THE IMPORTANCE OF SOCIAL MEDIA

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Abstract

Recently, social networks have attracted considerable attention, not only as an important research topic, but more significantly, as a core and ubiquitous means of digital and virtual communication for billions of users worldwide [2]. Since the rise of the Internet in the early 1990s, the world’s networked population has grown from millions to billions. Over the same period, social media have become a fact of life for civil society worldwide, involving many actors - regular citizens, activists, nongovernmental organizations, telecommunications firms, software providers, governments etc. [12]. Social media are online platforms that facilitate global collaboration and sharing amongst users. It include websites and other online tools (called social networks) that enable people and organizations to get, create, and share content by interacting with others about topics of common interest [1]. Examples of social networks include Facebook, Twitter, Instagram, LinkedIn, YouTube, and more. This paper aims to highlight the impact that social media has on both the population and the business environment. Social media is transforming the way business are carried out, recent studies showing that a huge part of the consumers would be more inclined to buy more often in the future because of a brand’s presence on social media.

Keywords: Internet; Internet communication; social media; social networking; Facebook, YouTube, Instagram.

Clasificare JEL : M30, M31

1. Introduction and context of the study

Information Technology has been a driving force of the globalisation process. From the early 1990s, technological advancement facilitated individuals’ access to information and economic potential [24].

Global interconnection is what distinguishes the Internet from any other means of communication, a medium that allows people to communicate and interact with one another, regardless of physical proximity [14].

Mass communication impacted the modern society in a way never imagined taking into account that the advent of television followed by the emergence of the Internet combined with the digital technology development completely changed the global communication landscape [7].

According to Global Digital Report 2018, made by We Are Social and Hootsuite, the number of internet users worldwide in 2018 is 4,021 billion, which means that over half of the world’s population now uses the internet. Also, the report shows that more than 3 billion people around the world now use social media each month, and almost all of these users accessing their chosen platforms via mobile devices.
Social media has become a vital part of everyday life for people round the world, and it is also increasingly used by companies as part of marketing, customer service, research, and development strategies.

Businesses can promote products and services, provide instant support, and/or create an online community of brand enthusiasts through all forms of social media such as social networking sites, content communities, virtual worlds, blogs, microblogging sites, online gaming sites, social bookmarking, news sites, forums and more [13 – 5].

2. Characteristics of Social Media

Social media is a phrase being tossed around a lot these days, but it can sometimes be difficult to answer the question of what is social media.

The best way to define social media is to break it down. Media is an instrument on communication, like a newspaper or a radio, so social media would be a social instrument of communication. [25]

Social media are online platforms that facilitate global collaboration and sharing amongst users [3].

Safko and Brake describe social media as “activities, practices and behaviors among communities of people who gather online to share information, knowledge, and opinions using conversational media”.

Social media is a very broad term, which describes a set of technologies and services that make self-publishing online easy, and which often allow the consumers of such media to interact. The term encompasses blogs and social networks, which include Facebook, Twitter, Google+, WordPress, YouTube, MySpace etc. These services hold the reins of the so-called ‘social networking’ and are often seen as a step towards democratizing access to media production and publishing [6].

The social network is a social structure made up of people with common goals (network of students, politicians, thieves). These social networks are part of a relatively new global phenomenon called Web 2.0 [4].

The virtual social space induced by the Internet is also known as virtual society. The social impact means reporting the phenomena and the virtual relationships to the society, pointing out various manifestations of the social: community groups, networks, forums, organizations, all virtual. There are also a number of interpersonal, societal, communicational, economic and cultural interactions [9]. The virtual community has some common characteristics with the real one: the interaction, common purpose, identity and belonging, a set of unwritten rules and regulations, rites and rituals, specific forms of expression, openness and accessible.
Typically, a social networking website features the following essential components [Helman & Peng (2010)]:

- profile in identifying the user, background and preferences,
- list of friends or connections,
- network information,
- the ability to provide updates, add content and interact with other within the personalised network.

Social media bear incredible impact on people’s online behaviour; how they search, play, converse, form communities, build and maintain relationships; and how they create, tag, modify and share content across other sites and devices. The social media services have irreversibly penetrated the markets, while new business models emerge “where firms blend unique technologies and business models to build competitive advantages” [11].

### 3. Highlights on Social Media worldwide

Social media has changed the way people communicate and how they connect with others. The numbers speak for themselves: in October 2018, Facebook had 2,234 billion monthly active users, YouTube had 1,9 billion, WhatsApp had 1,5 billion, Instagram had 1 billion and Twitter had 335 million monthly active users.

![Number of active users in millions in October 2018](http://www.statista.com)

Taking into consideration that Facebook, Twitter, YouTube, Instagram and LinkedIn are the words you hear when people talk about social media, a person could easily think that social media is all about these names. But in fact, it is not. As Holloman (2012) said, social media is more expansively “what people do with the technology, the software, the tools and channels: sharing pictures and video, writing product reviews, collecting content, connecting with old friends, sharing with new friends, collaborating in the workplace”.

