

**FINDING VALUE THROUGH SOCIAL MEDIA MARKETING FOR A  
SOFTWARE START-UP**

Flexwork Software Ltd



Bachelor's thesis

Valkeakoski Campus, International Business

Autumn 2022

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Name of Degree Programme

Abstract

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Year 2022

Subject Finding value through social media marketing for a software start-up

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This thesis was written for a commissioning company called Flexwork Software Ltd. The author wanted to research the value that social media marketing brings to software start-ups. Flexwork Software is a start-up company located in Helsinki, Finland

The author aims to provide good understanding for software start-up companies about the value that social media marketing brings them, and to analyze data to find out what social media marketing reaches the most audience. The aim is to also provide an understanding of the possible challenges and the journey in general for software start-ups.

The thesis provides an introduction of the commissioning company followed by theory on start-ups and the meaning of light entrepreneurship. The author also explains the key terms of social media marketing, the importance of social media marketing, and different social media platforms. After the theory is explained, the methodology chapter consists of research conducted by analyzing the numerical data of the commissioning company's online marketing actions. Quantitative research method is used to analyze and compare numerical data history. The data is provided by the commissioning company from their Meta Business Suite and Google Ads.

At the end of this thesis the author has given recommendations for the commissioning company and a conclusion of the whole thesis. The commissioning company should start posting more systematically to gain more audience and analyze what type of content is the most effective. It is also recommended for the company to start measuring ROI (return on investment) to understand if their paid advertisement is producing results.

Keywords Marketing, Software Start-up, social media, Instagram, audience reach

Pages 32 pages

Tekijä Elli Koskinen

Year 2022

Työn nimi Arvon löytäminen sosiaalisen median markkinoinnin kautta ohjelmistoalan start up -yritykselle

Ohjaaja Sanna-Maaria Mäkelä

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Tämä opinnäytetyö tehtiin yritykselle Flexwork Software Oy. Tekijä halusi tutkia sosiaalisen median markkinointi tuoman arvon start up -yrityksille. Flexwork Software on start up -yritys, joka sijaitsee Helsingissä, Suomessa.

Tekijä pyrkii antamaan aloittaville ohjelmistoyrityksille hyvän käsityksen sosiaalisen median heille tuomasta arvosta ja analysoimaan dataa selvittääkseen, mikä sosiaalisen median markkinointi tavoittaa eniten yleisöä. Tavoitteena on myös antaa ymmärrystä aloittaville ohjelmistoyrityksille mahdollisista haasteista sekä start-up matkasta yleisesti.

Opinnäytetyössä esitellään yritys Flexwork Software Oy, jota seuraa teoria start up -yrityksistä ja kevytyrittäjyyden merkityksestä. Tekijä selittää myös sosiaalisen median markkinoinnin keskeisiä termejä, sosiaalisen median markkinoinnin merkitystä ja erilaisia sosiaalisen median alustoja. Teorian jälkeen tekijä on tehnyt tutkimuksen analysoimalla tilaajayrityksen verkkomarkkinointitoimien numeerisia tietoja. Opinnäytetyössä on hyödynnetty kvantitatiivista tutkimusmenetelmää numeerisen datan vertailuun ja analysointiin. Data on saatu tilaajayritykseltä heidän Meta Business Suitesta ja Google Adsistä.

Opinnäytetyön lopussa tekijä on antanut ehdotuksia tilaajayritykselle ja loppupäätelmän koko opinnäytetyöstä. Tilaaajayrityksen pitäisi aloittaa systemaattisempi julkaiseminen sosiaaliseen mediaan suuremman yleisön saavuttamiseksi, sekä analysoida minkälainen sisältö on parhaiten tulosta tuottavaa. On myös suositeltavaa, että yritys alkaisi mittaamaan sijoitetun pääoman tuottoa (ROI) jotta syntyisi ymmärrys siitä, tuottaako maksettu mainonta haluttuja tuloksia.

