

Social Media as a Tool for the Sustainability of Small and Medium Businesses in Macedonia

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ABSTRACT

Social media is considered as the main marketing tool for an SME and has shown significant growth in effectiveness lately, as well as in the business sustainability all over the world. Businesses are acknowledging the potential of social media because they do not really exist online if they are not represented across all social channels – and regularly interacting with their followers, journalists who cover the industry, leaders and tastemakers, etc. The main purpose of this research is to analyze some of the SME operating in Macedonia and to find answers about the true effectiveness of social media marketing and their impact on the sustainability of businesses. Using a firm level survey in 244 businesses in Macedonia we investigate the impact of social media marketing on the sustainability of businesses. Results indicate that there is a positive impact of social media marketing on business effectiveness and sustainability, however social media in Macedonia are still in the early stages and there are opportunities for improvement.

Keywords: Marketing, Social Media, Sustainability, SME, Effectiveness.

1. Introduction

Although SMEs have a significant impact on the economy and are widely researched however academic literature shows limited research in the field of social media and internet use in small and medium enterprises (SMEs). According to Evans (2008), the era of social media began in 1978 when Bulletin Board System (BBS briefly) exchanged data via phone lines to other users, while the rapid development began to take another step 13 years ago, where one of the alternatives to the functioning and the social media establishment was the LinkedIn network, which was formed in 2003, followed by Facebook in 2004, Youtube in 2005 and continuing on to Instagram in 2010.

Recently social media transformed into an influential marketing channel are the news for many companies and organizations all over the world as well as in Macedonia. Social media has already gained an important role in small and medium-sized businesses by helping them increasingly into consumer purchasing decisions. Streaming the message through this distribution channel makes this kind of marketing strategy attractive because it is easily achieved by the customer and is realized in real time.

Even if 90% of 18-24 Internet users use social networking via any device at least once a month, social media affects every age group at very high rates, especially age groups over 35 years (Hubspot, 2012). According to this, social media can be the most powerful medium for so many brands and businesses. Most of the people at present time buy things after reading their reviews on social networking sites. So if SME create a page on these social networking sites like Facebook, Twitter, Instagram and so on, they can get a position of advantage in a contest and can be closer to consumers.

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In addition, this type of marketing strategy enables the company to continuously focus on statistics and information on the categories and effects of marketing on current and potential consumers, so the development of such an industry requires increased mobilization and creativity without failing the results and the maximum desired expectations.

Therefore, the purpose of this study is to investigate how SMEs in Macedonia perceive and use social media in their day-to-day operations and their impact on the sustainability and effectiveness of businesses. The specific objectives of this research can be presented through three points:

- To determine the level of use of social media in SMEs
- To determine the effect of social media on the market access of SMEs
- To establish the effect of social media on sales growth of SMEs

To determine the effect of Generally in Balkan countries, especially in Macedonia, this type of marketing is in the initial stages, but based on the results we have achieved from the survey; it shows positive trends of growth and implementation of this highly competitive strategy. Based on the fact that SME sustainability in Macedonia is low, social media for marketers give a positive signal.

2. Literature Review

In the literature review section, we would like to define two main terms related to this research topic: small and medium enterprises and social media.

It is widely recognized that small and medium sized enterprises (SMEs) have a significant role in the economic development of a country. According to Hobohm, the contribution of SMEs to the development of a country can be argued through some of the leading indicators:

- SMEs are more labour- intensive and tend to lead to a more equitable distribution of income than larger enterprises.
- SMEs play an important role in generating employment and this alleviating poverty
- SMEs support the building of systematic productive capacities.

According to Euro stat, in 2013, the small and medium enterprise sector is central to the economy of the Republic of Macedonia too, since it accounted for app. 99% of all businesses and provided over 76% of the overall employment in the country. The government of Macedonia has supported lending to SMEs with different programs, provided by the Macedonian Bank for Development and Export Promotion. However, there are still many obstacles and constraints to the promotion and sustainability of SMEs in our country,

The literature offers a variety of definitions for social media. For example, Blackshaw and Nazzaro (2004) define social media as customer generated media, which includes new sources of online information that is created, initiated, circulated and used by customers who educate each other about a wide range of issues.