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"ACADEMICA BRÂNCUȘI" PUBLISHER, ISSN 2344 – 3685/ISSN-L 1844 - 7007
Social media is a trend that has increased dramatically over the years and it’s clear it won’t be disappearing overnight. Comparing national and international statistics, I managed to realize a comparative analysis between the usage of social media globally and in Romania.

Below are some of the basic information that help us get an impression regarding the importance of social media worldwide.

As we can see in (figure 3), the social media penetration rate in America is 64%, which means that are 648 millions active social media users, and in Europe, the penetration rate is 53%, with 448 millions users. The global number of people using social media has grown by 13% in the past 12 months, with Central and Southern Asia recording the fastest gains (up 90% and 33% respectively). Saudi Arabia has posted the fastest individual country growth rate at 32%, but India is only just behind, with 31% annual growth in social media users [15].

Regarding the time spent on social media, Filipinos spend the greatest amount of time, with the average user in the country spending almost 4 hours on social every day. They are followed by Brazilians with 3.5 hours, Indonesians with 3.3 hours and the Thais with almost 3 hours. The least time spent on social media is in Japan (under 1 hour), South Korea and Germany (around 1 hour).

The latest insight from the comScore panel in their 2018 Global Digital Future in Focus compares the popularity of social networks by share of time (for December 2017).
Facebook is the clear leader when examining the distribution of minutes between four key social networking apps, particularly when combining Instagram into its overall share [24].

With Facebook having the most daily active users compared to other social networks it’s important to know how content may potentially perform and what features to use to optimize the reach of content.

There is a 10.7% average post reach vs page like and 26.8% average paid post reach vs total reach. Facebook is a great social platform for organic and paid opportunities with a huge potential reach. Another interesting fact is that video post has the highest average engagement rate, which means that video will be more important for social media content marketing than ever.

Knowing how to behave / post on social media is very important as this is reflective of a brand personality and consequently influencers social uses to buy or unfollow! Social media is increasingly being used as a customer service platform where customers and potential customers want answers quickly and in real-time.
Figure 7. Brand actions on social that prompt consumers to purchase (2017)

48% of the social media users would be prompted to purchase products if brands would be responsive, and 46% if they offered promotions. Only 27% of social media user respondents will be prompted to purchase products after seeing behind the scenes content shared on brand social pages. 51% said that they would unfollow brands on social media if they posted irritating posts and 27% said they would mark/report the brand and page as spam and block them [15].

Social media marketing is increasingly being used in business to attract attention and gain website traffic. An examination of the digital marketing spending in the U.S. from 2014 to 2019, broken down by segment reveals that social media is an area of marketing which will receive heavy investment in the future. In 2014, spending on social media marketing in the U.S. totaled approximately 7.52 billion U.S. dollars. By 2019, this figure is expected to rise by almost ten billion to 17.34 billion U.S. dollars [23].

According to the report "Social Media for Associations", 2014, published by Kellen Company, three-quarters (77%) of associations surveyed in the U.S. say that the primary person responsible for managing social media spends 10 hours or less on social media activity each week while one-fifth (21%) spends more than 10 hours on social media activity per week. In Europe, 85% of respondents spends 10 hours or fewer on social media activity each week and just 11% spends more than 10 hours.

Figure 8. Time Dedicated to Social Media Activities
(Source: http://www.kellencompany.com)

The top reasons given by the U.S. associations for using social media are communication and engagement with site users (89%) and recruitment of new members for their organization (65%). One-fifth of Kellen’s U.S. contacts say that their organization uses social media to take part in the online debate on specific issues (22%) and for crisis communication (20%). In Europe, the key uses for social media are communication and engagement (72%), information gathering (60%), influencing key opinion formers (49%) and taking part in online debates (43%).
By and large, most of the associations surveyed both in the U.S. and in Europe say that they are unsure of the effectiveness of their organization’s social media efforts in achieving their business objectives, giving a score of 3 on a scale where 1=not at all effective and 5=very effective.

