective customer communication channels are social media, which are the future of every business.

Recently the role of social media in the marketing activities of many businesses has been growing due to the fact that social media are easily accessible to anyone with an Internet connection. Social media marketing offers direct access to the desired target group, additionally decreasing the cost of marketing activities. Therefore the future for all entrepreneurs is to open up to new ways of communication, to a more active participation in the life of online communities and to interact with potential buyers via the Internet.

The aim of the study was to identify the types and examples of social media used for online marketing purposes by WIG30 companies vs. NewConnect companies. The study was carried out with the use of the netnography method (virtual entrainment) among twenty listed companies in Poland.

Due to the fact that social media have only gained popularity in Poland in the last few years, there is a shortage of scientific studies dedicated to social media in business. This subject only constitutes a small fraction of scientific publications covering the Internet and online marketing.

## 2. The role of social media in business online marketing

The Internet is an effective communication platform used around the world. It is now being utilised by more and more companies representing all sectors of the Polish economy. However, running a corporate website or communicating with customers through e-mail is no longer enough. Customers expect access to products and services anytime, anywhere. Therefore companies need to open up to new methods of communication and keep monitoring the customers' needs with the use of social media.

Social media, as a relatively new issue, are now an important component of marketing communications. They attract hundreds of millions of Internet users, including potential customers, which is why they are very popular among marketing and sales experts. However, according to the "Polskie firmy w mediach społecznościowych" ("Polish Companies in Social Media") report, "not many businesses actually know how to move around in that environment, how to reach potential customers, how to promote products or how to increase sales. As a result, there are image crises of brands and businesses that reverberate most in social media rather than their accomplishments allowing them to build on the involvement of thousands of Internet users" [Sumara et al.].

Marketing activities carried out by businesses these days are a departure from traditional communication methods such as the radio, newspapers and TV. Traditional marketing is being replaced by social media marketing. Companies need to meet the needs and expectations of their customers, who demand more control over their own "media consumption". While using different types of social media, they want to have access to information anywhere, anytime. The Internet has revolutionised the rules of competition, most of all, by introducing a range of changes in customer communications. This is emphasised by Weber, who claims that the activity of businesses on social media needs to be based on a completely new way of communicating with recipients in a digital environment [Weber 2019, p. 130]. Whereas Drury explains that as a result of growing relations on the Internet, establishing contact and having conversations with customers has become the main and central component of social-media marketing [Drury 2012, p. 274-277]. That marketing, which used to be seen as a one-dimensional link, has now become a multidimensional process in which both the business and its customers are involved.

In recent years the role of social media in the marketing efforts of many businesses has been growing due to the fact that they are accessible to anyone with an Internet connection. The use of social media offers a range of benefits to enterprises, the main ones being: access to the desired target group, monitoring customer activity, learning about the customers' needs and expectations.

Businesses appreciate the significance of social media in customer communication and allocate bigger budgets to online marketing. Social media are now used by virtually all brands for both keeping in contact with customers and for product communications.

The growing importance of social media in business activity forces businesses to open up to new methods of communication, more active participation in the life of online communities, and interaction with buyers through the Internet. From the perspective of market competition, companies which communicate effectively with customers through the omnipresent social media will prevail.

### 3. Differences between social media and community media

In the source literature, the term social media is relatively new and keeps undergoing modifications due to the presence of various communication tools on the Internet. It is therefore not surprising that there is a number of definitions of social media and their classifications.

According to Kaplan and Haenlein, “social media is a group of applications based on online solutions and on the ideological and technological basis of Web 2.0, which facilitate content creation and the exchange of contents created by users” [Kaplan, Haenlein 2010, p. 59-68]. Drab-Kurowska defines them as “communication channels facilitating interaction between Internet users with the use of such technologies as message boards, discussion groups, blogs, messengers, e-mail, music sharing etc.” [Drab-Kurowska 2012, p. 179]. Whereas Mount and Martinez claim that social media are “a set of online tools open to public users, supporting the exchange of ideas as well as the creation and edition of contents through interaction and collaboration” [Mount, Martinez 2014, p. 126].

One of the most popular classifications of social media is the one established by the authors mentioned above – Kaplan and Haenlein. The classification criteria used are the scope of the user’s presence in social media (social presence), media richness and the level of the user’s self-disclosure and self-presentation. On that basis, six basic types of social media have been established (Table 1).

