USING SOCIAL MEDIA BY MICRO ENTERPRISES – CASE STUDY FOR UNDERSTANDING MOTIVATION, PRACTICE AND EXPECTATIONS

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ABSTRACT: *This paper examines whether microenterprises can use facilities given by the internet successfully in their marketing communication or not. Tinta Publisher has been chosen as a case study, a Hungarian microenterprise specializing in publishing books on linguistics and dictionaries. The publishing company uses Facebook, Twitter and Youtube for popularizing their publications. The paper summarizes the expectations, techniques, experiences and disadvantages of using social media.*

KEY WORDS: *social media; online marketing; Hungary; microenterprise.*

JEL CLASSIFICATION: *M31*

1. MICROENTERPRISES AND ONLINE MARKETING

According to statistics, in 2011 approximately 430.000 non-employer firms and 190.000 microenterprises[1] existed in Hungary. They were responsible for 30% of employment and 22 % of the added value. (Szöllősi, 2011)

The general stereotype is that these firms have to handle economy scale problems, they are not conscious enough, their operation is not determined and formalize enough (e.g. lack of systematic methods), and finally, their activity may be – to some extent - the part of the black or grey economy. However, they have positive features as well: they can react to the change of their microenvironment easier; they are flexible and ready to satisfy special, unique needs.

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[1] In the EU microenterprises are companies that meet two of the following three criteria and have not failed to do so at least for 10 years: has fewer than 10 employees; balance sheet total and/or turnover below EUR 2 million. Source:http://www.nfu.hu/tajekoztato_a_kkv_minosites _megallapitasahoz [Accessed 23 Sept 2012]

Unfortunately, business trends are not the most positive ones nowadays and as recession threatens profit, a typical firm tries to cut costs – first of all the ones related to marketing communication. However, it is not the most successful reaction to the challenges of the business environment.

Based on the data of IAB Hungary, which is the competent authority of online media market, in 2011 online media spending was 30,4 billion HUF, which is 18,8% of the whole advertising spending.[2] Taking into account that Eastern-European countries are heavily affected by the economic crisis, online marketing managers can be especially optimistic. Therefore, it is really worthwhile to examine their potential ways to keep up with successful competitors.

2. SOCIAL MEDIA AS MARKETING COMMUNICATION TOOL

Among online marketing tools, display segment (including social media) is still the biggest one with its 15 billion HUF spending, however search marketing shows the highest increase rate (+31%, 9,8 billion HUF).[3] The success of these marketing communication tools is not surprising as they have at least two advantages over conventional communication channels: first, they are new, so people are not yet used to them. The special importance of it is that the typical ways of neglecting information does not work, people still find these sources entertaining, interesting and they remain still curious. In general, the wider the audience of a channel, the less effective the message can be, as waste coverage is increasing. However, these online tools can be extremely cost-effective, because targeting can be more precise than ever before, and responses can be measured efficiently as well.

Moreover, these tools have unusual features that have to be understood and handled by marketing managers: interactivity and lack of control. Mangold and Faulds emphasise that "The content, timing, and frequency of the social media-based conversations occurring between consumers are outside managers' direct control. This stands in contrast to the traditional integrated marketing communications paradigm whereby a high degree of control is present." (Mangold & Faulds, 2009, p. 357)

The typical social-media channels used by businesses are Facebook, Twitter and Youtube. The capabilities and features of these media are different to some extent. The common feature is that they can address people in an active, motivated situation when they search information, open-minded, highly motivated. But on the other hand, social media solutions are different based on how high the social presence is and how deep self-presentation is possible. Therefore blogs and virtual game worlds are at the edges of this continuum.

