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LINKEDIN AND ITS IMPACT ON MARKETING STRATEGY IN BUSINESS

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Abstract

In a fast growing society and globalisation is enormous competition between small and medium businesses all over the world. The role of social media for all of them is huge and getting bigger every day. Social media plays very big part of life not just for human beings but also companies and their marketing. This article contains couple important information and research, which is part of article, is made in the period of end 2017 and beginning of 2018. (December 2017 – February 2018). Especially structured interview method were used to acknowledge opinion of companies owners and employees about impact of social media activities, business environment along with a questionnaire to examine social media as “daily bread” for many companies. Data of study were gathered by using few questionnaires with of course different type of questions. A descriptive analysis just showed that usage of social media is important for image of company, relationship with customers or even brand. Recommendations are easy to put forward visible social media and use it more visible for business and entrepreneurs as well. Objectives and goals of the selected research are to show small companies and entrepreneurs how to react on social media. What to do for making profit of social media and how to understand, interact and handle LinkedIn as is platform for hiring people for business.

Keywords: Social media impact, Business, small business, marketing, media, LinkedIn, digitization.

1 INTRODUCTION

Nowadays, world is globalized the geographical and theoretical distance holds less of an importance of the politics, trade and other parts of life.

Business and all companies nowadays inevitably face tremendous challenges, like very big competitive rivalry among existing firms, the unpredictable changes in consumption trends and more sophisticated customer demands. (Porter, 2008)

The social networking sites are very popular. Social media meant as common online servers meant as multi – ranging online social interactions are used by people for many purposes such as writing blogs, virtual video portals, sharing information or even reviews or experiences. It is modern world, which is getting more important every now and then.

Businesses finally started to realize that they should benefit from social media and use them for their profit. They already interact and reach customers and contributing to customer`s experience (Leeflang et al., 2014; Leung et al., 2015; Tuten and Solomon, 2015)

It is known that traditional communication platforms such as radio, newspaper or TV is taken as a old version of communication, people are looking for innovative and cost effective channels which provide customers with high interactivity and individualization (Leeflang et al., 2014). That is mean that social media comprises a number of benefits for the firms brands such as knowledge, engaging customer more, feeling for them, be friendly with customers and act like they are really close to you.

It is not a secret that many organizations are spending too much money in designing their marketing strategy by using social media applications. According to eMarketer issued by 2014 it was obvious that more than 138 billion of dollars were expected to invest in the marketing in United States. It actually looks like very effective role of social media from organization

perspective. It was studied over 15 articles and prior literature about social media and found out effective role of social media for not humans but also companies. (e.g. Hoffman and Fodor, 2010; Kim et al., 2015; Okazaki and Taylor, 2013; Rathore et al., 2016) they found out that firms value can be accelerated by a firm`s marketing effort conducted through social media and their specific platforms.

In comparison with traditional communication channel such as television, radio or even book or newspaper social media are more innovative, progressive and provide customers with individualization. (Leeflang, et, al., 2014)

Using social media have many benefits for the company`s brand such. It can be as expanding the customers knowledge, engaging the new ones, interacting efficiently with other customers etc.

Such as important information to distinguish is the term of social media and social networking. According to biggest source nowadays Wikipedia (2016) is social networking services could be identified as “ an electronic service, application, platform, or site used by individuals who have a common interest, beliefs, attitudes, cultures, or even activities. The other hand says something little different about communication, Wikipedia (2016) the concept of social media as such they enable individual to broadcast as well as to approach more people and more influence on them.

2 THEORETICAL FRAMEWORK

Digitalization is a “new economy” but also technological progress. In macro economy it is very useful term today. It can be talked about driving force that has been determining the direction of marketing in the last twenty years.

The monumental expansion of the Internet is defined by the term “Internet age” as the current age. The economy of the whole world is shaping new technologies, globalization as well as ecological activities.