**Table 1.** Classification of social media by Kaplan and Haenlein

		Social presence / media richness		
		low	medium	high
Self-disclosure/ self-presentation	high	<i>blogs</i>	<i>social media networking sites</i> e.g. Facebook	<i>virtual social worlds</i> e.g. Second Life
	low	<i>collaborative projects</i> such as Wikipedia	<i>content communities</i> such as YouTube	<i>virtual game worlds</i> e.g. World of Warcraft

Source: [Kaplan, Haenlein 2010, pp. 59-68].

Polish scientific publications use the terms social media and ‘media społecznościowe’ (community media) interchangeably. However, it is a mistake to

consider them equal. While translating social media into Polish we get two terms: “media” as in mass media and “social” meaning ‘społeczny’ (not ‘społecznościowy’). This is also highlighted by Kaznowski, who claims that media ‘społecznościowe’ (community media) are only part of social media, i.e. part of ‘media społeczne’, it is quite difficult to determine which part of social media is community media due to the blurring of the boundaries between them [Escher, Petrykowska 2005, pp. 162-163].

#### **4. Social media used for online marketing by big and small enterprises – results of empirical research**

The comparison of the use of social media in online marketing by big and small enterprises in Poland is based on the results of a study conducted by the author in January and February 2017.

In the study it was assumed that the big enterprises are WIG30 companies, whereas the small enterprises are NewConnect-listed companies. The study included twenty businesses listed on the Polish stock exchange, i.e. ten WIG30 companies and ten NewConnect companies.

The study was conducted with the use of the netnography method (virtual entrainment), which facilitated the identification of the types and examples of social media used by the enterprises examined. The sample selection was purposive. The selection criteria were the value of the listed company’s block of shares in PLN million (WIG 30) and the company’s turnover in PLN thousand (NewConnect) according to data available on the websites of the Stock Exchange (Giełda Papierów Wartościowych, [www.gpw.pl](http://www.gpw.pl)) and NewConnect ([www.newconnect.pl](http://www.newconnect.pl)).

The research process comprised of three stages. Stage 1 of the study involved analysis of the available secondary sources. It began with a theoretical study of the concept of online marketing and social media, as well as a practical study of the use of social media by Polish companies. The secondary data used included: literature on online marketing and social media, reports and monitoring records made available by marketing and interactive agencies, and online data published on the following websites: [www.gpw.pl](http://www.gpw.pl) and [www.newconect.pl](http://www.newconect.pl). Stage 2 was a primary study performed with the use of the netnography method (virtual entrainment) described above, whereas the last, third stage involved a qualitative and quantitative analysis of the data obtained during the study.

The aim of the study was to identify the types and examples of mass media used for online marketing by WIG30 companies versus NewConnect companies. On that basis, two research theses were formulated:

**Thesis 1:** *The leading WIG30 companies use more types of social media than NewConnect companies.*

**Thesis 2:** *The use of a large number of social media by a company contributes to its higher position in stock market indexes (WIG30/NewConnect).*

In order to determine the types and examples of social media, the classification proposed by D. Kaznowski was used, as shown in Table 2. The classification criterion was the purpose of the use of social media in business. The study involved nine types of social media and seventeen examples of social media, according to D. Kaznowski's classification.

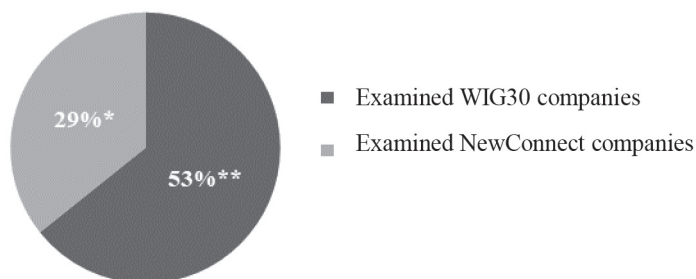
**Table 2.** Classification of social media based on the purpose of their use in business

