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Influence of Individuals' Social Media Promotion on the Company's Performance

Case: Spotted by Locals

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Abstract

The thesis explored the connection between individuals' social media promotion and its influence on the company's performance. The definitions of social media and social media marketing were covered, taking into consideration both the advantages and disadvantages of using it within a company's strategy.

The main task was to find out what impact social media on marketing a company's performance (readership) on the web. The literature review helped provide valuable information about the chosen topic and give the solution to the research problem and questions.

The thesis was completed as a quantitative study using observation as the main method of gathering information.The Quantitative observation involved counting the number of people accessing the service and analysing social media platforms. Furthermore, a test group of 361 people was used in order to prove the hypothesis. The main tool of analysing the results was Google Analytics.

The main outcome of the research was the confirmation of the significant influence of social media promotion on a company's performance (readership) on the web. As for the results for the case company, Spotted by Locals, both research findings and theory about social media have proved that social media marketing is essential for companies nowadays.

Further research could take the form of a Master's thesis in order to provide new insights into the chosen topic and support the existing theory.

Keywords/tags (subjects)

social media, social media marketing, influence, measurement

Miscellaneous

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INTRODUCTION

Social media has a great influence on our existence; it covers both personal and professional aspects of our lives. However, there is no bigger impact than in marketing, where customers are searching the ways to communicate and engage, and, at the same time, companies are having endless opportunities reaping benefits. Nowadays, it is essential to use social media marketing while doing business.

This thesis aims to provide information about the influence of social media marketing since there is very limited empirical study on this topic. What is more, this topic covers definitions of social media and social media marketing with taking into consideration both advantages and disadvantages of using it within a company's strategy.

The empirical study was focused on the company, Spotted by Locals, in order to find out the connection between their employees' social media promotion and getting attention from the visitors of the website.

There are around 350 bloggers writing for the website but only some of them get a lot of attention from the readers. Therefore, the question is: does social media promotion have any relation to that finding?

The chosen case company, Spotted by Locals, is a publisher of travel guides, in both mobile applications and blog formats, with frequently updated tips by local people from more than 60 cities in Europe and North America. People, who are writing for Spotted by Locals, called "Spotters", are people who know their cities the best, speak the local language and love to share their favorite spots.

Spotted by Locals have very minimal marketing budget, therefore, social media promotion and word-of-mouth marketing are essential parts of the company's strategy.

The aim of this research is to gather information about the influence of social media on a company's performance on the web. In this case, performance is measured by readership of articles on the website.

Social media has changed the way people communicate with each other since technology enables them to connect faster and easier. For companies, social media marketing became a new way of using technologies. Examples include building stronger customer relationships, attracting new customers through social networks and measuring efficiency of marketing strategies.

The development of the Internet has given endless opportunities for marketeers. Social media is becoming an essential tool in the marketing field. With an understanding of this phenomenon, companies can address the audience that before was impossible to reach.

The thesis consists of two parts: theoretical and empirical. The theoretical part is literature reviews on books, articles, theses and blogs. Special attention is paid to the year of publication since social media has had a rapid development and some information can already be outdated. Literature reviews mainly include information about social media, social media marketing and its influence on a company.

The empirical part of the thesis is based on analysis of social media implementation within the chosen case company. The research is quantitative with ~~a use of~~ observation as a main method of gathering information. Quantitative observation involved counting the number of people accessing services, and analysing social media platforms. What is more, a test group was used in order to get clear information about the current situation. The main tool of analysing the results was Google Analytics. This platform allowed information to be obtained about specific bloggers and his/her popularity and views on the Spotted by Locals website, and make connections with their social media profiles.

The main social media channel of research was Facebook since it is the biggest social network in the world.

The research problem of this thesis is to find out *What is the influence of so-cial media marketing on the company's performance on the web.*

Research questions were designed in a contextual way:

1. *What is social media and social media marketing (SMM)?*
2. *How to measure company's performance on the web?*
3. *How do active bloggers for the case company influence the per-formance?*

In order to cover all the aspects that were mentioned above in this chapter, literature reviews about social media were made.

LITERATURE REVIEW

1.1   Social Media

How can social media be defined? Explaining social media as a concept is difficult, and a search on the Internet or books will provide answers from various perspectives and different sources. Moreover, it is important to underline that there is not one clear definition of social media, since it depends on many different factors that tend to change and evolve.

Nowadays, everything is about social media. According to Albarran (2013, 2), social media represents the technologies or applications that people need in developing and maintaining their social networking sites. It involves the posting of multimedia information (text, images, audio or video), location-based services (e.g. Foursquare, Swarm), gaming, and many other aspects explored throughout the various platforms.

Social media is a great communication tool. More specifically:

> *Social media is a set of technologies and channels targeted at forming and enabling a potentially massive community of participants to productively collaborate. IT tools to support collaboration have existed for decades. But social media technologies, such as social networking, wikis and blogs, enable collaboration on a much grander scale and support tapping the power of the collective in ways previously unachievable.* (Bradley 2010, 17.)

Moreover, social media can be described based on three elements: content, communities and Web 2.0 (see Figure 1.). According to Ahlqvist, Bäck, Halonen and Heinonen (2008, 13), content refers to user created material that can be different types (ex. photos, videos, tags, reviews, playlists). Creating and sharing content, and various interactions, become more interesting when other people want to do it as well. That brings the second element, communities, where interpersonal communication is essential. What is more, the development of technologies enables people to participate in content creation and sharing, using web technologies. Web 2.0 in this context is used as a summary of technical aspects, and not as the whole phenomenon of social media.
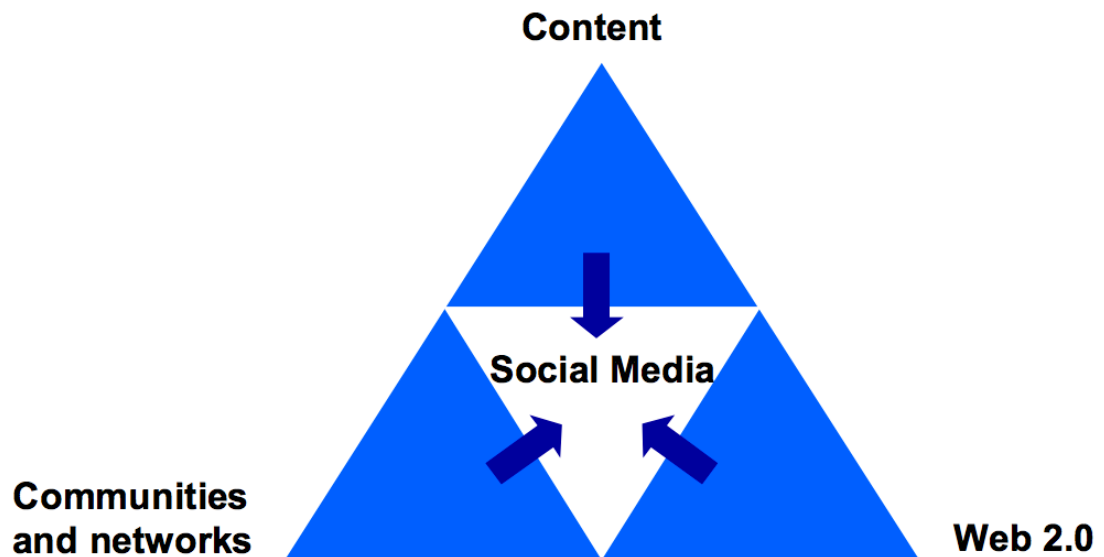
Figure 1. Elements of social media (Ahlqvist et al. 2008, 14)

The concept of social media based on application types was described by Constantinides and Fountain (2008, 233) in a following way:

1. Blogs are online platforms which allow people or companies to share ideas, information or links to other web pages;
2. Social networks allow people to exchange personal content;
3. Content communities are the platforms organizing and sharing particular types of content;
4. Forums (boards) are sites for sharing ideas and relevant information around special (same) interests.
5. Content aggregators are applications helping users to fully customize the content they want to access (ex: http://uk.my.yahoo.com/ and http://google.com/ig/).