The digital era according to Kotler (2007) is formulated into four fundamental forces, namely digitization and connectivity (improvement of quality and interconnection) and new forms of resources (internet retailing called e- retailers ") and customization (comes from the word" custom "which in English means individualizing the offer for each customer)

According to Kotler (2007), digitization mainly concerns data transferring. These are smart phones, various digital TVs, computers, laptops or cameras. The most common form of current distribution is the dissemination of information, the sharing of attractions, music and film. The rapidly changing digital world improves the protection of printed documents by connecting them with a so-called plug-in when it is transferred to an electrical form - official documents, press (media), books and magazines.

Thanks to the digital world, channels are distributed and transformed. With this trend, customers are moving to the online environment and online sales are migrating and distribution channels. This trend is more or less interfering with business.

According to Nirmalayi (2008), online distribution of books, games, software and other huge potential has an online distribution, and this is also shown daily in today's world. At present, the most important thing is to replace the robot employee who will work for workers or clerks, according to the Econom magazine.

However, it is important to note the fact that many companies or retailers and entrepreneurs view this trend as a rather temporary issue with many pitfalls. For example, many bookstores and publishers see a chance to revitalize the online store in online sales. However, they add that

direct sales to the end customer are far more specific and without further retail margin. Digitization represents a certain mental change. Companies will have to identify with it, because if it does not, they will come to the end customers and thus to the potential business. According to Hospodarske noviny and Mr. Palisek, the aim of the companies should be to increase the competitiveness of the Czech industry.

Digitization is not an objective, but rather a way to maintain its own competitiveness. According to Hospodarske noviny, "Companies will have to tell if their system works and if their current system allows them to quickly innovate and respond to customer demand."

A key feature of the present era is the digitization of both the product, the production process and the operation of the product. All of this brings together a complete digital image of a product or service that is very important to the end customer, it affects him positively and wants to buy it.

Every company should think about their future in a rapidly changing market environment and whether their existing business models are still working, whether their customers are satisfied and when they need to be upgraded again. Whether their models meet customer needs. Whether their flexibility, the speed of supply to the market, or whether they are in danger of replacing them with another product, correspond to them. Companies must respond to demand.

A digital revolution can completely change the potential of companies and established market rules. According to (IMD) the International Institute for Management Development in the next 5 years will lose market position up to 40 percent of companies that still dominate their industries. Research has analyzed 12 industries among 941 top executives from Australia, Brazil, Canada, China, France, Germany, India, Italy, Japan, Mexico, Russia, the United Kingdom and the United States.

1. Micro – Psychology

According to few different research which were studied were found that most influenced advices are coming from friends and relatives in people`s decisions. (Crotts 1999, Perdue 1993) Advices from people who you like is always trustable, honest and more credible than any other information from marketing advertisings. Nowadays times have changed and people react on changes. They started to trust in buying behavior also "strangers means bloggers. Many people in this world use social media to help people and show their experiences from world as well like travel blogs, restaurant reviews, political opinions, city tours, beauty and fashion tips etc. As an example TripAdvisor currently reached peek of 50 million reviews attracting over 50 million unique users/ monthly (Depeches 2010)

Another services which needs to be mention is Uber or Airbnb. Both of those Internet platforms are unique and specific. One is using car and another is accommodation. Both of them need to have a positive feedback on their pages to get more customers and clients. This business is based on the satisfaction of being helpful to other consumers. Pierce, Kostova, and Dirks (2003) said that it is a desire by the consumer to control through such communications, which can lead to different types of feeling.

Firms, companies and corporations should care about social media more and create firm`s strategic benefit based on customer feedback. Positive and negative comments are feedback external. They can also find their benefits in social media especially if they ad a commenting feature to their own firms webpages. After this act they can manage right away content and comments. Whether we talk about producers, they can produce dividends by unique platforms or chain level. That brand is helpful and increasing their visibility through search engine marketing.

2. Macro - Psychology

(Wasserman and Faust, 1994) understand social network as community of individuals. Those individuals use mathematical models to study own structure, development and evolution as well. Those elements works together they links and connect with each other, interact and together they form a complex graph structure.