Different social platforms and their explosion in the market today allow the exchange of goods and general needs to be distributed directly to a consumer without a broker or not based on classical marketing methods, but using all of the social networking platforms of the online platform and engaging marketers' creative ideas in order to provide the best

services and the best possible results. Despite countless marketing opportunities, this new media world has increased the level of competitive pressure, forcing small and big companies struggle for customers all the time and around the world. (Kotler, 2015)

The regulation of long-term relationships between companies with consumers consists of the on-line marketing development initiative or through various social networks. Marketing through social media focuses on people rather than products (Diamond, 2008).

(Chi 2011) defines marketing through social media as a link between brands and consumers, and as a personal channel provider and value for users focused on social networks and interactivity. Means and approaches to communicating with clients have changed greatly with the emergence of social media, so businessmen need to learn how to use social media in a way that is consistent with their business plan (Mangold and Faulds 2009). This can be considered to be true of all companies whose primary focus is to create competitive advantage. Of course, this new way of market development also affects the change in the marketing department's structure, giving it an additional impetus and further decentralization to the organizational structure, which directly affects the improvement of product market penetration results. This huge increase in direct marketing is a consequence and result of many factors that make it increasingly market growth and information in 24 hours per week of the week.

3. Methodology

In this section we explain briefly and in a detailed way the methodology and the data analysis of the conducted research. We know that data analysis is one of the most important parts of the research process, since it is needed to design the study and choose the appropriate instrument and technique for data collection. This research paper is raising two hypothesis, by the help of which we will try to give response to our research questions:

H1: There exists a positive impact of social media on sustainability of SMEs in Macedonia.

H2: The level of use of social media in SMEs in Macedonia is constantly increasing.

Survey using stratified random sampling was conducted, with 244 companies (Managers of the SMEs) from different areas in Republic of Macedonia randomly selected for the study. The approach was taken a quantitative survey of small and mostly medium enterprise from different industries. The questionnaire is structured in three main columns namely: the first column contains questions for collecting data on surveyors general. The second group of questions helps in collecting data through the Likert –type scale. And in the last column the respondents will need to fulfill open questions to ensure maximum data was collected.

4. Results of Analysis

This section present the results of the conducted questionnaire in order to see the responses regarding the raised hypothesis of this research paper and interpret the results of each question individually. The first three questions are regarding the place,

gender and age of the respondents. According from the results, five places were answered from the respondents, such as Tetovo 51.9 percent, Gostivar 8.1 percent, Skopje 31.1 percent, and so on. Regarding the second question in this section, from total 244 respondents, 12% are female, and 88 percent are males in this sample.

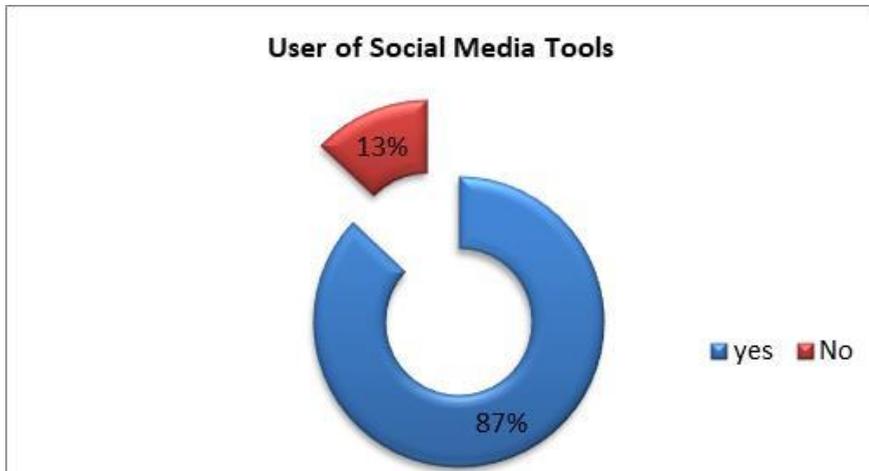


Figure 1. Level of using social media tools by SMEs

Regarding the fourth question which de facto is a very important question in our research and by which we can show the level of users of social media , which indicate that 87% of respondents use social media tools in their businesses , while 13% of respondents do not use social media tools. This question was important in differentiating the users from the non-users of social media so as to thereafter be able to focus on the users in achieving the set objectives of the study. Non user of social media responds the next question for not using social media tools in their business. The answer was because they don't have internet connection, they think that social media are used from young people for fun, and some of them think that social media tools are not applicable for their business.

