Modeling and Adoption of Social Media Marketing in Small and Medium Firms in North-Eastern Bosnia and Herzegovina

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Abstract

The purpose of this study is to research whether the market in Bosnia, with the focus on North-Eastern Bosnia and Herzegovina, requires efficient social media marketing. The aim is to develop a way of promoting goods by social networks and small percentages of firms that are trying to develop an efficient way of promoting their goods by social media. Researchers found that brand awareness, website traffic, customer satisfaction, positioning, and youth population are the key factors for research. The adoption process of social media, At the end through the theoretical framework and results gained, study will help to identify which organization will or can adopt social media marketing as an improved way of their company.

Keywords: Bosnia and Herzegovina, Social Media, Adoption, Model, Company

Introduction

Have you had a good conversation lately? What do you remember about it? Who you enjoy having conversation with?

Conversations require people, and the purpose of social media is to empower adenosable conversations digitally (Chris Brogan, 2010). Considering the recent recession, firms tried to develop new cost-effective marketing strategy. Strategy was all about social media, phenomena with remarkable advantages in business area. Social media refers to online communications that are participatory, conversational, and fluid. These communities enable members to produce, publish, control, critique, rank, and interact with online content (Tracy L. Tuten, 2008). Social media marketing offers the onelargestchance for entrepreneurs, small businesses, medium companies, and large corporationsto build their
brandsandtheirbusinesses. The “social” in “Social Web” implies more than technology, more than the network where people post photos and review books: It’s less about the “what” and more about “how, why, and among whom” that distinguishes the Social Web from earlier, transactional online technologies (Dave Evans & Jake McKee, 2010).

Due to its particularly cost-reducing effects, it’s considered that it has become the most preferred marketing driver among businesses environment under economic turmoil. For this reason, firms have preferred to employ social media as the best way to reach their customers after the global recession, asthe recent economic crisis. Research about the issue also shows that both small and big firms have allocated more resources to social media (A. Kazım Kirtiş, Filiz Karahan, 2011). Pandemic of the social media and networks based on Web 2.0 didn’t miss the Western Balkans, orthecountries in transition, primarily Bosnia and Herzegovina, which, considering the population, can boast the highest third inhabitant is registered on the planetary popular Facebook, YouTube, MySpace, Twitter, Hi5 and others social networks. Media also have their supporters, and it is not unusual that a tone person has more profiles (accounts) on several social media at the same time (Sej Husejniefendic, Mirza Mehmedovic, 2011).

At the beginning of this study, relevant literatures including articles, books, and internet were reviewed. Based on that literature review, researcher developed a model of five stages including awareness, interest, evaluation, trial, and adoption (or rejection). Those stages will be tested through results from survey. Survey is consisted of three parts: identification of the social media use in northeastern BiH, perception of the employee on the effect of social media and the demographics part. It is consisted of 18 questions. Part two consists from 5 questions that include variables chosen in the research for final outcome and possible adoption of social media. Those variables are already mentioned in abstract section, brand awareness, brand positioning, customer satisfaction, and website traffic and youth population effect. Finally, data analysis will be provided based on research framework, then findings and conclusions at the end.