In 2018, social media for business will be a force to be reckoned with. Taking into consideration the numbers listed above, it’s more important than ever for businesses to have a stake in the market. According to Infusionsoft, these are some of the most important statistics about social media marketing and advertising for 2018 [26]:

- 71% of small businesses plan to use social media content to attract new customers in 2018;
- 75% of small business owners will include Facebook in their social media strategy, 37.6% plan to include Instagram, 35.1% plan to use Twitter, 22.8% plan to use LinkedIn and 21.4% plan to use YouTube;
- 67% of consumers use Facebook and Twitter to find a resolution to issues, and 1 in 3 prefer customer care over social media to telephone or email;
- Customers spend more money (20-40%) on brands who engage directly with them on social media;
- Most common reasons people follow brands on social media:
  - An incentive (e.g., sweepstakes, discount, gift card);
  - Because their friends, family, or colleagues do;
  - For direct communication to brands for customer service needs;
  - Having seen the brand’s social media icon (e.g., in email, on website, print ad) during an interaction;
- 82% of all consumer internet traffic will be from video, as live, recorded, and video ads are already rampant across almost all social media platforms.
4. The Impact of Social Media in Romania

According to Digital in 2018 in Eastern Europe Report, the number of internet users in Romania in 2018 is 13,74 millions, which means a penetration rate of 70%. Also, the number of active social media users is 10 millions, respectively 51% of the population, and almost 9 millions users are accessing the platforms via mobile devices.

![Figure 11. Digital in Romania in 2018](image)

Regarding the popularity of social networks in Romania, the figures shows that Facebook has 10 millions active users, which means that every active social media user in Romania, has an Facebook account. Youtube has 862 thousands users, Instagram has 1,1 million users and Twitter has 378 thousands users [27].

![Figure 12. Facebook active users in Romania in 2018](image)

The average Facebook reach is a 21,9% average post reach vs page like, and 28,8% of pages using paid media. Concerning the engagement rates, things look different in Romania in comparison with the worldwide statistics, photo post has the heist average engagement rate, followed by status and video posts.
Social networks have entered the marketing and communication mix of the companies for many years. In the last 7 years, social media transformations have been steady and extremely dynamic. Businesses of all sizes have boosted marketing through social media platforms, and their number has increased from year to year.

From the "Like & Share 2017" study on social media marketing within Romanian companies, conducted by Valoria, it appears that 80% of companies recognize the efficiency of marketing within social networks. Also, 63% say that social media is an effective channel for creating sales opportunities, but only 3 out of 10 use social media for sales.

If four years ago, 22% of companies have questioned whether to include social media in their marketing plan, now only 5% still have a certain type of resistance to this approach. Specifically, 87% of Romanian companies say they use social networks in marketing, and 8% say they will start using them in the next period.

According to the study Social media and the Romanian business environment made by TotalSoft and EY Romania, in 2014, 58% of the companies used social networks to promote the company and they plan to use them further (down from 78% in 2013), while 28% of them said that they didn’t use them, but they intended to in the next period (percentage increasing from 22% in 2013).
As Eze et.al [8] suggested, the adoption of ICT by SMEs “is not constant, straightforward and certain; instead it is a dynamic, interactive and an ongoing process”.

The most frequently used platforms for social media marketing in Romania are: Facebook - 96%, LinkedIn - 70% and Youtube - 44%, while for sponsored ads are: Facebook - 81%, Google - 50% and LinkedIn - 14% [19].

As we can see above, the content that touring companies most often offer to its followers is about campaigns and promotions. Telecommunications companies post information about the company and the available jobs. Those in the banking industry mainly provide information about their products and services, as well as those in the pharmaceutical, construction and industrial production sectors.

Research results show that 37% of Romanian companies have daily posts on social media channels, 31% every 2-3 days, and 27% have a weekly posting, the weekly time spent for promoting the company in most companies in Romania being maximum of 1-5 hours.

The main three benefits of social media marketing in Romania are: increasing the company's notoriety - 84%, increasing market exposure - 57% and generating sales opportunities - 50%.

Each of the industries analyzed in "Like & Share 2017" study, has a different mix of
benefits that companies extract from social media marketing. In energy/utilities, on the first place are on equal terms, increasing the company's notoriety and improving communication with employees. The sales growth is best represented in the industrial production sector, and the reduction of the marketing expenses in health.

5. Conclusion

The ever-increasing power of social networks has been studied excessively. What is widely accepted is that social networks mobilize people worldwide and redefine practices around the globe [6].

As social media becomes more and more present in our life, this paper shows us the impact of this phenomenon globally and in Romania. The growing number of social networks users and the number of companies that adopt social media in their communication policy, make this environment a dynamic and challenging one. For example, company information has evolved from simple images with company logo and text message that justify posting, to 360° video posts, live streams, and more dynamic visual contents (augmented reality).

Social media in Romania is growing but, although we are on the good track, most companies have not yet reached the stage of integration of social media tactics in their marketing plan for achieving the strategic goals of the business. However, there is a great potential, therefore on a long term any company or industry will be influenced by social media.

The most used social network in Romania is Facebook, followed by LinkedIn and they are used by most of the companies from Romania for communication and marketing.

Acknowledgment

The authors acknowledge the financial support for the preparation of the article from the Association for Research, Education and Development (ASCED – Asociatia pentru Cercetare, Educatie si Dezvoltare).

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