Type of social media	Purpose of use in business	Examples of social media
Building and maintaining relations		
Social media (networking) site	Image building, customer engagement, sharing and obtaining information	Facebook, Google +
Social media site for active professionals (business)	Staff recruitment, corporate image building, establishing business contacts	LinkedIn, Golden Line
Sharing		
Video site	Image building, reaching new customers, presenting products	YouTube, Dailymotion
Photo site	Image building, presenting the company and its products	Pinterest, Instagram, Snapchat
Current updates and responding to news		
Microblog	Image building, providing information, building relations with customers, customer engagement	Twitter, Blip
Content publication (presenting opinions and views)		
Blog	Image shaping, providing information	Corporate blog
Wiki	Building a company knowledge database	Wikipedia, myfiles (management database)
Product sales		
Group shopping	Increasing sales, promoting the brand	Grupon, Gruper
Co-creating and cooperation		
Crowdsourcing site	Gaining knowledge and new ideas, research and development	Bank Pomysłów

Source: author's own compilation based on [Kaznowski 2017].

Modern enterprises accept the trend of using social media in business marketing activities. Based on the study it can be concluded that large enterprises, i.e. WIG30 companies, use more examples of mass media than small enterprises, i.e. NewConnect companies (Figure 1). The results of the study show that on average nine examples (53%) of social media are used by WIG30 companies, as compared to five examples (29%) of social media used by NewConnect companies. This is a 27% difference, so

on average four more examples of mass media are used by big enterprises than by small ones. Therefore Thesis 1 stating that “the leading WIG30 companies use more types of social media than NewConnect companies” has been verified positively in the study.



\* which constitutes 4 out of the 17 examples of social media examined; \*\* which constitutes 9 out of the 17 examples of social media examined

**Fig. 1.** Comparison of the total number of examples of social media used by the examined WIG30 companies vs. the examined NewConnect companies (% share)

Source: own compilation.

All the examined WIG30 companies (100%) use for marketing purposes social media sites for active professionals (networking sites), i.e. LinkedIn and Golden Line, and none of them (0%) use group shopping sites, i.e. Grupon and Gruper. Whereas in terms of NewConnect companies, the majority of them (90%) use social media sites (networking sites), out of which all of them (100%) use Facebook and slightly fewer (80%) use Google +; none of them (0%) use group shopping sites, i.e. Grupon and Gruper (Figure 2).

The study also compared the position held by the companies in the stock exchange indexes and their position in terms of the number of social media used. The companies were classed in an order from 1st to 10th place (with 1st place held by companies using the highest number of social media, and 10th place by companies using the lowest number of social media). Moreover, the same classification (i.e. from 1st to 10th place) was also used to determine the companies' position in the WIG30/NewConnect indexes according to data published online at: [www.gpw.pl](http://www.gpw.pl) and [www.newconnect.pl](http://www.newconnect.pl). The classification criteria were the value of the listed company's block of shares in PLN million (WIG 30) and the value of the company's turnover in PLN thousand (NewConnect). No clear correlation was observed between the companies' position in terms of the number of social media used and their position in the index (Figure 3). This applies to both big and small companies.

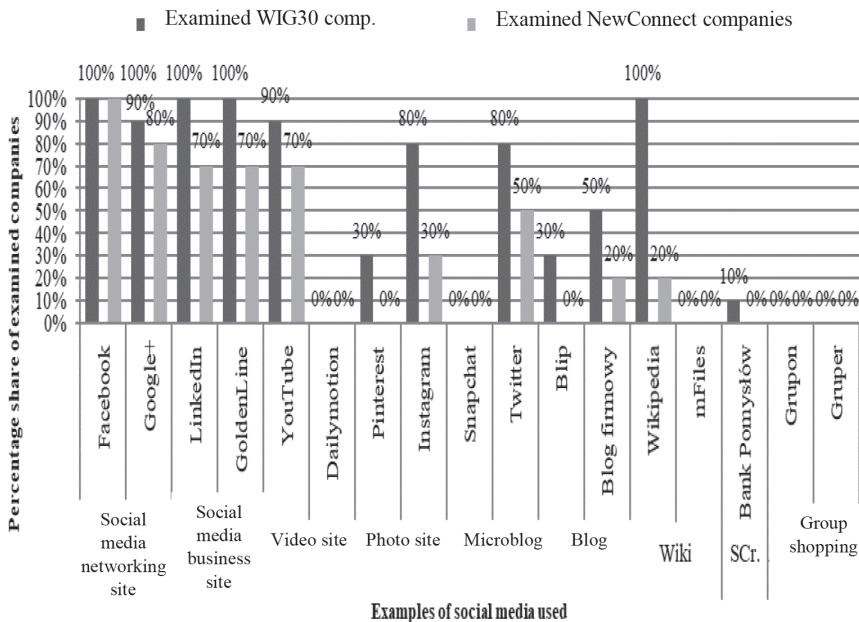


Fig. 2. Comparison of examples of social media used by the examined WIG30 companies vs. the examined NewConnect companies (% share)

Source: own compilation.

