SOCIAL NETWORKS IN MARKETING COMMUNICATION - CASE OF LITHUANIA

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Purpose. To analyze and identify specifics of marketing communication via social networks via Lithuania case study.

Methodology. In order to present situation and specific of use of social networks in marketing communication following methods were employed: comparative analysis of the scientific literature, inquiry, observation, and data analysis.

Findings. In order to highlight the changes and outline possibilities of social networking in marketing communication two researches have been carried out: the first one is the research of Lithuania social media usage peculiarities; the second is the research of use of social networks in marketing (comparison of Lithuania, Russia, Ukraine, Germany, Netherlands, and Israel).

Originality. This paper explored the social networks in marketing communication from two perspectives: consumers perception and habits; companies perception and intensity of implementation in Lithuania in comparison with Russia, Ukraine, Germany, Netherlands, and Israel.

Practical value. The development of information and communications technologies (ICT) leads to new ways of marketing communication and forced emergence of new scientific problems. Growing importance of the communication and the relationship with the customers is affected by rapid development and dynamic changes in the e-markets. Understanding and implementing the innovative tools for communication with users on the Internet allow increasing interaction, which is vital in nowadays.

Keywords: internet marketing, social networks, e-business, e-consumer, Lithuanian e-market study, consumer behavior

Introduction. A lot of traditional business processes are being transferred to the virtual space, and marketing communication is not the exception. The number of communication tools is growing rapidly and it is caused by development of information and communication technologies (ICT) mainly. The new generation of consumers emerged in the information age, so Internet usage habits changing rapidly also. The Internet becomes a part of the daily routine (e.g., people do not imagine any other way of information search and do not see their lives without being in the social Internet spaces, such as social networking sites, blogs, online interest groups, etc.) [1,2]. Since year 2005, when Haythornthwaite (2005) emphasized perspective of the social networks because of its importance for the supports of work and social processes, the situation didn’t changed much [3]. The importance of social networks increases each year. Hubspot reports that 70% of business-to-consumer marketers have acquired a customer through Facebook [4].

Thus, the digital content – including social media – is pervasive in daily life, its influence on consumers’ lives is unquestionable and powerful [5], and considering the existing situation, it is particularly important for organizations to take more active measures in order to represent themselves in the virtual world. Therefore, understanding the change in marketing caused by social networking, as well as changes of social network sites and growing amount of tools for marketing there has critical importance. The peculiarity of this field is that the object and subject are changing rapidly (these changes are caused by many factors such as economic, cultural, social, political, technological environment), so regular research and analysis of market and environmental changes are needed.

In order to highlight the changes and outline possibilities of social networking in marketing communication two researches have been carried out: the first one - research of Lithuania social media usage peculiarities, the second – research of social networks use in marketing (comparison of Lithuania, Russia, Ukraine, Germany, Netherlands, and Israel).

The goal of this article is to present peculiarities of marketing in social networks by analyzing case of Lithuania in comparison with other countries. The following methods were employed: the comparative analysis of the scientific literature analysis, inquiry, observation, and data analysis.

Social networks in marketing. In order to provide sequential research of social networks in marketing usage and perception of those decisions by consumers it is important to identify the current trends in exploration of the area. Research in social networks in marketing can be oriented to the value development framework which recognizes that marketing is a social and societal process. So, a customer oriented approach to value generation becomes one of main issues nowadays. The understanding of social network in this paper is taken from Boyd and Ellison (2008), and it is defined as web services that allow people to construct profile which can be public or

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semi-public and that profile is in a delimited system, also it allows to make lists of other users and share connection with them, moreover, with possibility view list of connections made by other in the system [6]. This perception is extended by users understanding to organizational and group levels. The research was made taking into account the actuality of the permanent research of social networks which were emphasized by S. Dann (2010) and assumption that companies follow such aspects as [7]:

- Power transmittance to customer. Customer dictates their own conditions and producer must consider it, because competition in market is harsh and product life cycle is shorter in time.
- Speed of changes. The information is changing so rapidly that customer has to constantly observe the situation around him/her.
- Absence of distance. Geographical boundaries vanishes, market expands to the barriers of internet.
- Importance of intellect capital. The imagination, creativity of enterprise is more important than financial capital.

For the research different models and methods of work, behavior, and marketing communication in social networks were taken into account, such as presented by D. Chaffey [8]: publishing via blog, syndication via RSS, post on „Twitter“, post on “Facebook”, “LinkedIn” page involvement, email newsletter, etc. It is important how technologies and methods are used by organization for marketing, but nevertheless, it is more important how people are going to react to them.