**Literature Review**

Ultimately, everything social media enables is a new form of word of mouth. And word of mouth trumps most other forms of communication in influence. Many purchase decisions and opinions. For brands, social media is an imperative way to embrace, in any way they can, the power of word of mouth (John H. Bell, 2009). A major dilemma in the use of social media is where to position in the organization. Does it belong to marketing? Customer service? Or is this a strategic issue? Most models for implementation of social media are step by step models. Forrester research has developed method to carefully setup social media in an organization. Forrester (POST) model is four-step approach to the social strategy which represents people, objectives, strategy and technology. It's time to stop doing social because it's cool. It's time to stop doing it because it's effective (Josh Bernoff, 2007). How can organizations develop effective, rather than just 'shiny', social media ideas? In response to the demand of planning and evaluating social media campaigns, Leo Ryan developed a framework for managing this. KUDOS is the acronym that represents knowledgeable, useful, desirable, open, and sharable. Lon Safko and David Brake (2009) describe the ACCESS model in their book *The Social Media Bible – Tactics, Strategies, and Tools for Business Success*. The model can be described as a guideline for setting up and implementing a Social Media Strategy. Then mnemonic ACCESS
standsfor Audience, Concept, Competition, Execution, Social Media and
Sales Viability. OASIS framework is also one more interesting, which stands for
define your objectives, know your audience, develop a strategy, plan the
implementation and think about sustainment (Patrick Mason, 2008).
Indiscussions about new media, you will often hear the division of media opportunities as Paid, Owned, and Earned media (P.O.E.M.). Brian Solis (2011) studied the various
categorization of media from a few perspectives, 1) that of traditional, content creation, owners, budgets, and metrics, 2) how social networks cater to consumption and sharing, 3) how progressive businesses are approaching content strategies in social media and how they’re
rethinking departments, intentions, metrics and budgets, and 4) also, how media opportunities are packaged and sold by each network and who’s buying them and why. He found that media isn’t limited to the three groups, but instead categorized into five key segments: Paid, Promoted, Owned, Shared, and Earned.

For this study, the framework for exploring firm’s acceptance of the social media is the Adoption Process. It is often assumed that the consumer or in this case firm or organization moves through five stages in arriving at a decision to purchase or reject a proposal. Those five stages are awareness, interest, evaluation, trial, and adoption (or rejection). Researchers reviewed all frameworks and benefit from them. Yet, he used five different variables which could possibly give a final step answer for the northeastern firm’s usage of social media marketing. Variables are respectively Brand Awareness, Brand Positioning, Customer Satisfaction, Website Traffic and Youth Population.

Research Method

Researchers will use survey methodology to explore adoption of social media marketing in the northeastern Bosnia and Herzegovina. Survey methodology is chosen because of novelty of social media marketing in firms in Bosnia and Herzegovina. Purpose of the study is to get some insights about usage of social media in firms, and to find out employees’ basic perceptions about the use of social media in this specific region.

Survey is consisted of three parts, 1) identification of the social media use in the northeastern BiH, 2) perceptions of the employees on the effect of social media (brand awareness, brand positioning, customer satisfaction, website traffic and youth population), 3) demographics and company specific questions. Survey has 18 questions, 10 of them are open-ended questions, 3 of them are multiple-choice questions, and 5 of them are closed questions, formed upon Likert scale with endpoints 1—strongly disagree to 5—strongly agree. Survey is distributed personally by the researcher, to the employees of these firms in the northeastern BiH region. Survey is anonymous. Sample collected are 206 correct answered surveys.

After data is collected, it is entered into the SPSS (software package used for statistical analysis) and analyzed.

General Findings

This section will provide a statistical overview with the terms of usage of social media, type of benefits from social media, perceptions of the employees on the social media usage and the demographics part in percentage. The survey participants at the beginning are asked twological
questions, whether their firm uses social media, and whether they personally use social media. From the sample of 260 employees from different firms across northeastern region of Bosnia and Herzegovina, when they are asked: “Does your firm use social media?”, 64.1% of the participants answered positively and 35.9% answered negatively. And when they are asked: “Do you personally use social media?”, 74.8% answered positively and just 25.2% answered with a negative outcome.

When those participants with positive answers on the question whether their firm uses social media, needed to answer the more questions: “How long does your company use social media?”, 45.5% answered that their firm uses social media for one or less than one year, 49.2% answered that their firm uses social media for about two years, and just 5.3% answered that their firm uses social media for about three years. Second question was: “Approximately, how much hours do employees spend using social media a day?”, and the participants answered by following the ratio, 36.4% answered their employees using 0-5 hours of social media, 49.2% answered their employees using 5-10 hours, and 14.4% answered for 10-20 hours of social media for their employees.

One of the most important questions of the survey for those employees whose firm uses social media was: “Did your firm have benefits from social media”, and the ratio was 27.3% answered that their firm had significant benefit from social media, 67.4% answered that their firm had benefit and only 5.3% answered that their firm did not have benefits from social media. Result shows that employees agree that their firm could have further benefit, but they are quite unsure about significant improvement in marketing by help of social media.