Keywords Markkinointi, Ohjelmistoalan Start-up, sosiaalinen media, Instagram, yleisön saavutus

Pages 32 pages

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## 1 INTRODUCTION

Starting a new company can be very hard, the journey that start-up companies take has many ups and downs. When starting a new business, there must be genuine dedication and determination. The entrepreneurs gain a lot of new skills and ways of working during the journey of becoming a successful business. In this thesis, the author will discuss the value that online marketing brings to a start-up business. The author will mainly focus on social media marketing and the strategy and statistics behind it. This thesis is done with a commissioning company Flexwork Software Ltd, which is based in Helsinki, Finland. Flexwork is an online platform that works as a billing and employment platform. They are trying to find the best marketing platform to raise their customer base. The research focuses on analysing the social media marketing reach of Flexwork Software and finding the best online platforms to use for marketing. This thesis gives information on which social media platforms bring the most visibility for this start-up.

Start-up companies play an important role in today's software and innovation offering. Start-ups are flexible and quick to react which sets up a quick development and release of innovative products (Klothins, 2019). To succeed and reach the clients, the commissioning company needs to have a clear strategy and plan for marketing. What are the best methods and platforms to reach the highest possible number of clients? Flexwork has decided to focus on online marketing because they feel like it has a big role in the software start-up playing ground, since they feel like TV commercials are a bit expensive and most magazines are now online.

This thesis subject was chosen to not only help the commissioning company, but also for other start-ups to see the value that online marketing has for them. The research will focus heavily on Instagram marketing since it plays a big role in today's marketing world (Teo;Leng;& Phua, 2019) and has a big user base of the target market for Flexwork Software Ltd.

## **1.1 Research question and objectives**

The purpose of the research is to help the commissioning company find the values that online marketing brings for them. The analysis of different online platforms and the results on how much audience they have reached will also give excellent ideas for other software start-ups in the future.

This thesis focuses mainly on two things. It discusses the start-up journey in general, and the challenges and struggles the start-ups might face. The other main thing discussed is the value that online marketing brings to this software start-up, which online platforms work the best for the commissioning company and what things could have been done otherwise.

This thesis will also give a good start for software start-ups on their social media marketing journey. It gives them an idea of which online platforms are the ones that reach the most audience and which marketing ways online are most efficient.

Flexwork Software is a start-up business, which means that they have now been marketing only a short period of time. This means that the analysis of the marketing data will be from the starting point of the marketing journey and approximately six months forward. This way the author will be able to analyze the online marketing from the very start. There are many social media platforms for companies to do marketing and today Instagram plays a very big role in the business marketing for consumers (B2C). Instagram has shown its strength as a marketing platform and is statistically the best in reaching the audience (Martin, 2022) that Flexwork Software is trying to reach. Because of this the author came up with a question: "What is the role of Instagram marketing for a software start-up?" which is used as a research question for this thesis.

## **1.2 Methodology and thesis structure**

The author has chosen to use quantitative research methodology in this thesis. Quantitative research is technique of gathering and analyzing data with numbers. Quantitative research is often used in marketing since it can be used to discover different figures, medians and make prognosis. (Walter & Andersen, 2013, pp. 7–10) Qualitative research is based on interviews

and surveys of people or groups of people. It is usually descriptive, diagnostic, evaluative and creative. (Rutberg & Bouikidis, 2018) Because the research is made based on analytics the author chose quantitative research over qualitative.

A quantitative research method was chosen so that the author can analyze and compare numerical data history to find out which online platforms bring the most visibility and reaches the highest number of clients for the commissioning company. The purpose is to analyze and compare marketing data from a period 10.1.2022-31.7.2022 to understand more specifically which online platforms are the most valuable for this software start-up. The participants of the study are everyone who have found the commissioning company through the online marketing tools. To analyze this data the author will take a deeper look at the groups of people who have visited the commissioning company website and see which marketing platforms brought the most visits.

This thesis is structured so that first it provides the essential background information of the topic for the reader. The commissioning company is introduced with more specific theory on start-ups and the meaning of light entrepreneurship. The author will explain what light entrepreneurship is for the reader to better understand the target market of the commissioning company. Flexwork is a tool for light entrepreneurs, but works itself as a Ltd. This is followed by the key terms of social media marketing explained profoundly. After the terminology is explained, the actual research is made based on the numerical research data from paid and not paid online marketing of the commissioning company that the author has analyzed. The author has also given suggestions for the commissioning company for their upcoming online marketing journey.