Important view proposed by Dohlakia et al. (2004) (authors proposed tools that helps understand the motives of participants of virtual community and their motivations using different media) were taken into account during the first research [10]. Authors emphasize the informational value as the participant derives from getting and sharing information in the virtual community, and from knowing what others think, as well as instrumental value that a participant derives from accomplishing specific tasks, such as solving a problem, generating an idea, influencing others.

Several studies have shown that many participants join such communities mainly to dispel their loneliness, meet like-minded others, and receive companionship and social support. Social enhancement is the value that a participant derives from gaining acceptance and approval of other members, and the enhancement of one’s social status within the community on account of one’s contributions to it.

Maintaining interpersonal connectivity and social enhancement both emphasize the social benefits of participation, and are group-referent, i.e., the referent of these values is the person in relation to other group members. This distinction between personal and group referent values is important, since later on.

Near all mentioned above the entertainment value, derived from fun and relaxation through playing or otherwise interacting with others also plays significant role. Studies have shown that many participants do so for entertainment through exploring different fictional identities, encountering, and solving virtual challenges, etc.

Further in this article situation in social networks marketing in Lithuania will be analyzed and presented by comparing the current situation (organizational decisions and solutions) in comparison with other countries.

The growing potential of web markets. The growing potential and importance of social networks is doubtful. According to the statistics 58% of internet users are consumers of at least one social network. Some social networks have more active users base than others. Most popular social networks in the world are mostly the same mentioned in various surveys: Facebook – 56%, LinkedIn – 14%, Twitter – 11% and Google+ – 9% [11]. It should be noted that 98% of 18–24 years old users have profile in social network sites; even 25% Facebook users are children under age of 10 years even there are restrictions. This is a stunningly large number, which shows that young children have easy access to social media. This is a segment that can be tapped by social media marketers. But marketers should take into consideration the ethical issues and straightly follow the law concerning advertisements for children. These facts show that in a future the number of social network users will grow drastically, this will be catalyzed by easier connection and possibilities to log on to the internet, because of its strategic priority for most countries (Europe 2020, Rain, Rain II) as well as organizations.

Facebook has more than 1.310.000.000 active users, who connect at least once per month, 680.000.000 users exploit mobile version. More than 1.5 million local businesses have active pages on Facebook. The average user spends more than 55 minutes per day. 22% teenagers connect to Facebook at least 10 times; 48% of age group 18–34 years connect in a morning (just waked up), and 28% connect before going to sleep [11].

From year 2012 till 2013 the amount of users increased 22%. Taking in mind that these social networks were created in 2004 the changes are drastic and potential is immeasurable.

Statistical research has revealed that more than 95% of Facebook users log into their account every day, Twitter – 60% and LinkedIn – 30% [11]. Average number of friends in social network site is 130, and each user has 80 “likes”, and user spends approximately 18 minutes each time.

Twitter has over 645.750.00 registered users, and 190.000.000 unique visitors per month, 135.000.000 active users with 58.000.000 tweets per day [11]. 43% use mobile version; 60% users twitting via third party appli-
cations, what shows that in this process are involved not only users but companies and web marketers also. 40% users do not write tweets themselves, but read written by others.

LinkedIn has 60+ million professionals worldwide, including all Fortune 500 companies. LinkedIn, which have a very small reach in terms of market impact, because their users are not active when compared with Facebook or Twitter.

From Baltic States the highest rate of social networks usage is in Lithuanian (88% of Lithuanian respondents signify that they are registered at least in one social network). The most intensive users of respondents are till 20. 78.2% of those respondents claim to log in social network profile every day. According to respondents – the most popular social network is „Facebook“. The purpose of using social networks is mostly for information sharing with friends (66%) and for search of friends (43%). 25% of Lithuanian enterprises use social networks. In Lithuanian companies social networks are used in marketing, client service and selling departments. The purposes that are mostly willing to be reached are: brand popularity expenditure, news on goods or enterprise presentation, new clients attraction, communication with existing clients, community creation. So, activities of Lithuanians in the social networks are not much different from the world statistics, but some peculiarities can be observed, and will be presented in the next part.

Research of social network users of Lithuania. The goal of research was to analyze social network users’ behavior regarding companies and “like” pages. This was done in order to indicate social network importance to local businesses. Social network users questionnaire was completed by 340 respondents. The questionnaire consisted of 28 questions related with the social network usage and several questions were targeted to explore Facebook perception and specifics.