In Macedonia recently, the use of social networks has gained another dimension, nowadays the planning of the marketing project necessarily requires the implication and implementation of social networks for the further development of products and business ideas. According to survey results on what social networks possess, the vast majority have responded to having the largest global network called Facebook, which in percentage terms is 87.3%, 62.3% of the responses have an Instagram account, a large percentage they also have access to the largest electronic video network where 85.2% of them have access, most of whom face daily advertising and promotion from the world's largest companies. Large percentages have other networks as well, which are best illustrated in Figure.2.

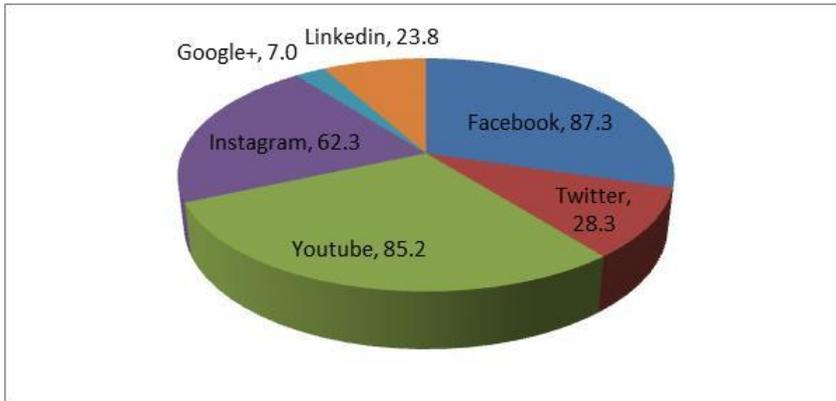


Figure 2. Social media tools used by SMEs

The next question was about the reasons of respondents for using social media tools, having given them a list of choices to select from. According to the results from the figure 3, the main reasons why SMEs in Macedonia are using social media is for communication 85.7 percent, form information 80,3 percent, for promotion 60.7 %, for consumer relation 35.7 % and so on. These results show that the character of social networks themselves encompasses many aspects of their use, they are so well adapted to any social and creative activity they have found great use in every sphere of social and business life. This has driven marketers to take advantage of this innovative opportunity and get closer to the target consumer.

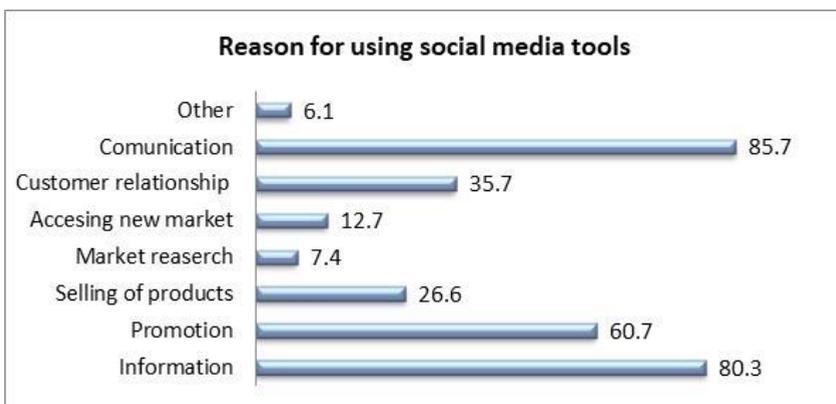


Figure 3. Reasons of respondents for using social media tools

These results in this case shows that in fact social media according to our respondents, doesn't show any significant impact on the growth of sales, however, taking into account that Macedonia is in the initial phase of applying social media in the framework of businesses, the data are hopeful. So 7 percent of our respondents indicate that social media have very often had a positive impact on sales growth, 22.1 % point out that social media has often affected sales. As we can see from the chart, 35.7 % emphasize that the growth on sales is rare influenced by social media, and so on, (figure 4).