### **1.3 Company introduction**

Flexwork Software is a start-up company founded by Heikki Lesonen and Ariel Keisa. They started developing the software in 2019 and made it public in December 2021. Flexwork is a software that works as a billing platform and employment platform for light entrepreneurs and employers. Their aim is to connect employers with light entrepreneurs in the employment platform and shared calendar online, this way finding work and workers is easier for both employees and employers.



The software offers tools for visual analytics, billing, training materials, open work assignments, automatic contract templates, reports, hours and working times and a calendar for the light entrepreneurs. The visual analytics makes it easier to outline the data better, it shows the made billings, worked hours and their general development. With the billing platform they make it easy to send bills by email, mail or e-invoicing. Training materials are shared by the B2B customers of Flexwork straight to the material bank, which helps the light entrepreneurs to be ready for more demanding job tasks. The reports about billings, pay checks, expenses, shifts and work lists can be downloaded. Flexwork offers an accident and liability insurance for the light entrepreneurs, so that if something was to happen during the work they are under a comprehensive insurance. (Flexwork, 2022)

The platform lets the employer leave a job advertisement on the website. After this they can guide the job seekers to a recruiting website. When the applications start to flow, the employer can easily look through them and ask more specific questions from the applicants if needed. After the competent applicants are found, an assignment agreement is made and approved mutually through the Flexwork software system. (Flexwork, 2022)

It costs nothing to register to the website of Flexwork Software. Flexwork Software deducts a 3% service fee and a 2.5% surcharge from a VAT-excluded amount of the invoice only in connection with a salary payment. (Flexwork, 2022)

### **1.3.1 Light entrepreneurship**

Light entrepreneurship is a new and trendy way to start a business. It is suitable for everyone who dreams of becoming an entrepreneur and a risk-free way to try it since it does not need an official start of a business. Light entrepreneur can be a person who is on a normal daily job, student, unemployed, on parental leave or even retired. Light entrepreneur is a person working with an entrepreneur status who employs themselves and uses a billing software, like Flexwork. Everyone can work as a light entrepreneur, without a company ID or a trade name. Light entrepreneurs work independently acquiring their work assignments themselves, determine the price of their work and decide when they work. (Flexwork, 2022)

When a company considers a new employee or temporary staff, hiring a light entrepreneur is a great choice. Hiring a light entrepreneur does not bind the employer like normal recruiting. With normal recruiting there is always a risk that the employee gets sick or is not as competent as they promised, the financial risk of recruiting is possible for every company. With a light entrepreneur this problem disappears. (Flexwork, 2022)

There are a few fields that light entrepreneurship is not possible, these are: wet room waterproofing work, electrical work without a certificate, guarding, health care services, real estate, food sales and transportation and machine work when the vehicle is over 3500kg. (Flexwork, 2022)

### **1.3.2 Social media presence of Flexwork Software Ltd**

As the main focus of the thesis is to find out the best social media marketing tools the author will go through the current social media presence of Flexwork in different social media channels. At the moment Flexwork has accounts on Instagram, Facebook, TikTok and LinkedIn. All social media channels, including their whole website, is written in Finnish. No channel has any information in English yet. The author discussed with the commissioning company, and they have plans to have the website in English and Swedish in the near future.

Flexwork has been very active on all the social media channels since they started on them in December 2021. For instance, on Instagram, they have posted 23 pictures on the time period of 17<sup>th</sup> of December 2021 to 21<sup>st</sup> of April 2022. All the posts that are made to Instagram are also found in the other channels mentioned earlier. On Instagram they have gained 1 127 followers, on Facebook they have 1 459 users liking their page and on LinkedIn they have 19 followers.

### **1.3.3 Target market**

Companies cannot always please all the customers, because people have different ideas of what they need. This is why it is hard for a company to come up with a product or a service that fulfills the needs of all customers. Therefore, companies normally split the market into segments, and then come up with products or services to these segments (Camilleri, 2018).