Especially new horizons have opened by tracking word-of-mouth marketing at social networking sites. „WOM referrals have substantially longer carryover effects than traditional marketing actions and produce substantially higher response elasticity. Based on revenue from advertising impressions served to a new member, the monetary value of a WOM referral can be calculated; this yields an upper-bound estimate for the

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[2] http://iab.hu/IAB_HU_Adex_2011_v2.pdf, p.4 [Accessed 20 Sept 2012]
[3] http://iab.hu/IAB_HU_Adex_2011_v2.pdf, p.8 [Accessed 20 Sept 2012]

financial incentives the firm might offer to stimulate WOM." (Trusov et al., 2009, p. 90)

Table 1. Social Media Categorization

		Social presence/ Media richness		
		Low	Medium	High
Self-presentation/ Self-disclosure	High	Blogs	Social networking sites (e.g., Facebook)	Virtual social worlds (e.g., Second Life)
	Low	Collaborative projects (e.g., Wikipedia)	Content communities (e.g., YouTube)	Virtual game worlds (e.g., World of Warcraft)

Source: Kaplan & Haenlein (2010)

In Hungary, Facebook has 4.132.300 registered users which means a 41% penetration to the whole population, but this is a raw data, as Internet penetration itself has reached only 62 %. [4] On this basis, Facebook penetration is 67%, but marketing managers have to keep it in mind that this community therefore is not representative for the whole nation.

Cost measurements of Facebook ads are very promising: the cost-per-click rate is 0,31 $, the CPM is 0,15$.[5] This difference can refer to the efficiency and the attractiveness of Facebook adverts.

Comparing general Facebook users to average internet users[6], we can find that there are more women among them, they browse it more likely at home or in school, their age is rather under 34, having children is slightly less typical among them and they are slightly higher educated than internet users in average.

The Facebook page of a company can be created simply (and only officially). The typical business Facebook pages are free to visit by all registered Facebook users, joining these pages needs no approval. Of course it is a basic business intention to offer the chance of joining the page for as many visitors as it is possible, therefore not only Facebook users can find and use these pages but those who use search engines as well.

The page administrator can decide whether fans are allowed to add comments, photos, videos or other contents to the page or not. To evaluate the results of our social-media presence, easily understandable statistics about visitors are also available as part of the service.

The most important part of the Facebook page is the wall. The more interactive the content the more visitors can be activated. Starting chat forums is also possible. Applications can offer real benefit for page visitors: there are some Facebook

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[4] http://www.socialbakers.com/facebook-statistics/hungary [Accessed 16 Sept 2012]

[5] http://www.socialbakers.com/facebook-statistics/hungary [Accessed 16 Sept 2012]

[6] http://www.alexa.com/siteinfo/facebook.com# [Accessed 21 Sept 2012]

applications provided by it, helping to create webstores, games, newsletter or RSS feeds of favourite blogs.

However, the most important question behind the facilities given by Facebook is: why do people follow brands on Facebook? To access special offers can be the first reason. Above this, the page can give them a chance to know more about the brand, they can be up-dated on news quickly this way. And from a social perspective: being a fan of a product can tell something about their own lifestyle, their own image and therefore creates a more detailed picture of him or her, so this is a form of self-presentation. [7]

3. SOCIAL MEDIA USED BY TINTA PUBLISHER[8]

To analyze the social media activity of Tinta Publisher, semi-structured interviews have been conducted with Mr Gyula Kiss, Sales Manager of the publishing company and the content of its Facebook, Youtube and Twitter pages have been analyzed. What makes this case study more valuable is that it gives longitudinal perspective as the first interview was made in 2010; the second one was carried out in September 2012 so we could analyze the dynamics and change of practice and attitude towards social media.

3.1. Introduction of Tinta Publisher in a nutshell

Tinta Publisher is a Hungarian publisher and wholesaler specializing in publishing books on linguistics and dictionaries. The company is the market leader in monolingual dictionaries and in the Hungarian linguistic book market. The few other publications fit well into the image of the company: they feel real social responsibility for preserving Hungarian language. They use the expression 'cultural mission' to describe the main motivation of their activity; they are determined to help to spread over the results of new linguistic studies.

The company operates in Budapest, the capital of Hungary. Recently they have 260 publications and they publish an average of 30-35 books every year. They have six employees; the net turnover is below 2 million Euros. Their main competitors are Akadémia and Osiris publishers, which are definitely more significant participants on the market with their wider product range.