It is clearly seen that social media definition is complex. Figure 2. shows extreme diversity of social media and the main functions:

Figure 2. Social Media Landscape (Cavazza 2015)

Social media can be described as an ecosystem with four main functions: publishing, sharing, networking, and discussing. According to Cavazza (2015), Facebook and Twitter are beyond all their competitors, since they have successfully managed to combine all social media functions and fulfill the needs of all their customers.

Facebook has nearly 1.5 billion active users daily. It is the most popular social media network, being used in 129 countries in the world. What is more, more than half of marketeers rate Facebook the most important among social media networks. (Stelzner 2015, 28.)

According to Consenza (2015), the publisher of World Map of Social Media Networks, Facebook has 496 million users in Asia (+47 million since December 2014), 311 million in Europe (+10 million), 213 million in USA & Canada (+5 million), 471 million in the rest of the world (+35 million in six months).

WORLD MAP OF SOCIAL NETWORKS
August 2015

Figure 3. World Map of Social Media (Cosenza 2015)

In addition, there are several other social media networks that are considered among the most popular, namely: Facebook, Twitter, LinkedIn, YouTube, Instagram, Google + and Vine. Honkaniemi (2015, 24) gathered data for her thesis "Social media as a marketing tool for a small business" about the number of active users of these social networks, the graph below illustrates an increase of users.
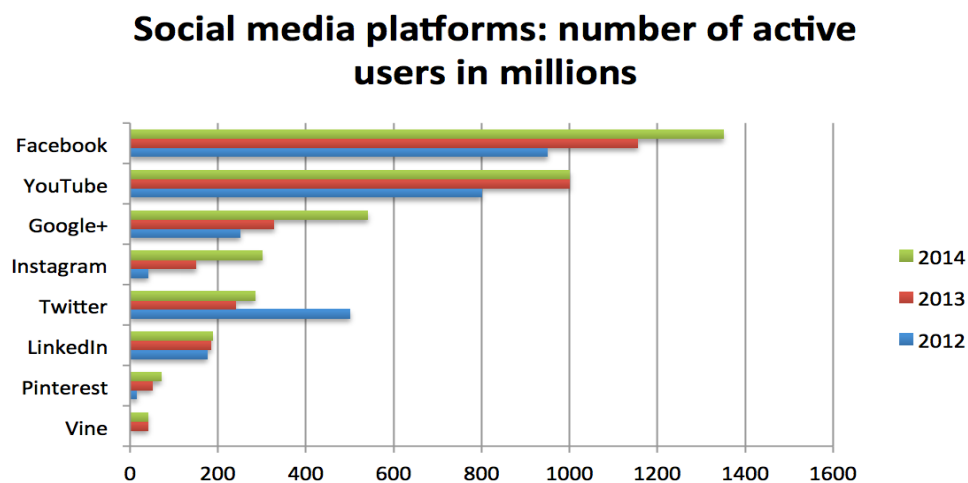
Figure 4. Active users of different social media in millions (Honkaniemi 2015)

According to Tuten and Solomon (2014, 4), for radio it took 38 years to reach 50 million listeners, TV needed 13 years to reach the same audience. Meanwhile, the Internet has reached 50 million users in four years, and Facebook got 100 million accounts in only nine months.

1.2 Advantages and disadvantages of social media

Social media is a new set of tools, new technology that gives an opportunity to connect efficiently with, and strengthen relationships with customers and potential prospects. Lon (2012) states that social media is doing everything that the phone, mail, print advertising, radio, TV, and billboards have done for companies in previous years.

However, social media is reasonably expensive and has both advantages and disadvantages. There are several factors that could be seen as hot topics for social media, specifically: private issues, costs, targeting, unlimited possibilities and time consumption.

Nopanen (2010) underlined all the issues of social media in her research about efficiency of advertising in social media; Table 1. illustrates her conclusions about advantages and disadvantages of social media.

Table 1. Advantages and Disadvantages of Social Media (Nopanen 2010)

Advantages	Disadvantages
Privacy: people provide information about themselves by registering	**Privacy issues:** misuse of personal information and leakages
Rapidity: enables information to spread really fast	**Rapidity** enables negative information to spread fast as well
Costs of joining are low (or even free)	**Overall costs** of SM campaigns are usually high

Targeting is easy within SM by using available tools	**Resources** are needed for planning, executing, updating and engaging
Accessibility from anywhere in the world	**Time consuming**: effective social media campaign needs time and efforts
Unlimited possibilities	Still **unknown topic** in some ways

Social media is essential for contemporary companies. However, what are the relevant pros and cons of using social media for business practice?

According to DeMers (2014), the main advantage of social media is cost-orientated. Facebook offers pay-per-click advertisements, and the ability to tailor advertisements according to users' perceived interests, in order to reach the right audience. In other words, social media gives companies an opportunity to spread the message much further and faster than it has ever been possible to before.

Advantages of social media include following aspects:

- increased sales
- increased traffic
- search engine optimization
- networking opportunities with customers and other businesses
- stronger customer engagement. (DeMers 2014.)

According to Coles (2014, 4), social media provides new ways to engage and stay in touch with new customers. For example, instead of sending newsletters, users can get an update about what is new happening with a company by checking company's LinkedIn.
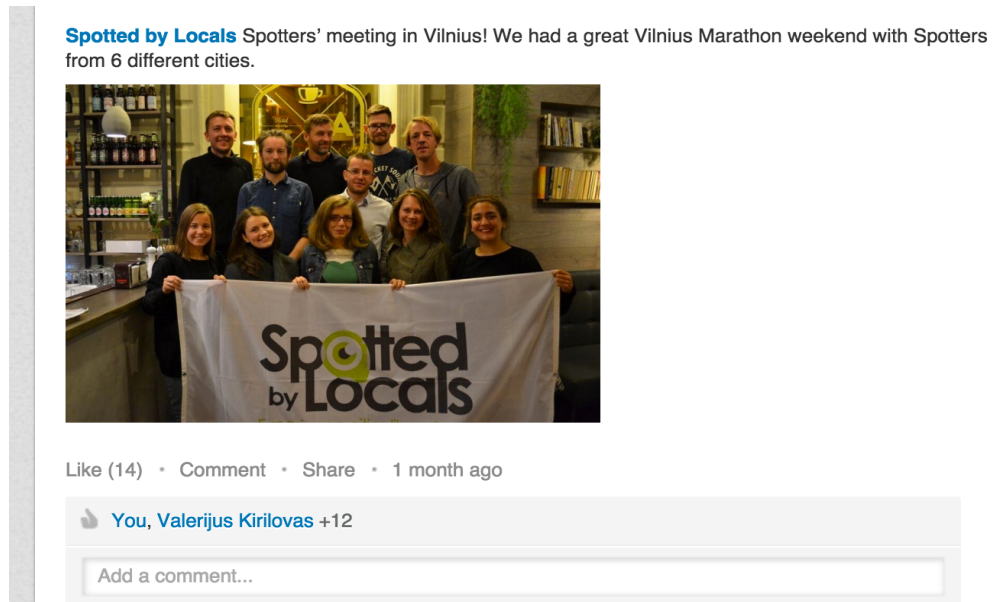
Figure 5. An example of LinkedIn update (Spotted by Locals 2015)

In addition, some small news items and updates can be placed on Twitter, and the Facebook page of a company is a perfect addition to a website. Facebook is great for engaging with customers, but also for increasing brand awareness. YouTube can substitute TV and radio with its seminars, tutorials, tests, reviews, and viral demonstrations of products. (Coles 2014, 5.)