Segmentation in market, known as well as audience segmentation, is a way for companies to divide customers into teams where their wants, needs and behaviors are the same. After the company has done the segmentation, it is easier for them to carry out their marketing to address more specifically to the chosen segment. A company can also choose to market their product or service to all the customers without dividing them. Only a few, if any companies can actually take advantage of the approach to market to everyone without dividing the customers into segments. (Weinstein, 2004) Companies make target markets to identify which section of the market they aim their products or services to. Usually, the chosen target market is considered to be the most profitable for the company. (Camilleri, 2018)

There has been discussion with the commissioning company, and they have divided the target market into two segments: light entrepreneurs and businesses. They have put their focus first on creating marketing that will speak to the light entrepreneurs. The reason they want to have the light entrepreneurs as the main target audience at first, is to gain volume to their platform. As the volume for the pages grow with the light entrepreneurs, the B2B marketing will take place. With the bigger volume of light entrepreneurs, the businesses will see that there are already plenty of light entrepreneurs who know or use the software. This will gain trust for the companies to start using the software as they see that a lot of potential future employees are using it. Since the target market is both companies and light entrepreneurs the commissioning company does not have a specific age group to target their marketing to.

## **2 THEORETICAL FRAMEWORK**

In this chapter the author will explain what a start-up is, how they usually reach clients and what their main struggles and challenges are. The author will also go through different forms of social media and how they work.

### **2.1 Software start-up**

A definition of a start-up has many different forms. The author will go through the details of what makes a company a start-up for the reader to fully understand the definition.

Companies that came successful like Uber, Spotify and Kahoot were in the start-up stage when they developed their software (Nguyen-Duc;Kemell;& Abrahamsson, 2021)

Co-Founder and CEO of Startups.com, Wil Schroter, has a definition for a start-up company: *“A start-up is the living embodiment of a founders dream. It represents the journey from concept to reality. It is one of the few times you can take something that is only a dream and make it a reality, not just for yourself, but for the entire world”*. A company that is taking the first steps of progress, development and growth, founded by one to three people, focused on developing a platform, product or a service is a start-up. The people who have founded the start-up usually fund the business themselves. Sometimes small businesses like to stay small; this is not the case with start-ups. The goal for start-ups is to someday be more than that and grow to be a bigger successful company. (McGowan, 2022)

A start-up is a creation of a new product or service by a group of people with doubts whether it is going to work or not. Software start-ups are focused on kicking off an innovative software related service or product to the market. A product or service that is software related includes a relevant and significant software component. It is hard to research start-ups because of their unattainable nature and short span of life. There is always a risk that a start-up may leave nothing or just a few traces behind before they cease to exist. (Klothins, 2019)

### **2.1.1 Different strategies for start-ups**

There are different types of strategies for businesses, and start-up strategies are different from the strategies of already existing businesses. Already existing businesses have data and information that is needed for the analyzing and market planning that start-up businesses do not have. (Gans;Scott;& Stern, 2018)

Making a business plan is important for start-ups. It will help to see the different perspectives of the concept and framework of the new business. The business plan includes the arrangements, marketing and financial side. It is also important for the start-up business to place themselves in a position against competitors. These are needed if the start-up wishes to introduce the business to potential investors. If the start-up does not want investors, the business plan is still useful for the guidance of the business. For start-ups to be

able to sell their product or service to their customers, they need to know them and what they like. Start-ups can work with already existing companies to entry resources which may help them to take a sprint to bigger markets faster. There is a risk though, as it may take time to cooperate and once the cooperation happens the bigger company might take a big piece of the profit made by the start-up. As risky as it is to step into the competition, it is usually wiser for the start-ups'. They have the ability to find their customers their own way, best cases they find value from the customers that other companies have omitted. (Smith, 1998)

Some companies have an exit strategy from the beginning. This means that the company is planning on selling since the start-up phase. These companies are usually owned and ran by people who have knowledge of the industry. They have recognized the valued things in the industry and can focus straight on the actions that will increase the value of the company. If the company is led with the exit strategy on, the company should be ready to sell any day. When a company owner has an exit plan company and wants to sell, they need to have good connections and strategic relationships with bigger companies and their leaders. (DeTienne;McKelvie;& Chandler, 2015)

### **2.1.2 Start-up Struggles and challenges**

Why more than two-thirds of start-ups never make it? Tom Eisenmann, a professor at Harvard Business School and a book writer, has written a book called "Why Startups Fail: A new roadmap for entrepreneurial success". In his book he identifies six reasons for start-up failures. In Eisenmanns article to Harvard Business Review he explains two of the reasons in more detail, because as Eisenmann (2021) said: "They're the most common avoidable reasons why start-ups go wrong". Therefore, the author of this thesis will also focus on the two most common reasons more deeply and explain the four other ones shortly.