The respondents were divided into age groups: 50% of respondents were under 18, other respondents rely in group aging from 18. Just 5% of respondents were claiming not using social network sites at all and the rest 95% were users of social network sites.

The research results emphasize the activeness of internet users of Lithuania. The intensity of being in social network is relatively high (The least time spent till 5 minutes is just for 12% of respondents. The biggest group of 31% was keen to spend till 15 minutes at one connection, thought respondents who are spending approximately till 30 minutes time consists of 26%).

As the frequency of visiting this type of site is so often it is important to know the reason why people use social network sites (Figure 1). According to the answers 34% of social network members as main purpose named network of friends, 27% of respondents claimed possibility to share information, 20% – because of information on events, 13% of various application programs and games and 5% because of the “like” pages. Interesting result was received from question if the advertisement in social network could affect choosing good or service to buy. 40% of respondents answered that yes – it could be possible. So, the 40 percent of audience in the social networks are open for marketing communication and well percept it.

Nonetheless, 67% of respondents think that it is important for enterprises to have place site in social network. 66% of respondents think that the company site quality on social network may have an influence on visiting shop. 16% claimed that it is not important and the rest 18% didn’t had the opinion on this topic. This show that there is no straight and negative position concerning communication and advertising via social networks.

<table>
<thead>
<tr>
<th>Answer</th>
<th>Ratio, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Because of friends network</td>
<td>34.41</td>
</tr>
<tr>
<td>2. Because of possibility to share information</td>
<td>27.08</td>
</tr>
<tr>
<td>3. Because of Like pages</td>
<td>5.34</td>
</tr>
<tr>
<td>4. Because of games and applications</td>
<td>12.55</td>
</tr>
<tr>
<td>5. Because of the information on events</td>
<td>20.00</td>
</tr>
<tr>
<td>6. Other</td>
<td>0.62</td>
</tr>
<tr>
<td>Total</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

Fig. 1. Users purposes of using Facebook

As previous question shows that social network site users do care about the quality of the site, because it might encourage visiting the shop or in the evening to purchase good or service it is important what kind of information is being searched in social networks. The most popular among answers were information about prices of goods or services – 34%, information on sales – 26%, 20% is looking for contacts and 15% for information on company.

The companies were recommended to have their profiles in social network it is also important the ways how it is going to be found (fig. 2). The biggest incentive to visit the company profile for 43% of respondents is the banner ads on the sides of their profile. 36% are influenced by the friend recommendation of social network, 17% of respondents visit also a company social network profile if it is linked from the official companies site. Unfortunately 5% of respondents who replied that they have other ways...
to enter the companies profile or commercial on social network site didn’t explain how.

Those who are logged on like pages were questioned further and the next question was how many like pages they are logged on. The most answer was up to 10 like pages were chosen by 39% of respondents, not so different from 10 to 50 like pages – 38% of respondents, from 50 to 100 – 14% and more than 100 – 10%. This shows that among those who are logged on like pages are probably logged more than on one. 47% of respondents claimed that reasons of connection (“Like” pages) was because of a fact that they are fans of particular company/band/celebrity and etc. 26% of respondents pointed that the reason is short time good. That the word of mouth works virtually showed 18% respondents by choosing answer because my friend likes and almost 9% didn’t know the reason why. Large part of like page users are joining pages just of close time benefit it is important to figure out how active they are in following the new information on these pages. 52% of respondents are logged on the like pages but usually they do not pay attention to the information updated, which is probably true if the user is being logged on more than 50 like pages. 40% of respondents follow the information and the rest hide the information updates, because system allows that.

In company/group/actor/etc. like pages profiles users can find information. 20% thinks that information on events is information they are satisfied with; 17% are satisfied with the up to date news and even because there is belief that information is from the “first hands”.

24% of respondents dislike the fact that company profile is being used just for commercial purposes and 23% because of the old and not actual information. Certainly, communication in social networks is important, but too active communication and too often posting which might be sometimes not relevant are annoying for 19%. On the other hand if there is no interactive communication 32% of respondents claimed that information given on particular profile might influence the decision to buy service or good. 50% of respondents claimed that there is no influence at all and 18% didn’t know the answer. 76% of respondents have “Unlike” on another like page; this might be related to the short term benefit they expected, or with the annoying facts mentioned before. 24% never pressed the unlike button on like page in social network Facebook.