There are no relevant disadvantages for companies to use social media if social media presence is properly planned. Advantages and disadvantages of social media marketing will be described further.

To sum up the importance of social media, Stelzner (2015, 15), the author of "Social Media Marketing Report", states that 92% of marketeers confirmed that social media is essential to their business.

1.3   Social media marketing

The most common use of social media is marketing, sales or PR and communications. Social media is all about customer and building two-ways communication.

Evans (2010b, 10) gave a definition of social media marketing:

> *Social media marketing – properly practised – seeks to engage customers in the online locations where they naturally spend time. By comparison, social business picks up on what they are talking about and what they are interested in and connects this back into the business where it can be processed and used to create the next round of customer experiences and hence the next round of conversations.*

Therefore, it could be seen that the main aim of social media marketing is to find the most efficient way to engage people in the online location where they tend to spend their time.

There is a common mistake when people think that social media marketing is only an extension of traditional marketing. Several factors are making social media marketing different from traditional marketing.

According to Barker (2012, 15), first aspect is control versus contribution. The aim of traditional marketing is to control the content that is seen by audience, while social media marketing is putting emphasis on contribution and collaboration. The second aspect is a different approach, focussing on building trust with customers. For traditional advertising it is important to be outstanding in order to build strong customer relationships, but for social media marketing being down-to-earth is key to success. The main differences of traditional and social media marketing are shown in Table 2. below.

Table 2. Traditional vs. Social Media Marketing (Stokes 2011)

Traditional Marketing	Social Media Marketing
Fixed, unchangeable	Instantly updateable
Limited, time-delayed best-seller	Instant popularity measure

lists	
Archives poorly accessible	Archives accessible
Limited media mix	All media can be mixed
Sharing not encouraged	Sharing and participation encouraged
Committee publishers	Individual publishers

It could be seen that traditional marketing has a lot of differences compared to social media marketing. Therefore, it is essential to use different techniques when implementing social media marketing and traditional marketing, otherwise, some damages of a company image could be made.

Compared to traditional marketing, social media marketing is not that expensive, targets a larger audience, gives an opportunities for interactions with customers, and has measurable results. What is more, social media marketing enables companies to engage and interact with customers, but it also allows customers to do the same. According to Bennett (2012), it is important to provide answers within a day on a company's Facebook page, otherwise, inactive pages won't get approval from customers.

Social media marketing is more complicated that it seems. According to Gillin (2009, 17), traditional one-to-many way of sending marketing content is not enough anymore, and it should be strengthened by collaborative communication media in order to achieve the most effective and competitive communication.

Furthermore, Gillin (2009, 34) has concluded that social media has given an opportunity to millions of ordinary Internet users, who can share their experience or opinion to a large audience at almost no cost. Therefore, social media marketing has great power and importance, since people tend to rely on social media channels.

The engagement is an essential part of social media marketing. Understanding the importance of it can help in getting access to the biggest source of advice and feedback. Engagement has a strong connection to innovation. Evans (2010a, 37) states that it is crucial to know who is talking about a company, moreover, the sender is as important as the message, since it is fundamental to optimise the processes in order to create the right conversations and correct any mistakes in the process for a better performance.

According to Safko and Brake (2009, 227), there are four main ways to engage with people:

1. Communicate;
2. Collaborate;
3. Educate;
4. Entertain.

Nowadays, customers need information about a product/company in the fastest and easiest ways. In response to this, companies aim to measure the effectiveness and influence of their marketing strategies and practices.

Fortunately, social media marketing has a solution to this. Customers have an opportunity to get information about products, services or companies very fast, and companies can have access to the data about their customers (new, potential, etc.). Companies can provide all the relevant information about products or services in the easiest way. (Bennett 2012.)

What are the benefits of social media marketing for companies? Survey conducted by Stelzner (2015,17) shows that two main benefits of social media marketing are growing traffic and increasing exposure. Other benefits are illustrated in the figure below.
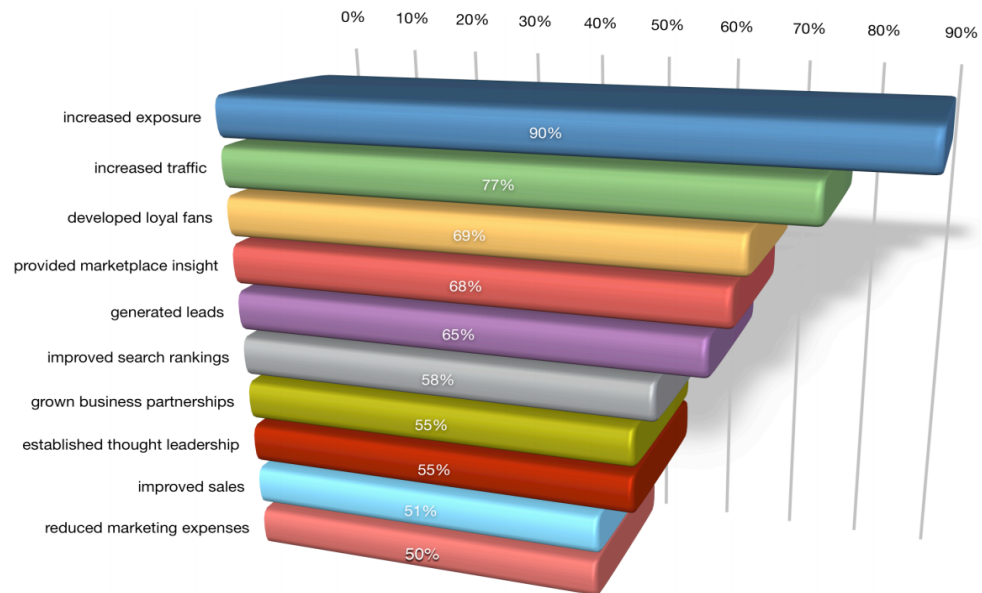
Benefits of social media marketing

Benefit	Percentage
increased exposure	90%
increased traffic	77%
developed loyal fans	69%
provided marketplace insight	68%
generated leads	65%
improved search rankings	58%
grown business partnerships	55%
established thought leadership	55%
improved sales	51%
reduced marketing expenses	50%

Figure 6. Benefits of Social Media Marketing According to Marketeers (Stelz-ner 2015, 17)

As it was mentioned above, social media develops fast. DeMers (2015) predicts seven trends that will dominate in 2016:

1. **In-the-moment updates will be essential.** Therefore, there is a chance that on-the-go moments will replace scheduled posts in advance.

2. **Buy buttons will be a trend.** Customer will have an opportunity to buy a product directly by clicking on advertising campaigns.

3. **In-app functions will spread.** Social media websites, like Facebook, Twitter or Instagram, want to prevent customers from leaving their app. This trend gives marketeers endless opportunities to engage with their customer at one place.

4. **New options for publications will be available.** DeMers (2015) believes that Facebook's Instant Articles is just the start for this trend. The full articles will be available on social media networks without a link to an actual article.