The first reason for start-up failure is what Eisenman (2021) refers as "bad bedfellows". By bedfellows he means everyone else but the founders. These people are partners, employees and investors, and they can all affect the start-ups failure. This does not mean that the founder must be brilliant. If the founder lacks experience and knowledge, there is usually a senior management to help with the areas that the founder is lacking knowledge. What

start-ups usually do in the start, is hire someone who can work in multiple areas, sometimes this leads to the employee to still lack information about certain areas and will cause the business to struggle. Sometimes the pressure from investors can cause the start-up to move forward before all the problems are solved and this will usually cause problems, like using too much money. These kinds of situations can be avoided with enough knowledge from the founders about their industry. If the founders have enough knowledge, they know who to hire, who to partner with and if they should have investors or not.

The other major reason for start-up failures according to Eisenmann (2021) is false starts. False starts are made when the start-up does not do the necessary research of customers and their needs before giving a trial run to the products or services. Many start-ups launch their product or service without making sure that there is a need in the market for it. If a start-up brings out an MVP (minimum viable product) to the market to see how customers reach to it without making sure it fits any market needs, they usually waste their time and miss their opportunity. A minimum viable product is a simple version of a product or service that is brought to the market to see the customers reaction and get comments from customers, as well as to collect data (Moogk, 2012). The reason why the false starts happen so often is the ambition and hunger of the entrepreneurs, wanting to get the product or service launched fast. To avoid the false starts, start-up founders should make analysis of competitors, test the solutions that are already in the market, and with this fully understand the competition and the market need for the product or service.

There are four other models of start-up failure reason. First one of the four is false positives. In cases of false positives, the start-up gets a positive response from a certain number of customers after the launch and then expand very fast. If this happens, the start-up usually fails to recognize the actual needs of the common and dominant customers. This means that the start-up must come up with new ways to engineer the product or service and introduce it to the market again, which can be expensive and raise the likeliness of failure. The second one is speed traps, where a start-up realizes a good opportunity and starts expanding fast. The threat in fast expanding is that the new segment of customers might not find the business as valuable as the first segment of customers did. At the same time the competing businesses might lower their prices and attract the customers to them. Third, help wanted, means that the start-up struggles because of the lack of funds or knowledge. It might

happen so that the start-up does not hire competent staff early enough, which can cause a crucial drift, unnecessary costs and a work culture that does not function. The fourth one, cascading miracles, means that the start-ups founder is very determined and enthusiastic with the idea and meets many struggles and challenges. These challenges can be the customers who are demanding change, learning new technologies, getting partners or grow capital. All these struggles and challenges need to be overcome or the start-up most likely fails. (Eisenmann, 2021)

## **2.2 Social Media**

Social media applies to technology that is computer-based and through virtual networks allows and simplifies the sharing and communication between users. Social media can be accessed through many different devices, for example mobile phone, computer, tablet and even smart watches. Over the world, there are over 4.5 billion social media users. The biggest social media channels are Facebook, Instagram, Twitter, Youtube, and TikTok. The strength that social media has is the possibility to share data and info to big groups of people at the same time and to anyone that is wanted to receive the information. (Fangfang, Larimo, & Leonidou, 2021)

Looking at social media from marketing perspective, it is a big variety of platforms on which people develop networks and share data or knowledge. As a marketplace, social media lets companies and customers engage with each other in a modern way that was not possible before. Social media is now working as a marketing intelligence source, meaning that companies can monitor, analyze and foresee customer actions. Companies are using social media marketing as a tool to create long-lasting relationships with their customers. (Fangfang, Larimo, & Leonidou, 2021)

### **2.2.1 Different social media forms**

There are many different forms of social media. It can be hard to recognize what constitutes as social media because there is so much differentiation between the sites and styles.