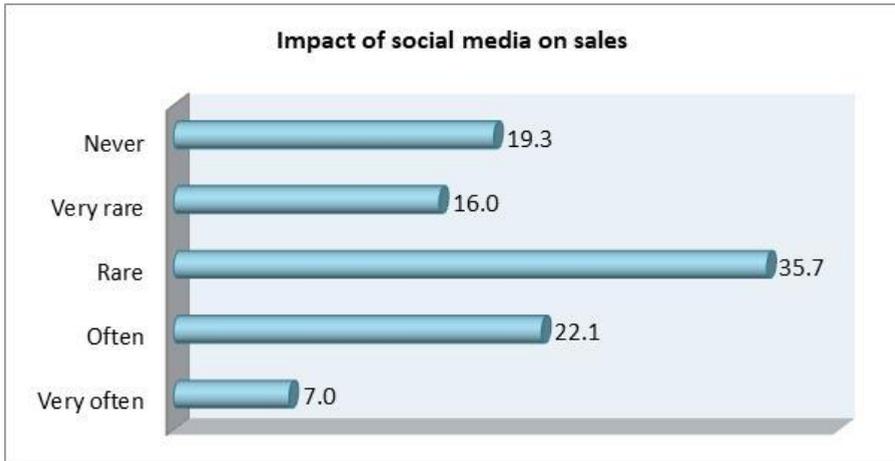


Figure 4. Impact of social media on the sales growth

The last question was about impact of social media marketing on business effectiveness and sustainability business in general. From the results showed in the figure 5. we can understand that the largest percentage of the businesses surveyed 48.8, agree that social media play an important role in sustainability and effectiveness of businesses. The results also show that the number of businesses that are skeptical of social media is not small. Hence we can also affirm the hypothesis of our research by these data that there exists a positive impact of social media on sustainability of SMEs in Macedonia.

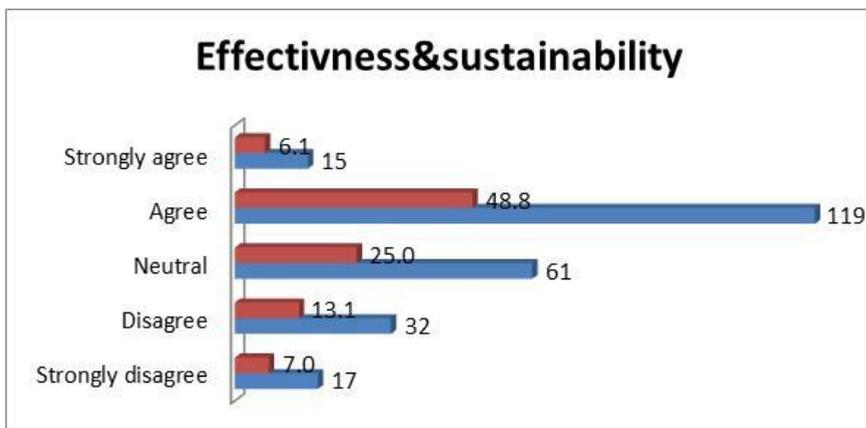


Figure 5. Sustainability and effectiveness of businesses

Conclusion

The aim of this study was to investigate how SMEs in Macedonia perceive and use social media in their day-to-day operations and their impact on the sustainability and effectiveness of businesses. Specifically, we analyzed 244 companies which are chosen randomly under the title of small and medium sized enterprises according to their

operation areas in Macedonia.

From the data presented and studied above we can consider that marketing through social media is the strategy of today and the future of business development. The opportunity offered to business through social media to penetrate and create a healthy client relationship is one of the most profitable features that this strategy offers.

From the results of conducted questionnaire, we came to conclusion that the level of using social media tools by SMEs is very high and the most popular social media applications are Facebook, Instagram, YouTube, Twitter, etc. Even that the percentage is very high this is not completely surprising given that social media are used most for fun and communication. On the other hand social media tool is a recent innovation for businesses use so they are quickly trying to understand and direct to the most profitable ends. These results also lead to the understanding that respondents have concerned about impact of social media on the growth of sales however the results are hopeful for the near future. According to the result we can conclude that there exists a positive impact of social media on sustainability of SMEs in Macedonia even that our country is in the initial stage of using them.

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