5. **Privacy issues will be a big concern.** For example, Snapchat and Telegram are successful apps, since these apps allow more private and secure way to communicate and engage. Therefore, only

platforms that value their customers' privacy will have a better position on the market.

6. **Competition for visibility will arise**. Since social media marketing becomes more popular and accessible for all types of businesses, the competition for organic visibility will grow. The cost of advertising will grow together with this trend.

7. **Fewer platforms will emerge.** There is a trend that small platforms are either not getting enough attention or are being acquired by Facebook or Twitter. However, there is a prediction that there will be fewer opportunities for small platforms on the global market.

Social media marketing will face these trends across different social media platforms and many audiences. What is more, it is clearly seen that, for example, Facebook and Twitter are already trying to adopt these trends within their strategies and functions.

1.4 Influence of social media on company's performance

According to Evans (2014), a company cannot tell customers what to think or do, but a good company can listen to what customers say and want, measure it, and analyse changes over time. Therefore, a company can adjust its message and improve the way it is offered.

Social media is a very powerful tool; companies are trying to come up with new ways of implementing social media promotion for their benefit and growth. Social media is an activity that mostly based on the concept of influence.

Brown and Hayes (2008, 148) state that social media itself can not influence customers and companies, but the content and the content creators have a great influence on both. Moreover, social media gives an opportunity to spread a message fast, so when the message is made in a right and powerful way, the impact of it is very significant.

Customers tend to feel more involved and acknowledged with companies when they have a chance to give feedback and engage. Customer-oriented businesses

have understood the benefits of social media and have successfully incorporated it into their marketing strategy.

As mentioned above, it is essential to take into consideration the needs and wants of customers, and in that way social media can be used as a device to:

- Increase brand exposure;
- Build two-way communication with customers;
- Create interactions;
- Provide customer support;
- Stimulate corporate innovation;
- Go beyond the limits. (Lovett 2011, 4.)

According to Evans (2014), there is a big impact of social media on a company's performance since the customers are changing their role from viewers to participants. If a customer is willing to spend his/her time talking about a company/product, it means that a personal interest has been established.

Research conducted by Michaelidou, Siamagka, and Christodoulides in 2011 states that social media networks, like Facebook and Twitter, can help with building trust and two-way communication, which leads to stronger customer relationships.

What is more, recent studies have found out that there are around 3,5 billion word-of-mouth conversations every day around the world, where two out of three conversations have a reference to a product, brand or service. With the help of social media, word-of-mouth conversations have an opportunity to spread faster and with no geographical barriers. This feature of social media has the biggest influence on marketeers. (Evans 2014)

Nowadays, customers trust each other more than they do the companies. Paine (2011, 5) states that customers prefer companies that are open, truthful and genuine. Those companies who do not engage with their customers will not succeed or survive.

According to Dibb, Ferrel, and Simkin (2012, 648), customers value ~~more~~ word-of-mouth communications than sponsored communications by companies. These communications can lead to the new phase of customer engage-

ment, which is dialogue generated by customers. Therefore, it simply means that customers start playing a more important role in shaping and sharing own brand experience with others. Kotler and Armstrong (2011, 18) state that consumer-to-consumer communication (exchange) is happening through blogs, video-sharing sites, social media sites and other digital forums. Therefore, social media communications could be seen as simple word-of-mouth powered by new technologies.

Customers want to be engaged in different phases of the relationship: for example, provide feedback or complain about products or services, have an instant connection with a company, or get a fast reply to their questions or requests (Wollan, Smith, & Zhou, 2010).

Therefore, it is important to understand which role a person can play in social media performance of a company: precisely, he is a priceless source of information. Evans (2010b, 27-28) states that a customer is the greatest help and support since during the engagement process he/she is more than willing to provide a direct feedback about a product or service, and give some relevant recommendations from customer's perspective about changes that could be done or fixed quickly.

However, social media can be difficult to address. Smith and Wollan (2010) outline that there are six factors prove that ~~how~~ conventional wisdom of customer communications and engagement no longer relevant: *"You give up all control" (1,2); "It is everywhere" (3,4); "It is emotional, as well functional"(5,6):*

1. There is no media filter, therefore, there is no proof that the information is real;
2. There is no way that influence of social media can be stopped (even in court);
3. Social media exceeds any metes and bounds (geographic, economic, demographic, etc.);
4. Content of social media is broadened by the help of viral effect;
5. User-generated content is stimulated by an emotional reaction;
6. Social media influences companies to make decisions much faster and with less accurate information.

Therefore, it is essential to understand the importance of these six factors and adapt to new regulations for customers, companies and various strategies.

1.5   Influence measurement

Social media and measurement are closely related, however, it is not that easy to find an efficient way to measure something as dynamic as an engagement on social media platforms. Weber (2009) states that there are existing problems in what to measure, how to measure and what these results mean in terms of social media. Therefore, the measurements are useless and meaningless if there is no context of specific business goal.

However, why is it so important for a company to measure its social media influence? A stronger social media influence of the company can extend the reach of their message to the targetted audience. (Sorokina 2014.)

According to Paine (2011, 8-11), there are several reasons why it is essential to measure the influence of all of a company's efforts:

1. Data-driven decision making saves a lot of money and time;
2. It helps to allocate budget and stuff;
3. Learn more about the competition;
4. Adjust the strategy.

Weber (2009) argues that the best way to measure influence is to check visits, page views, and unique visitors. This metrics can be analysed with a help of Google Analytics.

RESEARCH METHODS

The research aims to explain the importance of social media and its influence on a company's performance. The study in this thesis focuses on the importance of social media. The literature review was conducted with through the use of books, journals, websites, articles and research papers about theory of social media and social media marketing. Due to the fact that social media marketing as a topic is relatively new, the volume of academic literature and studies are limited. What is more, companies usually do research about social media marketing, and there is no public access to all the information available about social media and its influence. The research focuses on the theory and insights by social media marketeers and experts.

In this research only quantitative methods were used. According to Creswell (2013, 19), while using quantitative approach, theory should be tested, and it is essential to measure and observe the variables. In this thesis, a test group was designed in order to investigate a relationship between social media promotion and company's performance (readership). In addition, quantitative observation was done before and after the test group in order to have a clear picture about the importance of social media for case compamy. The results of quantitative observation could be measured and numbers were interpreted after all.

Measuring relationship between social media and its influence on the performance is a difficult topic to address. Research was focused on theories of social media and, as an outcome, the importance of it. A case study strategy was implemented to fulfill the need of an exploratory nature of the research. According to Robson (2002, 59), exploratory study is a valuable source of finding out new insights and to address phenomena in a new light. The main emphasis of this study is explanation the relationship between variables. The information about the chosen topic is limited, therefore, the exploratory design was needed to gain familiarity for further research. The main goal of this thesis was to study major details, settings and concerns.

What is more, it was essential to gather all the relevant and required information from previous researches and studies to understand major trends of

social media. The case study company provided all needed information for the research.

1.6 Research goal, problems and questions

Research was made in the terms of an applied research, because the main aim was to improve understanding of particular business objective, to be more precise, it was about finding out if there is any influence of social media promotion on company's performance.

The thesis was divided into three stages: data collection, data analysis and data interpretation in order to establish a connection between theory and research questions, and make a conclusion about the importance of social media for the case company. (Creswell 1998, 3.)

Rational and creative thinking techniques were used in this research in order to search the suitable literature and come up with personal preferences using existing data. When formulating research objectives, SMART test was used to make sure that objectives are specific, measurable, achievable, realistic and timely.