Tinta Publisher operates both on B2C and B2B markets. Their main target groups are educational institutions and libraries but they also intend to serve those private customers who prefer dictionaries in printed forms and who are interested in linguistics. However, they see clearly that in the future digitalized content services and net-dictionaries will be more and more widely spread and successful, so they try to meet these potential customers in the online world.

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[7]   http://www.marketingmorzsak.com/kozossegi-media/miert-kovet-valaki-egy-markat/online-marketing
[8] Fieldwork was partly made by Gábor Konrád, BSc student of Obuda University, Course in Engineering Management. He agreed to publish parts of his research in this article.

So, why Tinta Publisher has been chosen for this case study? Firstly, books are still one of the most successful product categories in web stores. Secondly, Tinta Publisher works on a niche market, which makes it easier for them to perceive their competitors and to define their target group. Thirdly, they use three different types of social media, so there is a chance to compare their advantages and disadvantages and the potential outcomes and synergy of using different channels.

3.2. Marketing communication tools used by the publishing company

The analysis of the marketing communication of the firm has to be started from a wider perspective - especially because synergy between offline and online (and through-the-line) channels is inevitable.

Because of the limited financial capabilities of the publisher and the very narrow target group, the company primarily focuses on exhibitions, events (such as bookfairs) and professional forums. These channels enable the publisher to reach both institutional partners and private customers.

Apart from the above mentioned, the publisher uses print ads in dailies and periodicals. Print ads are generally placed in national newspapers (Népszabadság, Magyar Nemzet), in regional periodicals (e.g. Újbudai Polgár) and in specialized periodicals (Print and Publishing, Új Könyvpiac).

Direct marketing plays an important role as well. Previously the publisher carried out direct and telemarketing campaigns, however they experienced that higher and higher proportion of respondents refused to answer to the questions and the lower response rates have worsened the efficiency of these communication methods (and probably increased reliability problems of data as well). Therefore, they rather concentrate on newsletters. Tinta Publisher sends a newsletter every month to those who registered to their database. In order to motivate visitors to sign up for the newsletter, they give a chance for winning a voucher of a generous 10.000 HUF for their books every month. Nowadays they have an approximately 13.000 names in the database.

PR activity is of great importance for the publishing company as well. When publishing a new dictionary, they give away 30-40 complimentary copies to journalists and it helps to have recommendations, reviews and comments on the new adition in selected papers and magazines. Tinta Publisher supports Zsigmond Simonyi National Grammar Competition and Lajos Kossuth Orator Competition on a regular basis with book awards. Other linguistic competitions are supported by providing great discounts on books. Above this, the publisher sponsors Ferenc Kiss Memorial Chess Competition every October each year.

In the online world Tinta Publisher really tries to be visible. First, they have a homepage at www.tintakiado.hu, which is a very rational and functional webpage, ignoring real image-building or mood elements. The only exception is the quotation of the day; however one can read it only by clicking on it. The webpage can be characterized by simple design (white background, the main menu is emphasised only with bold red characters and so on), focusing on product features and fresh news on the first page. There is also a book top list at the bottom part of the page and the page gives

chance to the visitors to get to the Facebook, Twitter or Youtube pages of the publisher by clicking on their icons.

From the main menu the visitor can reach the webshop of the firm as well at www.tintakonyvek.hu. The publisher places banners on most visited sites when a new dictionary has been published or when they organize a special event or sales promotion.

3.3. Facebook, Youtube and Twitter

As the publishing company visualized a significant boom in using Facebook at the end of the previous decade, they started their page in mid 2010. Tinta Publisher's expectations towards their Facebook page were, based on personal interview:
- to provide a cost-effective way of advertising,
- to build a community of loyal customers,
- to get an up-dated database of customers,
- to motivate indirect and two-sided communication with customers – and by doing that, to deepen customer loyalty,
- to ease organizing events,
- to reach younger generation.