There are three main types of social media. Social networking sites like Facebook, microblogging sites like Twitter and video sharing sites like Youtube and TikTok (Fangfang, Larimo, & Leonidou, 2021). Social networking sites are used by people who want to connect with friends, colleagues, customers and family. The most used social networking platforms are Instagram and Facebook. Companies use social networking platforms to keep the customers loyal and raise the brand awareness. In social networking sites people can share messages, photos and thoughts with their family and close ones and also connect with people, even strangers, in the same communities and interest areas. This way people can create new relationships with people similar to them, their values and thoughts. The problem found in the social networking is the spread of false information. False information has been research to be shared 70% more likely on Twitter than true information. The negative impact social networking has on companies is the criticism that spreads very fast. (Kurylo & Dumova, 2016)

Microblogging is a way of sharing content with a post or a text that has around 50-250 words. The most used micro-blogging site is Twitter, which is used for tweeting short posts. The micro-blog text is usually posted with a picture or a video relating to the text. Microblogging is a lot more efficient than traditional blogging; it takes less time to come up with the content, it gives the opportunity to create more frequent posts, a way to share important information instantly, and a more simple and faster way to communicate with followers. (Ebner & Schiefner, 2008)

Video sharing sites allow users to share their video content for people to view online. Video sharing helps businesses to create awareness and brand image to customers. The sites let people and organizations to upload and live stream video content. Video content is a good way of getting a bigger audience, making and posting promotional videos, providing messages to followers and making a better search engine rank. (Souki, Chinelato, & Goncalves Filho, 2022)

### **2.2.2 Instagram**

Instagram is a social media site where people can share photos and videos for their followers. Instagram was released in 2010 and was created by Kevin Systrom and Mike



Krieger and it took only eight weeks for the software to be developed and launched. After the launch, the app gained 25,000 users in one day. Since the app started, the focus was to show pictures taken with phones. The app was first launched only for iOS (Apple) phones, by 2012 it had 27 million users. In 2012 the app was released to Android also, and it gained over a million downloads in one day. In 2012 Facebook, now Meta, purchased Instagram for 1 billion in cash and stock. Throughout the last decade there has been many changes, for example the algorithm. Instagram is usually defined as an easy way to share life and pictures with friends and strangers. At first Instagram was only for picture sharing but has recently moved to video sharing also. (Chopra, 2022)

So how does Instagram work? After downloading the app, the new account needs to be created with personal information. If the user has a Facebook account, they can use that to log into Instagram. Personal information needed for the account are phone number, first and last name, username, email address and a password. Instagram allows to create more than one account and is easy in a way that it lets the user to switch between accounts without logging out. Once the account is set up, users can start following pages and people they like, and see who follows them. Users can add profile pictures and a little text to the bio in the profile, companies can use the bio to give information about their brand. On the settings users can choose which notifications they want to keep on, they can for example choose to have notifications for only comments.

There is a photo and video adding button on Instagram. It lets the user to select up to 10 pictures at a time to post at once. Users can select filters to add to the photos, for example a filter called "Willow" makes the picture black-and-white. Before posting the picture, the user can also add a little text to the picture, it is called caption, this is what makes Instagram also a micro-blogging website. Users can also tag people in their photos; tags give notifications to the tagged people and this way they can also share the same picture on their profile. Adding a location to the picture lets people know where the picture was taken, and the picture can be then also found from the location page. Instagram also gives an opportunity to share the same post straight away to other websites, for example Facebook. Users can choose to have their profiles private; this means that people cannot see what the user has posted before sending a follow request. On Instagram, users can direct message people without sending a follow request at first. This way sending and receiving messages is easier and faster. Other

features Instagram offers that are worth mentioning are Live videos, Shopping site, Scheduling posts beforehand, saving pictures and videos to saved file to see them later, post various sizes of photos, archive photos and videos and not having to delete them, block people and manage who can view posts and stories. (Antonelli, 2020)