What is more, relevance trees were used, since it is a useful method of bringing form and structure to literature reviews and of guiding the search process (Sharp, Peters, & Howard 2002, 36). This method helped to identify the key words, main areas of the subject and its importance.

As for philosophy, the philosophy of pragmatism was chosen, it enables work on practical aspects by integrating different points of view to analyse the data. What is more, the researcher had to adopt both objective and subjective perspectives. (Saunders, Thornhill, & Lewis 2009, 119.)

In order to have opportunity to make better-informed decisions about research design, the approach was planned beforehand. Mostly, there was deductive approach applied, for example, when analysing the results of test groups. However, inductive approach was needed to look at the same case from different perspective.

The main aim of this research was to provide meaningful answers for the research questions and objectives, so the most appropriate strategy was case study because this research requires becoming a part of the organisations in order to understand the current situation and to find answers for research questions. Moreover, the chosen topic required a rich understanding of a real life context to provide the best research data.

It was chosen to apply mixed-method design because it enables the use of different data collection techniques and analysis procedures one after another, but does not mix them. (Saunders, Thornhill, & Lewis 2009, 152.) Bryman (2006) states that there are many substantial reasons to choose mixed-method design, for example, triangulation, facilitation, complementarity, generality and possibility to study different aspects.

Table 3. Reasons for using mixed-method design (Bryman 2006)

Triangulation	Use two different independent sources of data
Facilitation	Use of one data collection method or strategy for one purpose, and other method or strategy within a study (qualitative/quantitative results analysing)
Complementarity	Qualitative method was used to fill in gaps of quantitative data collection
Aid interpretation	Use of qualitative data to explain relationship between quantitative variables

As for time horizons, cross-sectional studies were implemented since this thesis is a study of a particular phenomenon (influence of social media marketing) at a particular time. (Saunders, Thornhill, & Lewis 2009, 155.)

To visualise the choice of data collection and data analysis, research onion see Figure 7. designed by Saunders, Thornhill, and Lewis (2009, 128).
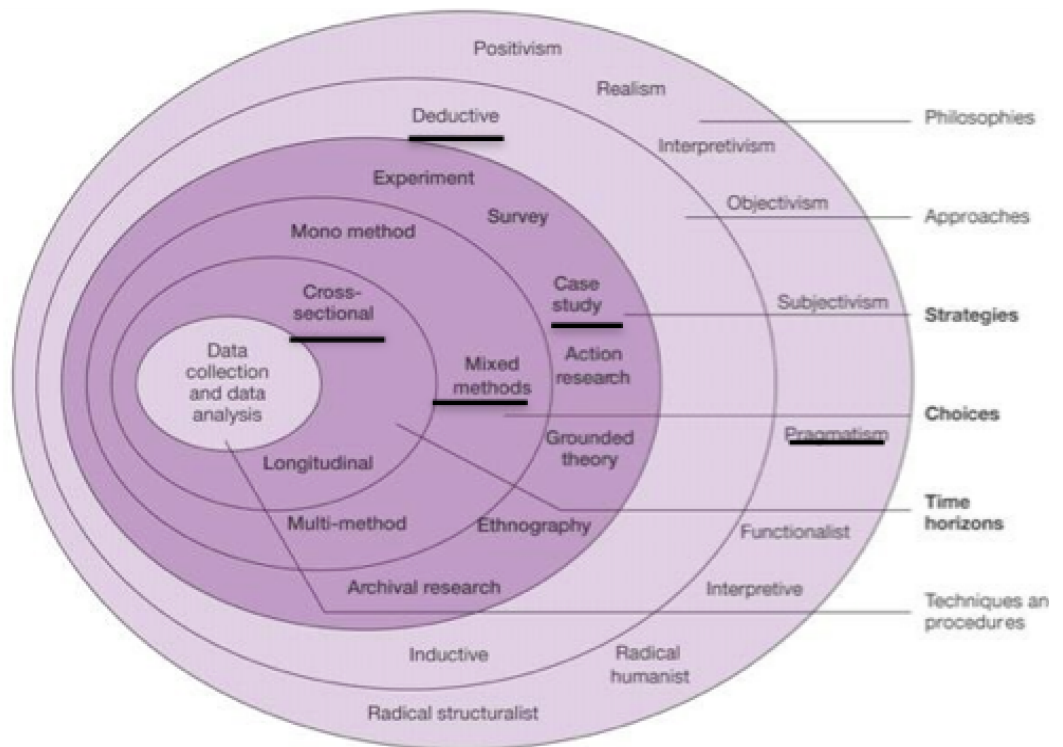
Figure 7. Research onion with chosen data collection and data analysis (Saunders et al. 2009, 128)

What is more, literature review about social media promotion and impact of social media on business was done with a help of Google Scholar to analyse the situation. Primary and secondary literature sources were used in this research.

Research Problem and questions

The research aims to address the issue of the importance of social media on the case company's performance.

As it was mentioned above, research problem of this thesis can be described as:

- *What is the influence of social media marketing on the company's performance on the web?*

In order to address this problem, four research questions were made in a broader and contextual way:

4. *What are social media and social media marketing (SMM)?*

5. *How to measure a company's performance on the web?*

6. *How do active bloggers for the case company influence the performance?*

1.7   Research implementation: data collection and data analysis

As it was mentioned above, all the research has a quantitative basis; the main purpose of this thesis was to describe a case and to gain insight information. The sample of the thesis was relatively small and gained from in-depth explanatory data.

Data collection method was designed in a way to get results that give meaning, experience and views. Observation and a test group (experimental) were used as a main method of data collection. A test group is used in this research to examine a variable (in this case: social media usage). (Saunders, Thornhill, & Lewis, 2009.) Google Analytics were used as a main tool of data collection (amount of views, unique visitors, etc).

As for data analysis, the researcher began with concepts that are more general and then moved towards more specific information, since the theory was emerging from one area to another (in this thesis from social media to how to measure its influence). The plan for data analysis was made in advance: firstly, the data was organised, then the needed framework was chosen, after that all the data was sorted within this framework, and finally, created framework was used for an analysis. In other words, advanced plan of data analysis allowed the researcher make a structure for the thesis.

While doing the literature review, content analysis was needed, since it helped to avoid a lot of subjectivity from the different sources and literature, and to simplify the definitions of social media trends. This type of analysis helped to summarise all the relevant content and to make a connection between social media and its influence on a company's performance. (Saunders, Thornhill, & Lewis 2009, 266.)

As was mentioned above, the main goal of this thesis was to find out the relation between individuals' social media promotion and a company's perfor-

mance. Observation was based on social media presence of 361 people (bloggers, who write for Spotted by Locals) with different backgrounds from 65 cities. Therefore, there is no generalisation possible for a selected group of people.

The research was divided into two parts: analysing the data from social media platforms from Spotters from September 2014 until December 2014, and conducting test groups during May-July, 2015.

For the first part of the study all bloggers from Spotted by Locals were analysed in the following way:

1. Name of Spotter;
2. Views (Sep-Dec 2014);
3. Active on Facebook?

It was essential to observe and evaluate Spotters' performances in order to create the basis for the test group.

The second step of data collection, as stated in the previous chapter, was the test group. Participation was based on the principle of one's own free will.

Each of the 361 Spotters received an email in April with an invitation to join a test group. The main purpose of the test group was to find out if there is any connection between being active on social media and getting viewers for the articles.

Spotters could choose from three options:

1. Share an article of Spotted by Locals update every week;
2. Keep up the same way they have been posting about Spotted by Locals (average periodicity of shares is 2 times per month);
3. Refuse to participate.