Considering the survey social network site users have experience in buying goods from internet sources. This can be stated that social network users prefer to get information about company and its production form internet sources, because the customer prefers comfort that internet might offer. The comfort for such customers is information available any time on internet, having company on “like” page list allows having up to date information that is actual for user.

Companies activity on social networks. The second research and findings are based on the analysis of the data of the wider research result, conducted in the framework of European Commission funded TEMPUS project “ECOMMIS”. Initially the online presence of 2379 enterprises from six European and non-European countries and 27 industries, focusing on different e-solutions in B2B and B2C communication were analyzed. Table 1 presents the countries and regions and the number of enterprises surveyed accordingly. So, 511 Lithuanian (800 Western Europe, 1179 Eastern Europe; 400 Middle East); different types of enterprises of various sizes were observed in the internet and analyzed towards their use of Internet marketing in social networks.

The most popular social network in marketing communication among Lithuanian companies are Facebook, Twitter and Linkedin. Other social networks (table 2) are not exploiting much. Only 3.6% of websites of Lithuanian have social links, while in other Eastern Europe countries average is more than 55% (links to their profiles in social networks or „like/share“ buttons) – it should be taken in mind that it was counted other networks not Facebook, Twitter and YouTube. In the Western Europe situation is much better in this field as well (~40%).

<table>
<thead>
<tr>
<th>Region</th>
<th>Country</th>
<th>Number of enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Middle East</td>
<td>Israel</td>
<td>400</td>
</tr>
<tr>
<td>Western Europe</td>
<td>Germany</td>
<td>400</td>
</tr>
<tr>
<td></td>
<td>Netherlands</td>
<td>400</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>Lithuania</td>
<td>511</td>
</tr>
<tr>
<td></td>
<td>Russia</td>
<td>400</td>
</tr>
<tr>
<td></td>
<td>Ukraine</td>
<td>268</td>
</tr>
<tr>
<td>TOTAL:</td>
<td></td>
<td>2379</td>
</tr>
</tbody>
</table>

Table 1

Overview of the research sample: per country and region

Fig. 2. Tools encouraging visiting on company’s profile in social network

<table>
<thead>
<tr>
<th>Answer</th>
<th>Ratio, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Adds on “profile” sides</td>
<td>43.21</td>
</tr>
<tr>
<td>2. Link, that social network friend likes company</td>
<td>35.52</td>
</tr>
<tr>
<td>3. Link from other internet page to social network page</td>
<td>16.74</td>
</tr>
<tr>
<td>4. Other</td>
<td>4.52</td>
</tr>
<tr>
<td>Total</td>
<td>100.00%</td>
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</tbody>
</table>

Table 2

Overview of the research sample: per country and region
More actively (links from the website) companies working with Google+ – 75% (companies have link to this network), Instagram, Tumblr, Misterwong, Digg, Delicious, Pinterest, vkontakte.ru. Most active in the marketing in social networks (have links to different social network websites) is Israel, Germany, and Netherlands. Russia and Ukraine are targeted more to Russian social network websites. From this statistics can be stated that Lithuanian companies using other social networks more likely in cases when working in international markets and targeting to specific segments.

45.5% of Lithuanian companies use a Facebook page for representation of business information, but not paying much attention for sales and services via social network sites (table 3). Netherlands companies are most active in all sectors.

In general, the most popular Social media channel is Facebook followed by Twitter and YouTube. Also, it was noticed, that top companies (named in top 100 rankings) use Social media more intensively, and the results show the importance and position of the Social media and it is considered an important instrument in self-presentation of enterprises.

**Conclusions.** Traditional marketing communication tools are still popular, but the development of internet has determined new possibilities for marketing. The dynamic development of ICT and Internet marketing dictates the need for constant research. This paper explored the social networks in marketing communication from two perspectives: one – consumers perception and habits, another – companies perception and intensity of implementation in Lithuania.

The Baltic States research indicated that social networks are very popular in Lithuania and the highest level of usage is among people with high school – university education. Women use it more than men.

The information itself is more important than its presentation. As the survey revealed the Facebook users mostly are looking for particular enterprise contacts, information about the enterprise, information on sales, but there were also respondent who were looking for information that was related with new products, recommendations, data for scientific purposes. This oblige companies make a good decision on what information should be given in social network Facebook, because users think that it is reliable source, how it was revealed in the questionnaire analysis. Commercials in social network Facebook enterprise profile should be delicate, because mostly commercials are annoying for users.