Negative motivation was that if all the other competitors have Facebook appearance, they must keep up with them or they will lose market share.

The owners of Tinta Publisher emphasize that their Facebook page doesn't follow the traditional classical style. Their Facebook appearances are more similar to journalism. That means they write a little bit longer comments, kind of mixture of expertise and popularization. The content is mainly determined by comments on books, telling stories that can generate further interest and raise attention towards promotions and sales. A great variety of topics and style is given by the rotation method: each employee is responsible for placing comments at least one time per month. Altogether they spend approximately 5 hours per week with editing their Facebook page. As a consequence, there is a high frequency of new posts supported by pictures and/or longer comments with external references.

There are different methods to motivate people to visit our page and „like" it. The more widely known opportunities are to inform potential visitors by e-mail (at signature part we can add our Facebook page to our usual data), second is to let people know on our Facebook page by sharing this information by the administrator or by the sites of the employees. There is also an opportunity to create a „Like Box" on our homepage to navigate our visitors easily to our Facebook page letting them like us immediately.

Girboveanu and Puiu (2008) emphasised that „While it is hard to predict which content will ultimately be passed most from one consumer to the next, there are some basic principles that can dramatically improve the chances of success. Viral efficacy rests primarily on the quality of the content. Things that are interesting, entertaining or informative (ideally all three) tend to get passed on." (Girboveanu & Puiu, 2008, p. 226)

TINTA Könyvkiadó fans

Figure 1. Number of Tinta Publisher fans between April-August, 2012

Thanks to their activity, the publisher's Facebook page attracts an average of 8-10 new fans weekly. Adopting the appropriate communication patterns, Tinta communicates with lots of photos, and tries to share information both on products and on the firm itself – to let people be the part of the firm, the virtual community.

The publishing company has an official meeting every week and Facebook activity is always a topic on it. How can they measure the results of their social-media activity? The most visible achievement is the growing number of fans. It is easy to follow the number of fans and visitors on the page but the publisher doesn't draw long-term consequences from it.

During the last two years, sales promotions advertised on Facebook have shown the lowest return, although the offered 50% discount for the books was really generous. The information on promotion could reach approx. 3000 fans. It is most probable that coupon pages are better-known among promotion-chasers, so it would be good idea to try to organize sales promotion on "Kuponvilág" or on pages of other Hungarian coupon-communities.

Unfortunately, communication on Facebook page was nor successful in mobilization for professional programs.

Another challenge that can occur in practice is how to handle negative comments on Facebook pages. In the last two years of their Facebook operation they faced a negative comment only once. The comment criticized the definition of an entry in a dictionary, but as it was a criticism to (toward) the writer and not really to the publisher, the publisher didn't respond to this comment. We can state that there is no

real protocol how to respond to negative criticism as they have no real experience(s on it) in handling such cases.

Switching over to the other social-media elements, Tinta has been starting a page on Youtube in March, 2011 (at http://www.youtube.com/user/tintakiado). Until now it has been viewed by 8.505 visitors. The firm has uploaded 33 videos. These are videos of appearances in Hungarian TV programs. Short titles of these videos concentrate on facts about the content rather than generating motivation to view them: such as "Etimológiák riport a Duna Tv-ben" (Report on Etimologies on Duna TV channel) or "Czuczor-Fogarasi szótár riport a Duna Tv-ben" (Report on Czuczor-Fogarasi Dictionary on Duna TV channel).

In order to increase the visits of Youtube videos of the publisher, they organized a quiz on their Facebook page related to TV programs, in which dictionaries published by Tinta Publisher were shown: players had to answer at which minute of the video had the actual book appeared at first. The player, who gave the first right answer, got a new book. A few minutes later after sharing this information on Facebook, the correct answer was given.

Twitter activity was launched in May 2011. (https://twitter.com/tintakiado) Twitter refers back to the homepage. Until now they have only 14 followers. The Twitter page is not edited by the employees but edited automatically: the program sends tweets from Facebook webpage and from the homepage to Twitter. The content therefore is very schematic: rational, just informal tweets on new publications.