The test group was going on for three months (from May till end of July 2015); during these three months the theoretical part was finalised.

The last step of the studies was conducting a comparative analysis of the results gained from quantitative observation (September-December 2014) and the test group (May-July 2015).

Taking into consideration the purpose of this thesis, it could be seen that these procedures are valid and reliable for this case, since it was designed especially for the case company with an aim to get an explanation about the importance of social media.

1.8   Reliability and validity of the study

Reliability and validity are two of the most important aspects of the research methodology to gain information about the current situation. There are various factors that can influence validity and reliability, for example, data collection methods, data analysis, or research questions. (Roberts & Priest 2006, 41.)

As for the validity of literature review, it was directly dependable on the literature sources that were carefully chosen.

The limitation of this thesis was the small amount of scientific literature about the impact of social media on a company's performance. The chosen topic is constantly changing; therefore, the main focus was on the general characteristics of social media instead of specific features that would change within some time. However, all the relevant information was gathered to answer all the research questions and to provide a solution to the research problem.

What is more, the time limitations had an influence on outcome of the thesis, because it would be beneficial to study the topic further.

Taking into consideration the conducted research and a unique concept of the case company, results of this study cannot be generalised, and deeper and further research is needed. It is advisable to conduct the same research with another similar company and compare the results, since it is important to prove that the same research can lead to the same results. What is more, further research can provide new insights on the chosen topic and support the results from this thesis.

1.9   Ethical consideration

Honesty must be maintained regardless of the chosen topic; this mainly refers to plagiarism, citation, responsibility and accountability, and data interpretations. (Walliman 2011, 240.)

The ethical issues in research can be concerned either with the values of honesty and personal integrity or with the ethical responsibilities to the subjects of research. Honesty is to be maintained regardless of the topic of the work. It particularly refers to plagiarism, citation, responsibility and accountability, and data interpretations. (Walliman 2011, 240)

Therefore, in this thesis all the ideas of other researchers were mentioned, in order to acknowledge the actual authors.
What is more, during the test group part of the research, general ethical issues were followed:

- privacy of participants;
- voluntary nature of participation;
- reactions of participants and non-participants;
- behavior and objectivity of the researcher. (Saunders, Thornhill, & Lewis 2009, 186.)

RESULTS

In this chapter, the main results of this thesis are presented, making a connection between the literature review and case company. In addition, the research questions were answered and explained.

1.10 Observation

During the selected time period (Sep, 1- Dec, 31), 361 Spotters were writing for Spotted by Locals, where 207 Spotters were not active with social media promotion and 37 Spotters were not users of Facebook. All the data was collected from social media accounts of Spotters.
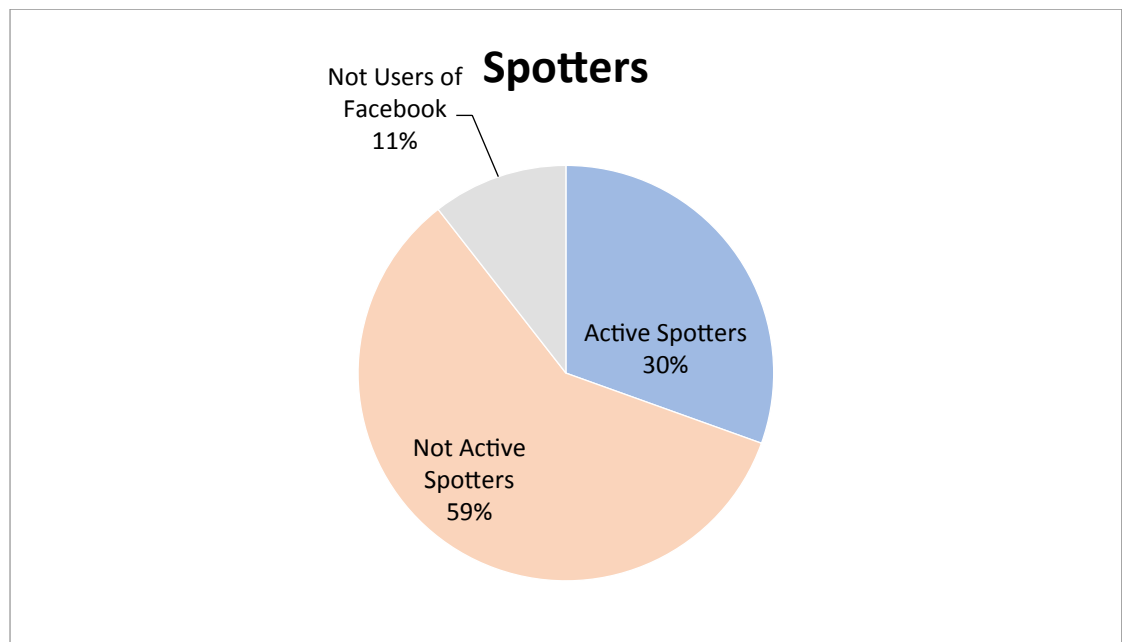

Figure 8. Spotters divided by their social media activity (2015)

It is clearly seen that the majority of Spotters do not share their articles, and only 30% of Spotters share their articles on the monthly basis (each of the active Spotters posted his/her articles more than once a month).

Spotters with a higher amount of views tend to share their articles; meanwhile, it works other way around with Spotters who have smaller amount of views. In other words, when Spotters share his/her articles, the chances that he/she will

get more views is higher than if they do not share their articles. Therefore, social media activity can lead to a better individual performance on the web.

1.11 Test group

In order to reveal any influence of individuals' social media promotion on an overall situation, a test group was formed. The test group was formed by contacting Spotters with a request for help. Therefore, participation in a test group was voluntary, since every individual has a right to decide how to use their social media channels.   The main purpose of conducting the test group was to ask Spotters to share a link to one of their spots on social media at least once a week in May, June and July. After those three months, the comparison with previous results was made.

Since Spotted by Locals puts an emphasis on promotion on social media, it was very beneficial for a company to know what the impact is of individuals' social media promotion on a company's promotion in general.

As it was stated above, the test group was active from May until July. The same amount of Spotters were writing for Spotted by Locals (361 people), where 120 Spotters were not using their social media for promoting Spotted by Locals, 11 Spotters shared on their social media that they left Spotted by Locals, 34 Spotters do not have any interactions with their Facebook account, and 33 Spotters do not use Facebook. What is more, 141 Spotters were identified as active Spotters and 22 Spotters as very active Spotters.

