

## **POSSIBILITIES OF APPLICATION OF FACEBOOK SOLUTIONS FOR BUSINESS IMPROVEMENT OF SMEs**

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### **ABSTRACT**

As well as large corporations, small and medium-sized enterprises (SMEs) largely rely on their marketing activities. An important part of any business is making sure to get the word out about the company, and its products or services. New tools, where social networks, including Facebook, also belong, are changing the business environment to which we have become accustomed. Facebook is not used only for games and wall posts. Thanks to its application platform, Facebook has become a viable place to accomplish solid business objectives. The key is in relationships. Web 2.0 has enabled companies to connect with social networks where their customers and business partners also belong. It gave them a two-way communication and eliminated geographic restrictions, so they can do their business on the global level. Information technologies also allow the adjustment of environment to e-business needs, primarily aiming creative expression and to provide the necessary support to customers. The paper analyzes the features that Facebook offers to SMEs. The paper also discusses the risks involved in development of applications and businesses on social networks with proprietary platforms.

**Key words:** Small and Medium Enterprises, Facebook, Social Networks, Internet, E-business

### **1. INTRODUCTION**

Regardless of the activity of the company, and the type of service or product it offers, the number of potential customers that are informed about products and services is important. Active marketing of products has been there as long as trade itself. The marketing has changed through times and today a special type of marketing - Internet marketing is increasingly present and important.

The Internet marketing has given the companies with small marketing budgets the opportunity for promotion at the social networking websites. New cultural phenomenon that extends around the world, and is thus the leader among social networking sites - Facebook (FB) has allowed modern, targeted marketing on the Internet.

Why is Facebook worth so much? This question leads to the "dark" side of Facebook, but mostly when it comes to users. Facebook is full of private information on all registered users (666 million, April 2011.), especially those who are active, and there are about 500 million of them. Facebook "knows" who likes what and why, who shops for certain goods, where they do it, why and so on.

How Facebook "knows" which ad to offer? Facebook has enough information about customers and their preferences. All the above information is very interesting for the business market and the organizations that operate within it. They are also the reason for the great value of social networks. Facebook has revolutionized the system of global business development by enabling the most advanced system of direct marketing in the world. With the above-mentioned aspect, every Facebook user is part of a global cyber-economy.

## 2. POSSIBILITIES OF FACEBOOK AND THE PROMOTION OF SME

Web 2.0 is a trend in the World Wide Web technology and is based on a social note, which allows users to participate in creating Web content. A term that refers to a new, second generation of web and hosted services, which instead of "data warehouse" (one-way flow of information) involves two-way interactive communication between users and computers and users together, allowing the passive become active participants (authors). In addition to active creation of content, Web 2.0 promotes web sites that specialize in connecting visitors for friendship, through social networking. Facebook is the most famous and most visited social network.

Through use of Facebook, people of all ages and backgrounds have discovered that they can enrich their lives through the contacts they make, whether it is with current friends, old friends with whom they are unable otherwise to have contact, or new online friends. In addition to the establishment of important social relations, Facebook members can share their interests with the rest of the membership in various groups and forums, participating in simulations of socializing through a variety of applications, buy, pay and receive virtual gifts, and through various contacts to help themselves or other members of the find a job or establish business contacts.

The basic characteristics of social network Facebook are:

- **Profile** - "The heart and soul" of the social site's user interface. It is like a refuge, a place where users can express their thoughts and feelings, set personal multimedia content and show your friends network. FB emphasis on user profile.
- **Security** - As the rest of the Internet, FB can be a dangerous place for posting personal information. So it has the ability to customize security profiles to the desired level.
- **Network functions** - FB provides the ability for users to use functions other than regular FB functions (updating profile elements, setting the status (the message on the wall profile)), using the additional features in the form of various types of games, applications, sections for music and video, creating and membership of interest groups, forums, design and reporting of events, and more.
- **Search** – a purpose of FB is to find friends and expand relations. This option includes a search function for user by name and last name, city, school and e-mail.
- **Help / Support** - FB has a section for help and support to customers, where the guidelines and procedures on use of the site are, as well as an explanation of the opportunities they provide, and the possibility of contacting the site administrator.