4. CONCLUSIONS AND SUGGESTIONS

Above all, it must be admitted that Tinta Publisher commendably uses the possibilities offered by social media. Quality, reliability and expertise are the centre elements of the image of the company and it has to be emphasised and communicated on social media sites as well. However, this message has to be adapted to the style of these social media sites.

Firstly, unified elements of corporate identity cannot really be detected. Only the logo appears on each social medium, but types of letters, background or other features look really different. Unfortunately, the logo itself is not a telling one. On the Twitter page, in the background of the screen we can see the picture of old-fashioned book-shelves full of precious, leather-bound books. Although this reflects to traditions and gets on well with the image of the company, it doesn't fit to the modern feature of Twitter itself. Moreover, this picture isn't communicated on other media: neither on the homepage nor on Facebook.

Another problem is that the style of tweets is not eye-catching: most typically the publisher announces new publications here, such as: "Új könyv: Tájszavak. ..." (New book: Words in dialects..." and there is a short description of the book. Even in a very short format which is a typical feature of Twitter, the publisher has to change for a style which is more attractive. For example: asking questions that can raise attention or quoting interesting sentences from a book are probably more motivating for the visitors to click on. For example when a new dictionary is available they should ask whether someone was familiar with the meaning of a funny or surprising word from that very

edition. Perhaps visitors will try to find the answer to this question and this activity will entertain them while trying to chase the right answer. More mood-elements enable to express more feelings instead of giving the clear facts, so it would be a better practice. It also helps being more enthusiastic about the news and motivates people to express their feelings as well, and also to react and comment on our posts.

In general it can be recommended to use more pictures and photos – all in all, more visual elements instead of words. Short comments fit to the style of Facebook and especially to Twitter; those who want to get more info on products should be navigated to the homepage where it is possible to write longer description on products.

Table 2. Advantages and Disadvantages of Tinta Publisher's Facebook Page

Advantages	Disadvantages
▪ efficient reach of target group	▪ low share of voice
▪ cost-efficiency (low cost level in general)	▪ cannot reach those who have no internet access
▪ conversation is possible with visitors	▪ majority of fans are not active
▪ potential of reaching a wider audience	▪ it is difficult to make an outstanding site
▪ potential for building a community	▪ managing Facebook page is very time-consuming
▪ precise targeting of subgroups with information relevant for them	
▪ possibility to share information easily and quickly	

Source: personal interviews with Mr Gyula Kiss, Sales Manager of Tinta Publisher (2010, 2012)

Comparing the effectiveness of social-media with traditional direct-marketing, the most successful way of promotion is still sending the message via newsletter. The firm has created a data-base of more than 10.000 registered members and this way they receive a lot of enquiries and purchase orders. Neither sale promotion on Facebook, nor the coupon promotion organized by the firm for the largest book fair held every year on Vörösmarty Square has got high attention.

Marketing managers have to keep in mind that via internet-related communication channels it is still not possible to reach everyone. Not only the elderly or people with low income cannot be reached, but also those potential customers who are less active, less extrovert and are less interested in social contacts in general.

Another aspect which is more and more argued among social scientists is the socially harmful effect of Facebook addiction, which has become a more and more serious problem all over the world. Sociologist Béla Bauer mentions the negative effects of Facebook addiction: decrease of real connections, no need for higher level communication, decrease of active lexis, non-verbal communication skills decreasing

and having no presence on Facebook may mean reason for becoming outcast. (Lippai, 2010)

In time, this "new" feature of social media will disappear – such is its nature. Therefore, more professional solutions, more conscious planning and helpful comments of social-media agencies would be the key for a successful marketing communication campaign. Efficient social media campaigns need new capabilities, new competencies and resources from the companies. Social media culture is something we can get to know only by using it but as we have become part of it, we can also form it to some extent. What makes it a real challenge is that marketing managers have to speak and listen carefully at the same time.

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