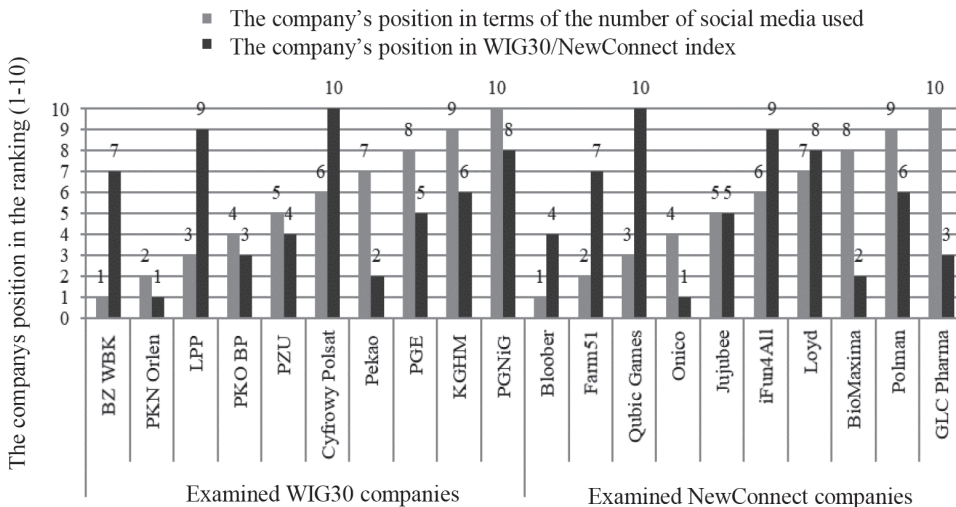


Fig. 3. Comparison of the correlation between the company’s position in terms of the number of social media used and its position in WIG 30 / NewConnect indexes

Source: own compilation.



The data contained in Figure 3 show that Bank Zachodni WBK holds 1st position in terms of the number of social media used and 7th position in the WIG30 index. Whereas “Bloomberg Team S.A.”, which takes 1st position in terms of the number of social media used, comes 4th position in the NewConnect index. Therefore Thesis 2, which states that “the use of a large number of social media by a company contributes to its higher position in stock market indexes (WIG30/NewConnect)”, was verified negatively in the study.

## 5. Conclusion

The wide reach of social media encourages more and more companies to use them for marketing purposes. However, this is most often limited, especially in the case of small enterprises, to sharing marketing messages through only three or four of the most popular sites, whereas larger companies use many more of them. All of them have a profile with at least three social media sites and additionally use eight to nine types of social media. Research shows that even though the majority of the companies examined use social media sites such as Facebook, only 30% use photo sites such as Instagram, which are now considered one of the most efficient tools for building relations with customers. Group shopping sites such as Groupon and Gruper are not used by any of the enterprises examined: neither WIG30 companies nor NewConnect companies.

The majority of the examined WIG30 companies have a strong market position and a large number of loyal customers. However, they do not abandon social media. The smaller NewConnect companies are poorly recognised by customers, therefore they should aim to interact with online communities by using a larger number of social media. The types of social media used by the biggest Polish companies depend to a large extent on the sector represented by such companies.

Modern companies, big and small, should remember that by creating profiles on social media sites, the company communicates to the public that it is involved in building positive relations with its surroundings and responds to social expectations. To meet such expectations, it needs to carry out intentional and ongoing activity on social media.

However, social media are only a tool, which, if used in correctly, will not only fail to bring about any image-related benefits, but can also cause adverse effects. We can only hope that the example of big enterprises will become an inspiration for smaller entities, which will learn how to successfully use the new opportunities offered by social media to communicate with customers and to gain valuable information from them.

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