### 2.1. Facebook group

One of the main characteristics of Facebook is the ability to create **groups**. This form may be of interest to administrators, business pages and profiles. As in real life, people gather and form different associations based on their interests and concerns. FB has transferred this possibility to the Internet and its users made available to create virtual communities of interest i.e. groups. The groups are intended for discussion and sharing of content among like-minded people gathered around a common theme or initiative. They allow multiple levels of user participation and various forms of performance, so that groups can be public, private or completely invisible to uninvited users to chat. Group administrator has the ability to send a message to all members directly to the inbox.

There are various types of groups that users can join, in order to achieve contact with other group members, exchange of views (Discussions), multimedia content, so the group can find a variety of musical bands, historical figures, writers, poets, political parties and candidates, various brands, local organizations, companies and others.

Creating a group, the company gathers its potential and current users and associates, and allows them to interact and share experiences.

In the group, the administrator enters basic information about the company, the activities and contact (see also Figure 1, item 1). The company is presented through multimedia content in the form of images, videos and presentations, as well as sending a link to the site companies. The company can trigger a variety of topics and discussions within the group about their products or services, and thus receive direct feedback (see also Figure 1, item 3), or publish news about the new events, discounts, promotions, and send information on upcoming events, conferences, meetings, etc... (Figure 1, item 5).

Figure 1 provides an example of a Facebook group with its basic elements marked:

- 1 - Information is a section with basic information about the group, as well as the Info tab above the wall group,
- 2 - The area where an administrator, that is, its members can leave comments on the wall of the group, pictures, links and videos;
- 3 - Discussions tab where the administrator or members of the open discussion of various topics related to the group;
- 4 - Opens a tab with space for posting photos of the administrator;
- 5 - Video tab where the administrator sets the video clips on the topic groups and
- 6 - Events tab allows, to the administrator of the group, to publish upcoming events and also a reference to the same.

Administrator can add new tabs or delete existing ones, depending on the purposes, and subject of the created group.



Figure 1: Example of group on Facebook

A shortcoming of a group on FB may be that none of the published content in the group is visible on search engines, and that the content is not available to users who have not logged on to Facebook. Another drawback would be that for every potential member of a group has to ask an

administrator for permission to join. A period of time required to acceptance of membership depends on the administrator's availability.

## 2.2. Facebook page

In addition to the group, another feature of Facebook, which also represent the most popular form of promotion on Facebook, are **pages**. The reason for this is their convenience. The content published on this platform is fully visible to unregistered users and search engines.

Page on FB, in addition to elements that are available to the group, has additional features. Some of the benefits are shown in Figure 2:

1. Choice of "Vanity URL" (1), i.e. page addresses, for example: [www.facebook.com/ the\\_name\\_of\\_your\\_company](http://www.facebook.com/the_name_of_your_company) allows users to easily find the page,
2. Welcome tab (2), for creation of multimedia content (images, presentations or video) to be displayed as the initial image when user opens the page (item 5);
3. After a user clicks the "Like" button (3) on the page, an administrator can set the multimedia content to change and to provide more information about the page;
4. Field 4 shows the visitor who else likes the page and how many fans there are. There is a possibility of introducing the field to the site owner's site, through which visitors can become fans of pages on FB. Each time a user becomes a fan of a page, Facebook submits a notice about it to his profile and to his friends as news, raising the possibility that they join;
5. Multimedia Content (item 5) is set to tab Welcome and has the ability linking to a website or blog site owner.



Figure 2: Example of page on Facebook

Figure 3: Selection criteria for promotion on Facebook

In addition to the above mentioned, Facebook allows advertising of pages on Facebook, according to predefined criteria (Figure 3). So site owner can choose countries from which Facebook users can see the ad, age range, gender, interests, level of education of users who can see the ad, as well as their employment. Simultaneously, by setting the criteria, the site owner has insight to the number of users the ad addresses. This kind of advertising is known as target marketing.