Mathematical calculation including following segments:

Betweenness: the extent of a node lying between other nodes,

Centrality: how connected is a node to the network,

Closeness: how one node is near all other nodes in the network,

Density: all the ties in a network in proportion to all possible ties,

Structural hole: the node, which connects other nodes. Those nodes are disconnected without the first node.

Elements mentioned above determine importance position of each individual. The measurement can be used for study of social media or for improving network structure. Social media content is materialization and solidification of the chatter, comments or reviews. The recent emergence of multi dimensional network is crucial in studying. (Contractor 2009)

3. LinkedIn

It's a main platform for searching a job. Known all around the world. Selected literature suggests that "who you know" plays very important role in finding a job but (Granovetter, 2005) deeply disagree with this statement. He is convinced that social media are great for hiring people around the world. It contains quality information, improving trust and you also see another people in this world in the same field online. According to CareerBuilder. Com in 2009 every job position which can be mentioned received more than 75 CVs in average. Social media can in hiring employees, managers and deeply connect with each other. The social network called LinkedIn has a conduit for hiring people and recruit candidates for different types of jobs. In Zlin LinkedIn have around 10 thousand active users. Most of those users are between age of 25 and 35. According to Statistic office from 2016, they made their profile for communication, get professional insights and catch some career opportunities. Fortune magazine (Hempel 2010) brought information that connecting through LinkedIn is more useful than exchanging business cards. According to statistics in Alexa.com (November 2013) LinkedIn is consumed by 4.9 % of daily Internet users, each of them are spending approximately 14.6 minutes/day on average. LinkedIn posted a results from 2015 that real user base in job portal is more than 150 million people spanning 200 countries. People are looking for a job, companies are responding and recruiting potential employees by useful advertising.

3.1 Potential usage of LinkedIn

Internet platform LinkedIn has several ways of usage. Here are few of them.

1. Being contacted by an employer
2. Searching for jobs which are posted and advertised
3. Contacting people who you know in network for leads
4. Contacting recruitment companies (people who hire for job)

Social network seems to be very important and great to have a profile there, anyhow it is not very clear how many people get a actual real job.

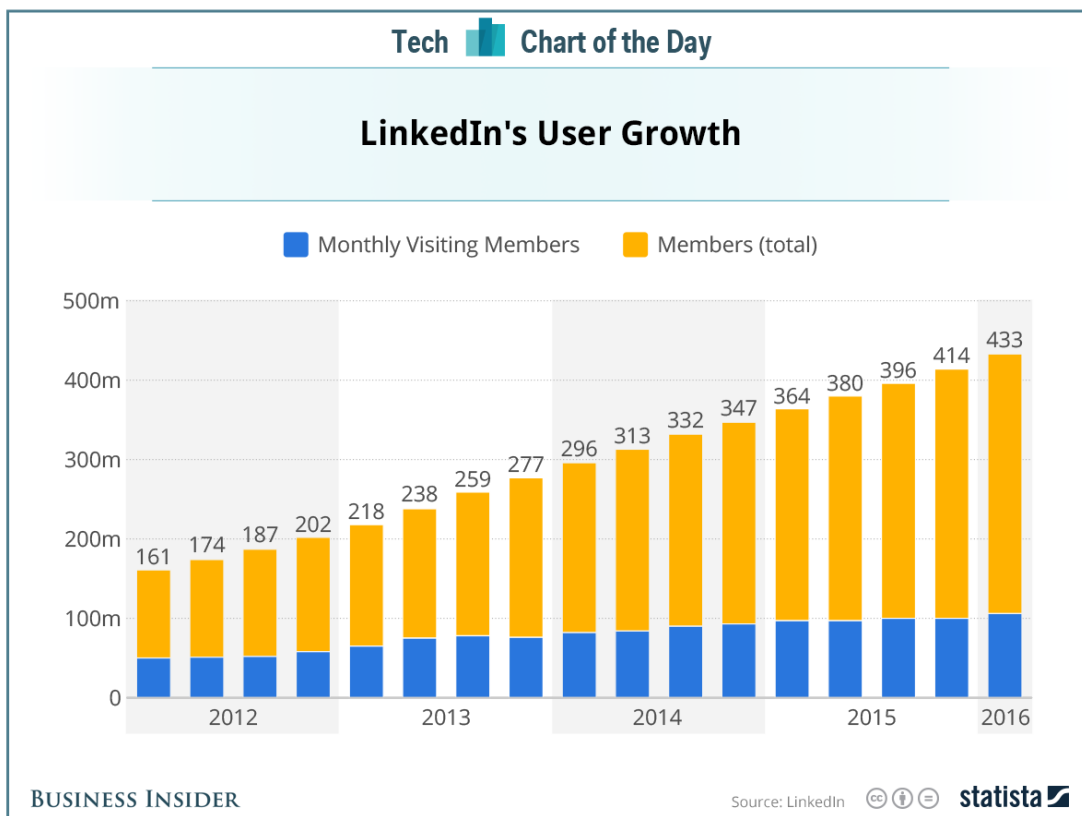
There are many unknown questions but in this topic we would like to seek few main questions.