Goal of the part two of the survey was to identify employees’ perceptions about 5 variables mentioned before in the research method section: “Using social media through social networks has significantly improved brand awareness”, 60.7% of participants answered they agree with the statement, 14.6% answered by strongly agree, 19.9% were not sure about it and only 4.9% disagreed with the statement. “Use of social media gives advantage in positioning brand market over the competitors”, 27.2% of participants strongly agree, 47.6% agree with the statement, 20.9% were unsure, and only 4.4% of participants disagree with the statement. “Use of social media allows firms to list customers more frequently”, 49.0% of participants agreed with the statement, just 3.9% have answered strongly agree, 37.9% are unsure about the statement, and 9.2% of the participants disagree with the statement. “Using social media through social networks, blogs, YouTube and other social networks increases website traffic”, 47.6% participants agree with the statement, and just 4.4% of the employees strongly agreed, 34.5% were unsure, 13.1% of the participants disagree and 0.5% did not answer strongly disagree. “Youth population using social media through social networks could freely talk about their ideas, with using their pure youth creativity and in that way help firminachieveing and approaching new ideas”, 50% of the participants did agree with the statement and just 3.4% of participants strongly agree, 29.1% of the participants were unsure about the statement, and 16.5% did not answer with disagree on the statement. 1% of the participants answered strongly disagree.

When we take a summary from part two of the survey, in general, employees agree that social media improve brand awareness and brand positioning, over the competitors, but when it comes to customer satisfaction, website traffic, and youth population effect, specific in survey question, employees have different opinions. About 50% agree or strongly agree that these benefits on these
threearrivalus, butagainthereislotofemployeesthatare notsure aboutefficientbenefitfrom social mediabased on those threearrivals.

Part three gives us demographics and companiespecific questions. 61.7% of the participants were male and 38.3% were female employees. When it comes to age structure, the most common age group was 26-33 with 32.5% of the employees, then 34-40 with 28.2%, then 41-50 with 14.6%, and thereafter respectively 50+ with 12.6% and youngest groups of the employees 18-25 had 12.1%. Education part provide respectively results. Employees with the finished High School was a common two answers with 56.3%, then College group with 40.3%, and then respectively Phd with 1.5%, Master and Elementary with 1% of the participants. Type of business section had following results, the most surveyed employees work at the wholesaler or retailer with 38.3%, then by the descending percentage, go to tourism 15.5%, “Other” than 6 business offered in the survey with 17.0%, construction 12.1%, catering 8.3%, agriculture 4.9%, and health and social work 3.9%. And the last question was annual turnover of the firm, results are following:

500,000-1,000,000 KM 38.3%, 100,000-500,000 KM 34.5%, 1,000,000-3,000,000 KM 12.1% and 0-100,000 KM with 1.9%.

In the conclusion part researcher will use the results from the survey to test the 5 stages of adoption process.

Conclusions

The purpose of this study was to identify use of social media and the perception of the employees in the firms of northeastern BiH region on the effect of social media. However, the sample of the surveyed employees is rather small to present huge factor in adoption process, but it will provide some useful insights for further research.

Depending on the results from the survey 64.1% of the firms use social media in one way or another and the 74.8% of the employees personally use social media, which represent every third participant uses social media. First stage of adoption process, awareness represents whether firms are aware of the social media affect on the modern world. Our results show that firms are using social media about 49.2% for 10-20 hours a week and 36.4% for 0-5 hours a week. Adding to that, employees perceived social media which represents huge factor in identifying brand awareness. According to those results, first stage awareness is obviously represented in the firms of this region.

Interest stage according to the results from the survey is increasing and becoming more adopted. Results show that three years ago only 5.3% of the firms use social media, and then the next year additional 49.2% of the firms started using social media. In the last year, another 45.5% added social media to their firms as a way of marketing.