In addition to advertising and expanding the network of friends and fans, Facebook has allowed owners of sites to follow the statistics on their websites (Figure 4).

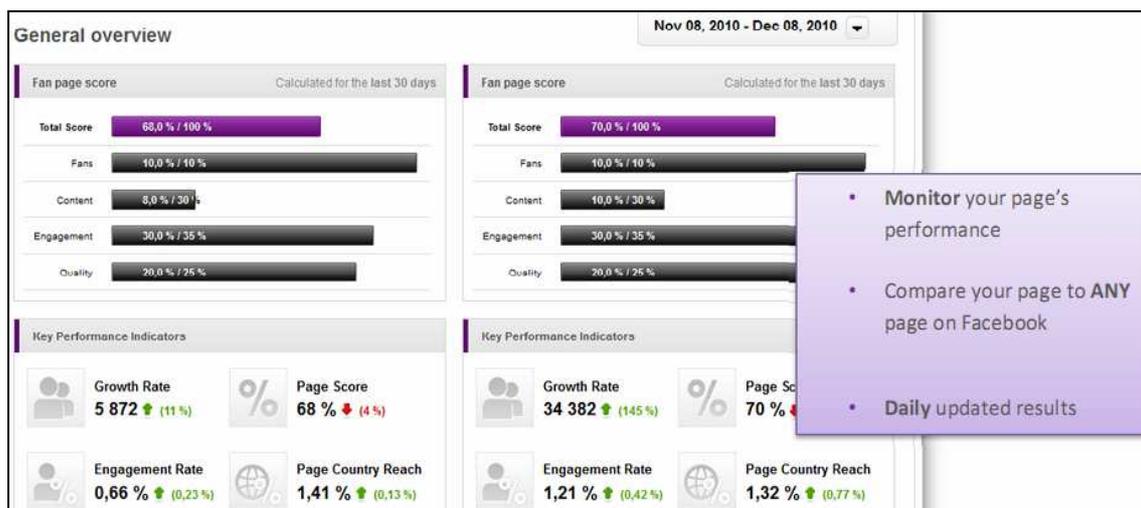


Figure 4: Market Insights Facebook



Figure 5: Notifications of activity on Facebook page

In addition to periodic reports on the visits to the website, it is possible to send off the statistics on how each of the site contents on the page (message, status, links, images, video) was reviewed and what percentage of fans responded with “like” or commentary (Figure 5).

### 3. CONCLUSION

Application of ICT in the economy has led and still leads to structural changes in many segments of the economy. The effects of these changes are yet to be felt. ICT in SME’s marketing activities, provide greater business efficiency, flexible performance of companies in the market, a stronger connection between buyers and sellers, reduces operating costs, increases profits, and so on.

In recent years, particularly with the emergence of social networks, enormous changes in the operating of the SME companies, sales of goods and services and communication with suppliers and customers have been introduced.

The average Facebook user has 200 friends. Depending on the environment and the presence of the Internet (in Serbia is over 2,000,000 Facebook users), the number of friends can greatly increase. Each person can have a profile or a Facebook group, and every company may have its own page on Facebook. At the time of its creation it is important to take account of the creation of online identities, because what once appears on Facebook that stays there forever, and it is available to everyone.

First of all it is necessary to determine the basic guidelines:

- what is to be achieved by the Facebook page
- the target audience and
- the strategy of presenting products or services on the site.

Depending on the commitment and updating pages, (publication of multimedia content in the form of news, events, activities, prize games) fan base can grow by the day, expanding the network of potential users of the products / services of the company companies which is the owner of the page.

Facebook is a great and totally free advertising medium for sales, promotion and strengthening of the position of "local" brand. Local, because it has already proven itself within that framework, particularly because of the possibility of targeted marketing.

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