3 RESEARCH METHODS

The main focus of the current study is on the literature concerned with the implementation of the social media into business and marketing area of selected companies. Therefore, other studies, which have considered the role of social media over different areas such as education, social, politics and management, have been excluded. Also another question, which were asked, is how much selected companies use social network and especially LinkedIn for their profits and need. The research is specialized for small and medium companies around Zlin Town.

As we know, companies' brand for small and medium businesses is one of the most important. Whatever it is talked about doctors, real estates agents, investors or politicians, your customers. Many companies realize that social media are important for their future potential customers. Profiles are poor with pictures; they have irrelevant content or even unattractive descriptions of experience and skills. The table below shows how much serves LinkedIn is used according to Statista.

Table no.1 Generally LinkedIn User Growth till 2016



(SOURCE, STATISTA, 2018)

According to latest news in web server Statista, even owners of small businesses already know that using social media is important for their future in business all around the world. According to graph it is visible that the importance of LinkedIn is still growing and company is having more members.

It is known that social media LinkedIn which is specialized for their professional profile. It is also an excellent centre for marketing communications.

It is also the largest professional social network site in the world; it was designed for professional networking, job seeking, hiring people and recruitment.

Table no. 2 aims survey to LinkedIn profiles of 50 data managers from various companies in

Zlin city. Question was whether they use profile and how which type of reasons. The search was conducted as the end of 2017 and beginning of 2018 in filtered specific location. All the information were conducted and adapted by Todd`s PA coding scheme. Other features were used and categorized by Kim JY and LEE CK, 2016 method.

Table no. 2 Flowchart for methodology of the study



4 OBJECTIVES AND RESEARCH QUESTIONST

4.1 Objectives

The study sought to fulfill the following objectives:

1. To identify whether small and medium businesses use social media for some purposes
2. To determine how much is used LinkedIn as part of marketing is selected companies.

4.2 Research questions

The study was guided by the following research question:

1. What is the reason why small and medium businesses around Zlin City use social media in their micro economy?
2. Do they use server LinkedIn often to hire people or are they still following traditional way?

5 METHODOLOGY

5.1 Data collection

This study was made by quantitative approach. Data was collected in the end of last year 2017, it was made by using questionnaires in 5 small and medium businesses around specific area Zlin City, questions were aimed at seeking their views and reasons of using social media in companies. Questionnaires distributed and collected using social networking site LinkedIn that is used especially as professional profiles for companies. The author assessed the target group of companies such as Slevici, Svoboda & Brezik bakery, Dary Kraje. Kafo, Kafe na kole. Duration of gathering data was 3 months.

Managers and the lead specialists of the five small businesses were interviewed. Survey participants understood social media very well and said they use them and paying attention for new trends of digitalization. All of those companies are new with innovative people inside of business.

5.2 Data analysis

Data were obtained from respondents by computer and analyzed by using descriptive statistics namely, percentage and frequency.