Awareness and interest stage provide platform for evaluation stage which could immediately take us to the end of the process by rejection, depending on the results. In this study that was not the case. Evaluation stage is more complex to the first two described. When participants of the survey were asked whether their firms benefit from social media, the answer was very positive, and 27.3% had an opinion that the company benefited significantly, and another 67.4% answered their firm did have benefit. According to those results, the evaluation stage is positively related to the
adoption process.
When in the most trial stage, once again need to be evaluated before the final stage of adoption. According to the findings from the survey, most of the firms are getting in touch with the social media in the last two years. So they are yet to fully adopt it. We can approve those 84.7% firms surveyed, which started using social media through the last two years, as a trial stage all long. When participants are asked: “for what purposes does your firm use social media”, the most of the answers were for promoting firm. Then thoughts are combined in customer care, networking, and creating company name, but it is much less than the answer for promoting the firm. Several firms answered their purposes for use of social media via employing the workers. Summing up the findings, firm has a significant benefit from social media according to all variables contained in the survey could adopt social media marketing as an improved way of marketing.

Employees are very satisfied with the benefits social media approved to their firms, at least those which firms are using social media. When they are asked: “in which way firm had the most benefit”, employees were very common about nothing, customers are communicating with the firm more frequently and easier. They were also positive about reducing the cost, and improving overall productivity with minimum requirements.

To sum up, employees are very content with the social media effect on their firms. According to the findings on the brand awareness and brand positioning, most of the employees agree social media has a positive effect on those variables. Findings on customer satisfaction, website traffic and youth population affect the least positive, but yet enough positive, to approve the adoption of the social media marketing to the firms.

All stages are positively related to the use of social media marketing, but yet because of novelty of the study in this region, these findings provide useful insights for future research. Model presented in the study will be further developed and improved in the future study which will apply more than one research techniques for more important results.

References


**Appendix A – Survey Questions**

Perceptions of the Employees on the Social Media Effect in the Firmin Northeastern BiH

**First Part:**

1. Does your firm use social media?
   - Yes
   - No

2. Do you personally use social media?
   - Yes
   - No

3. Which types of social media does your firm use?
   - Facebook
   - Twitter
   - LinkedIn
   - YouTube
   - Skype
   - Google+
   - Other

4. How long does your company use social media? (number represents years)
   - 1
   - 2
   - 3
   - 4
   - 5+

5. Approximately, how many hours does employees spend using social media?
   - 0-5
   - 5-10
   - 10-20
   - 20-30
   - 30+

6. For what purposes does your firm use social media?
   - Promoting firm
   - Creating firm name
   - Networking
   - Employment
   - Customer care
7. Did your firm have benefits from social media?
   - It had significant benefit  - It had benefit  - Didn’t have benefit  - It had negative effect

8. In what way did your firm have the most benefits?
   - Customers easily communicate with the firm  - Improved overall productivity
   - Reduced costs  - Increased website traffic  - Improved reputation of the firm

**Second Part**

9. Using social media through social networks has significantly improved brand awareness of the firm
   - Strongly disagree  - Disagree  - Not sure  - Agree  - Strongly agree

10. Use of social media gives an advantage in positioning brand on the marker over the competitors
    - Strongly disagree  - Disagree  - Not sure  - Agree  - Strongly agree

11. Use of social media allows firms to listen to customers more frequently
    - Strongly disagree  - Disagree  - Not sure  - Agree  - Strongly agree

12. Using social media through social networks, blogs, YouTube increases website traffic
    - Strongly disagree  - Disagree  - Not sure  - Agree  - Strongly agree

13. Youth population using social media through social networks, could freely talk about their ideas with their pure youth creativity and in that way help firms in achieving ideas
    - Strongly disagree  - Disagree  - Not sure  - Agree  - Strongly agree

**Third Part**

14. Gender
    - Male  - Female

15. Age
    18-25  26-33  34-40  41-50  50+

16. Education
    - Elementary  - High School  - College  - Master - Phd

17. Type of Business
    - Wholesalers and retailers  - Construction  - Agriculture  - Catering  - Tourism  - Health and social work  - Other

18. Annual turnover of the firm
    0-100,000 KM  100,000-500,000 KM  500,000-1,000,000 KM  1,000,000-3,000,000 KM  3,000,000+ KM