What is the difference between active and very active? An active Spotter is a Spotter who shares his or her articles once a month, and a very active Spotter is one who shares his or her articles, or Spotted by Locals updates, more than once a month.
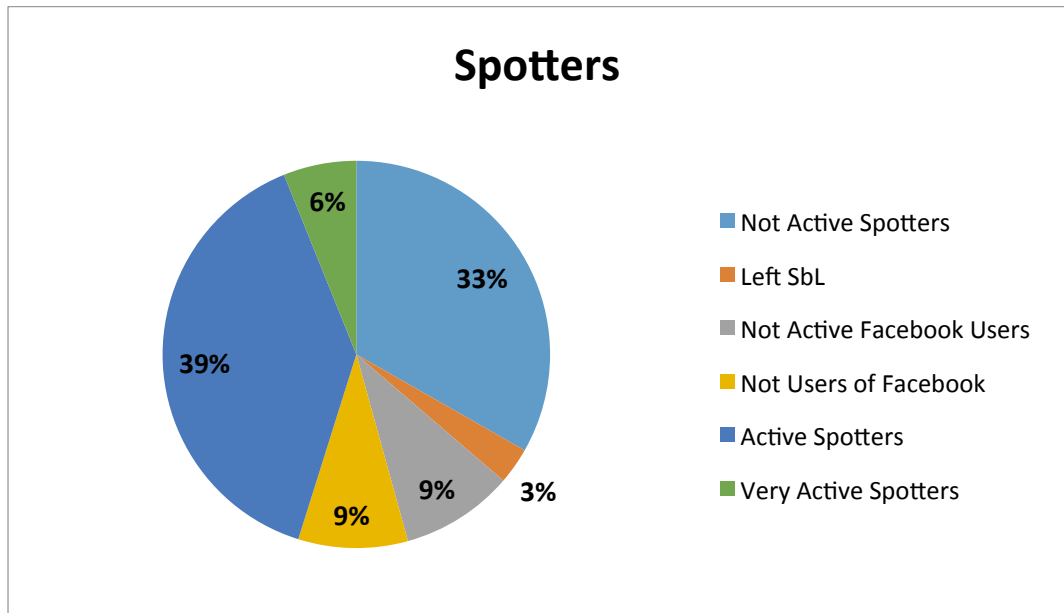
Figure 9. Spotters divided by their social media activity (results after the test group, 2015)

The number of active Spotters has increased by 9 % after the formation of the test group. It is clearly seen from the graph below that amount of active and non-active Spotters has equalized. Since the amount of views increased as well by 21%, it can be conducted that individuals' social media promotion is a crucial part of the case company's marketing.
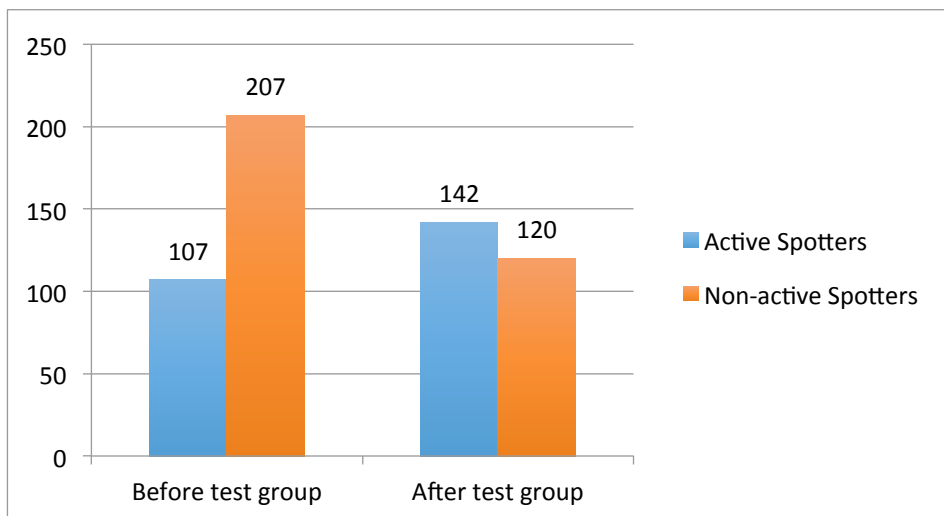

Figure 10. Comparison of the situation

What is more, the percentage of non-active Spotters has decreased by 20%, and it could be seen as a good result within such a short period of time. 173 out of 361 Spotters had increased their position in the ranking, meanwhile, Spotters who lost their positions had stopped sharing their articles or they had left Spotted by Locals.

1.12 Outcome of the observation and test group

After conducting the test group and making an observational analysis, two of the research questions can be answered.

The answer on the influence of social media on the company's performance is that there is a direct dependency on active individuals' promotion and success of the articles, since when the articles had been promoted on social media or the Spotter had created awareness of their writing for Spotted by Locals, the chances were high that articles of this Spotter would be popular.

Therefore, by promoting articles or Spotted by Locals updates, Spotters can get more attention to their articles than Spotters who don't promote anything.

The majority of Spotters, who have chosen not to promote Spotted by Locals on their social media channels, did not get a lot of attention from readers. There are several factors that could be reasons for this:

- Friends of Spotters do not know that he/she writes for Spotted by Locals;
- Spotted by Locals is not a main focus of this particular Spotter (he/she writes for some other platforms);
- The city that Spotter is from is not a hot destination for users of the Spotted by Locals website/app;
- People want to read about their destination in their native language.

What is more, Spotters who do not use social media do not get many views, and so it could be concluded that a Spotter's network of friends is important in achieving greater numbers of views.

Taking into consideration that it was proven that social media promotion has an influence on a company's performance, the case company should hire bloggers who are active on social media.

As mentioned above, the impact of social media is significant, therefore, it enables every Spotter to become a spokesperson for Spotted by Locals. The percentage of non-active Spotters had dropped by 20%, meanwhile the amount of active and very active Spotters increased by 15 %, and it could be seen as a good result within such a short period of time. Moreover, more than half of Spotters had increased their position in the ranking. Figure 11. Illustrates the change in the positions of Spotters based on the amount of views after conducting test group.
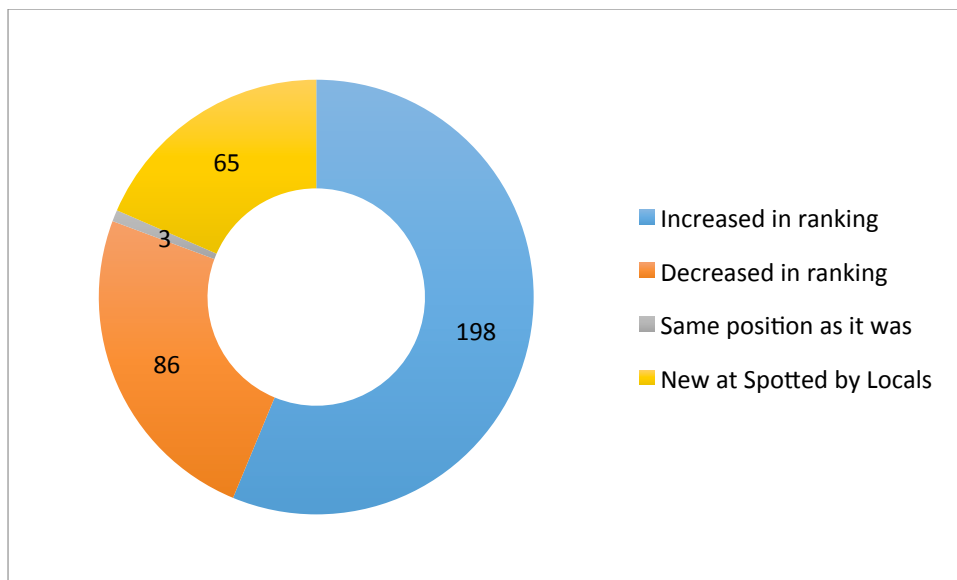

Figure 11. Change in ranking of Spotters (based on the amount of views)

However, it is essential for a company to set rules and regulations about how to maintain the ways of engagement, social media conversations and, most importantly, about how to represent Spotted by Locals in these actions.

To sum up everything mentioned in this chapter, social media promotion plays one of the main roles in Spotted by Locals' performance, and by hiring Spot-

ters who are willing to share their articles, stronger customer relationships could be achieved.

After analysing the data from the test group, the findings were outlined. Taking into consideration research questions and problems, it can be seen that social media has a strong influence on the case company's performance.

The findings were based on the observation of social media platforms. The information about Spotters is private (who they are, where they from, what they do, etc) therefore, only the main outcome can be mentioned in this thesis.