6 FINDINGS AND DISCUSSION

In this section is discussed the findings of the three months study based on small businesses and using LinkedIn server as a way of hiring people, also whether people trust in social media in companies. The research based on selected questions. They are as follows.

6.1 Reasons why to use Social Media in business, here in table no.1

Table 2: Reasons for usage of social media at work

Numbers	Reasons	N	Mean
1.	Finding new customers	5	3.2
2.	Talking with loyal customers	5	4.2
3.	Building relationship with all customers	5	4.5
4.	Talking with colleagues	5	3.1
5.	Talking with family and friends	5	2.1
6.	Kill the boredom at work	5	2.0
7.	To create new network	5	4.0
8.	To strengthen networking	5	3.5
9.	Others	5	2.4
10.	Watching news and etc.	5	1.9

The table no. 2 above describes the reasons why selected people in Zlin region use social media. The questionnaire asked using social media especially at work. There were given 10 reasons as it is seen above. The most used reason in questionnaire as we can see is “building relationship with all customers”, another most frequent answer was “Talking with loyal customer” and for example less favored reason to use social media at work was watching news and other reasons.

6.2 4.2. How much do companies use LinkedIn especially for hiring people

Table 3: Usage of LinkedIn in companies

Time	Companies	Percentage
3 months	5	40%

Table no. 3 is very easy and quick to read. The fact is that the question, which was given to 5 companies, was very simple. Most of the answers in questionnaire answered that they look at LinkedIn but don't hire people from there. They also check their profiles. But just 40 % of asked said that they hire people from LinkedIn or contact them.

6.3 4.3. Discussion

Marketing principles are established with visibility and urge message to be in real business by using social media. Small businesses and companies are making a big effort to survive in today's world. The companies are balancing in the finance site of company and governmental as well it is hard for small entrepreneurs to stay motivated in the jungle of huge businesses. The study and findings are similar as Nylander and Rudstrom that says that social media are good to find new clients and contacts for potential new business. It is 21. Century everything is new and everything you can buy online. Other than a mere percentage usage for fun, the two most important usage of social media is to get visible and have a more clients, stay number one on business and compete with others. That is why companies need to have perfect portfolio and build up the networking.

Internet server LinkedIn is very known all around the world. People using it not even get to know other people but also hiring new employees. This trend is still not that huge as in the world. In Zlin people still using different style of communication. According to this research people rather go and get some people from school or from advertisements. They don't check LinkedIn very often, it can be said that people in Zlin are still very conservative than younger generation.

The world is getting more innovative and Czech people are trying to follow some news as well. As asked people from questionnaire said young generation so called "millennials" are heading and following new trends. But it will take few more years to use LinkedIn more often than it is used.

According to few different research and studies Kuhn and Skuterud 2004 says that internet searchers and platforms for searching jobs with low cost job might value of a job seeker. It might be assumed as Internet applications for every kind of job posting, whereas the print media offer more to application and results in few applications to higher number of job interviews. It can help in interviews vs. applications like it was few years ago when we needed to apply for positions by mailing a resume and cover letter.

7 CONCLUSION

This specific study has provided an overview of how much people from Zlin city, Czech republic uses social media and especially LinkedIn, which is media specialized especially for business, companies and profiles oriented to hire people. The study concludes that selected small businesses around town and entrepreneurs trust the social media and see potential in digitization and social media and their background. Overall, it can be concluded that social media is still not widely and wisely used and trusted in small businesses in Czech republic. It is proved that small and medium businesses still not using social media properly and that is why they are not making too much effort on LinkedIn profiles. This very little research were collecting initial data by using a sample form a representative city Zlin in the Czech republic.

There is several recommendations to make social media in business and companies more visible and hiring people from LinkedIn more often than how it is now.

1. Guidelines in using social media for small businesses. This will help entrepreneurs in trusting and have some proper use of social media and their business purposes.
2. Every company can have their people more searching online and finding new potential colleagues.

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