Research revealed that activities of companies in the Internet related to social networking are quite different in regions, so in order to find the best solutions each country consumers’ needs and behavior should be taken into
account. Analyzing Lithuania case – the situation that companies do not exploit enough the opportunities were reviled. It was found that all industries use at least one of the social media tools. As for weaknesses of Lithuanian companies which were identified: lack of provide links to products of companies and/or services, as well as lack of detailed information on business products and services provided. As social network sites are mostly used among young people up to 30 years, the marketing requires specific information, satisfying particular age group. The social media for B2B communication is not enough exploit. So, Lithuanian companies should pay additional attention to trends of the EU business websites participate in social interaction with customers, efficiently communicating via social networks.

B2C companies in social network Facebook must take into consideration these steps in planning social network site marketing: to know the target market, always communicate interactively, to use attractive applications, to group content and to syndicate all the marketing tools. Research once again highlighted the importance and need of constant research of usage peculiarities and choice of e-marketing tools in order to identify trends and form the models which ensure efficient B2B communication in the web.

Acknowledgements. We thank our partners in this international research project: Medzhybyskova, N., Makarova, M.V. (Odessa State Economic University, Ukraine), Levinova O. (Berlin Institute of Technology, Germany), Vilnai Yavetz I. (Ruppin Academic Center, Israel), Solovetskiy, A. (Siberian State University for Telecommunication and Informatics, Novosibirsk, Russian Federation), Vermeulen, A., Saçan, E. (FONTS University of applied sciences, Eindhoven, Netherlands) – for their contribution to this study.

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Мета. Аналіз та виявлення специфіки маркетингових комунікацій через соціальні мережі на прикладі спеціальних досліджень, що були проведени в Литві.

Методика. Для того, щоб представити ситуацію і специфіку використання соціальних мереж у маркетинговій комунікації були використані наступні методи: порівняльний аналіз наукової літератури, вивчення конкретних прикладів, спостереження за використанням соціальних мереж, збирання та обробка даних, аналіз отриманих результатів.

Результати. Для того, щоб підкреслити зміни та намітити можливості соціальних мереж у маркетинговій комунікації були проведені два дослідження: перше – дослідження особливостей використання соціальних мереж у Литві; друге – дослідження використання соціальних мереж у маркетингу (порівняння Литві, Росії, України, Німеччини, Нідерландів та Ізраїлю).

Наукова новизна. Ця стаття досліджувала соціальні мережі в маркетинговій комунікації з двох точок зору: перша – сприйняття та звички споживачів; другий – сприйняття компаніями соціальних мереж та інтенсивність імплементації в Литві в порівнянні з Росією, Україною, Німеччиною, Нідерландами та Ізраїлем.

Практична значимість. Розвиток інформаційно-комунікаційних технологій (ІКТ) призводить до нових способів маркетингової комунікації та примусової появи нових наукових проблем. Зростає важливість спілкування та взаємодії з клієнтами залежить від швидкого розвитку й динамічних змін електронних ринків. Розуміння та реалізація інноваційних інструментів для спілкування з користувачами в Інтернеті дозволяє посилити взаємодію, що має життєво важливе значення на даний час.

Ключові слова: інтернет-маркетинг, онлайн реклама, е-бізнес, е-споживач, вивчення Литовського е-ринку, поведінка споживача

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CLASSIFICATION AND RANKING OF CORPORATE WEBSITES OF INDUSTRIAL ENTERPRISES

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Purpose. Creating methods of classification and ranking of commercial sites of industrial enterprises which take into account the specific characteristics of marketing sites, determining the level of presented content, particularly e-business, and is characterized by its commercial viability.

Methodology. The system of local performance criteria of the commercial sites proposed, their reduction to digital form was formalized. The values of the global benchmark sites of coal energy and mining-metallurgical complexes were calculated, their ranking was performed.

Findings. We have developed composed system of classification and ranking of commercial industrial sites, examples of its use for energy and coal-mining projects.

Originality. For the first time we have proposed the method of commercial industrial sites classification, taking into account the large number of local performance criteria made which were transformed into one global criterion for ranking.

Practical value. We have proposed the method of classification and ranking of sites of industrial enterprises allowing them to identify weaknesses and improve efficiency of e-commerce.

Keywords: e-commerce, corporate sites, classification, ranking

Statement of the problem. Questions “how to categorize a commercial site”, and “what parameters sites must be considered when classifying and ranking them” are among the most important in the performance of market research on the Internet and to determine the priority of search results by keyword.