The main findings listed above helped the researcher to come up with a clear conclusion about the case:

- The majority of the most popular Spotters share their articles and Spotted by Locals' updates on their Facebook page;
- Popular Spotters, who do not share that often, had joined Spotted by Locals a relatively long time ago and had shared their articles at that time with a constant frequency;
- Non-active Spotters were writing for other platforms/blogs as well, therefore, they were using their Facebook for promotion of these platforms/blogs.
- Some of the active Spotters were using the hashtag spottedbylocals (on Twitter and Instagram) , which led to creating brand awareness as well.
- Cities play important role also, because people are interested in some cities more than others;
- The majority of North American Spotters are not active;
- The most active and popular Spotters are usually from Central Europe.

CONCLUSIONS

There is a constant discussion about how to do successful marketing. Social media marketing is a fast developing trend that should not be seen as an addition to other marketing tools, but as an essential tool in itself.

Based on the findings of the conducted research, it could be seen that social media is a powerful communication tool for people and companies all over the world.

Social media is a difficult topic to address since there are countless definitions of this phenomenon. Social media has become a platform for businesses and their customers since companies can engage with the customers by providing relevant information, giving them a chance to contribute to the existing content, and, most importantly, strengthening the relationships. Social media has given endless opportunities for companies to build brand image as well.

Word-of-mouth marketing has been proven very important point in social media. Therefore, it is important to listen to the customers and adjust companies' strategies towards their needs. (Dibb, Ferrell, & Simkin 2012, 648.)

The main benefits of using social media are that there are no boundaries (geographical or time related), no investment on training staff, and having two-way communication, an outcome of this being improving customer relationships. However, there are some disadvantages of social media marketing, such as lack of knowledge, insufficiently trained people, and the poor maintenance of social media platforms. The main drawback is security issues. (Evans, 2014.)

As for an outcome for the chosen case company, both research findings and theory about social media prove that social media marketing is essential for contemporary companies. As was mentioned throughout this thesis, marketeers have endless opportunities and experience benefits while using social media for companies.

The main aim of this thesis was to find out if there is any influence of an individuals' social media promotion on a company's performance (readership).

The results show that the influence is significant, and the readership is truly dependant on an individual's social media performance: in other words, a person, who shares their articles on their social media platforms, gets more attention from the readers, and this works in reverse with people who do not share any.

What is more, for the case company it would be efficient to hire Spotters who are active on social media or willing to share Spotted by Locals' articles since they have a big influence on the company's performance, and Even one person can make a difference.

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APPENDICES

Appendix 1. Invitation for participation in the test group (Non-Active Spotters)

Dear XXX,

My name is Kristina Kukhalashvili. As you may have heard, I'm writing my thesis in cooperation with Spotted by Locals. I would like to ask for your help.

We are analysing if sharing on social media by Spotters actually has the effect we hope for: more Spotted by Locals fans.

If you're not already doing so, we would like to ask you to share a link to one of your great spots on "your" social media at least once a week in May, June & July, so I can compare results of previous months.

We would really appreciate your help. If you have any questions or don't want to cooperate, please let me or Bart know. Thanks very much!

Tip 1: you could add a reminder to your calendar to share a post!

Tip 2: in [the social media handbook](#) you can find best practices for sharing

Best regards,

Kristina Kukhalashvili

Appendix 2. Invitation for participation in the test group (Active Spotters)

Dear XXX,

My name is Kristina Kukhalashvili. As you may have heard, I'm writing my thesis in cooperation with Spotted by Locals. I would like to ask for your help.

We are analysing if sharing on social media by Spotters actually has the effect we hope for: more Spotted by Locals fans.

We've identified you're one of the very active Spotters, so we probably don't even have to ask. But for our analysis it would be great if you can share a link to one of your great spots on "your" social media at least once a week in May, June & July, so I can compare results of previous months.

We would really appreciate your help. If you have any questions or don't want to cooperate, please let me or Bart know. Thanks very much!

Tip 1: you could add a reminder to your calendar to share a post!

Tip 2: in [the social media handbook](#) you can find best practices for sharing

Best regards,

Kristina Kukhalashvili

Appendix 3. Participants demographics (Social Media Marketing Industry Report)

# Survey participant demographics

We leveraged email and social media to find participants for our survey. We conducted this survey in January 2015 by emailing a list of 330,000 marketers and asking them to take the survey. On completion of the survey, we asked participants to tweet about the survey. After 5 days, we closed the survey with **3720 participants**.

Here are the demographic breakdowns:

Survey participants

The largest group that took the survey works for small businesses of 2–10 employees (37%), followed by the self-employed (23%). Seventeen percent of people taking the survey work for businesses with 100 or more employees.

More than half (61%) of survey participants focus primarily on attracting consumers (B2C) and the other 39% primarily target businesses (B2B).

37%

23%

6%

2%

3%

6%

12%

10%

Businesses
39%

Consumers
61%
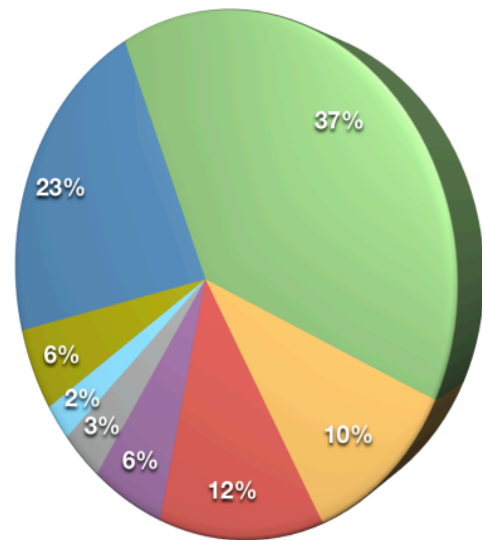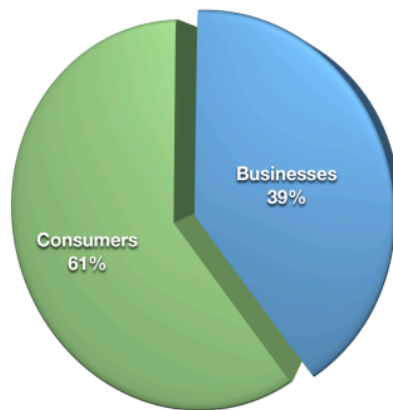
- 1 person
- 2-10 people
- 11 to 25 people
- 26-99 people
- 100-249 people
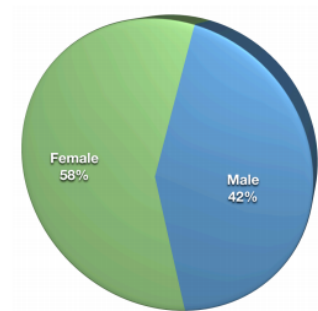- 250-499 people
- 500-999 people
- 1000+ people

Age of participants

Most survey participants (69%) were between the ages of 30 and 59. The median age was 40 to 49.
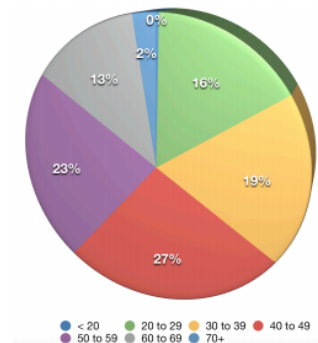
Gender

Females edged out males, representing 58% of all participants.

Country

Most participants (52%) were based in the United States, followed by United Kingdom (9%), Canada (6%) and Australia (5%).