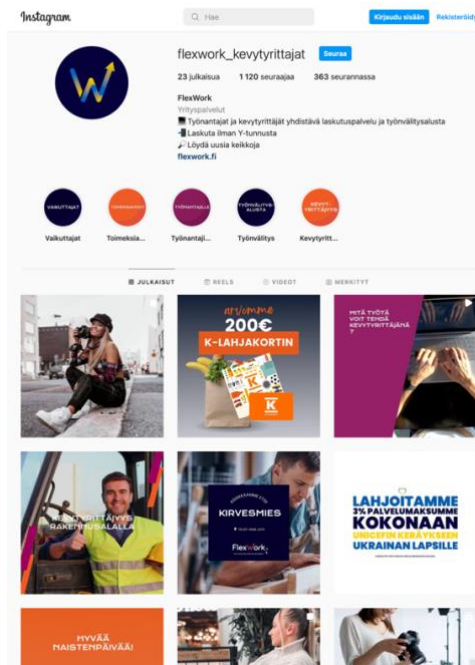


Image 1. Flexwork Instagram page. (Instagram, 2022)

How do businesses benefit from Instagram? Instagram allows users to switch into an Instagram Business account, which offers analytics to help the business understand which strategies are working and which are not. All the analytics can be found inside the Instagram app. Followers analytics allows the business to see the followers top 5 locations, the age range of the followers, gender in percentage and what are the most active times. Companies are also able to see how many times their posts are viewed, saved or shared. (Newberry, 2020)

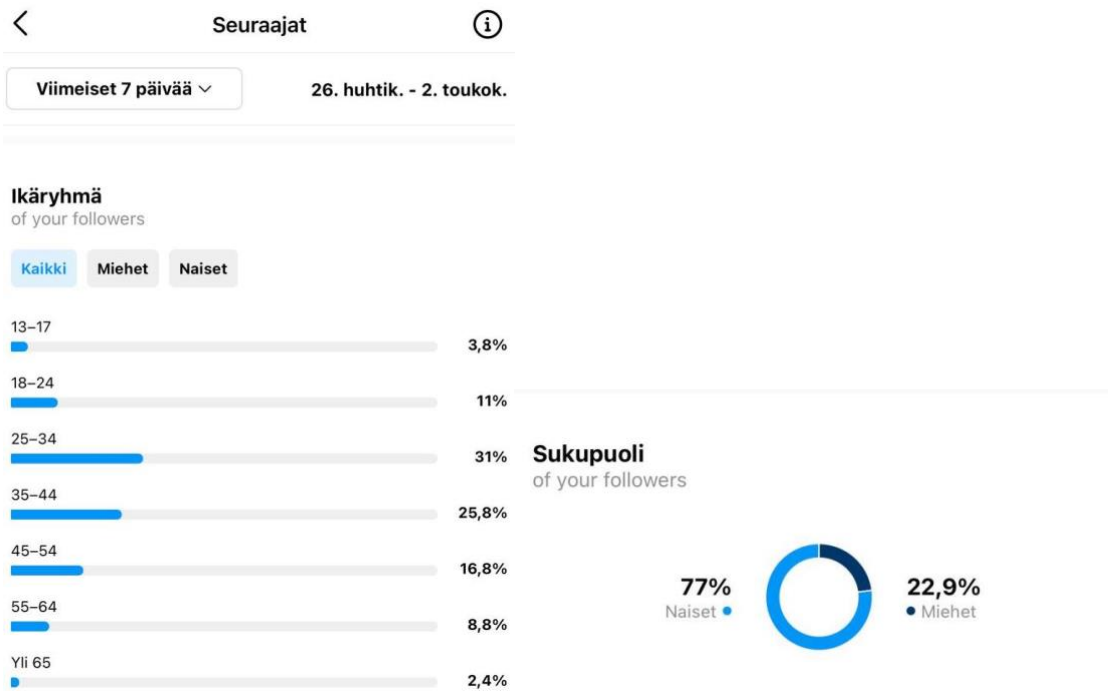


Image 2. Example of Instagram for Business – Flexwork Instagram for business page. The left side presents the analytics of all the age groups of the followers and the right side presents the gender of all the followers. (Lesonen e-mail, 2022)

### 2.2.3 Facebook

Facebook is a free social network online, that was founded in 2004. It is the biggest social network in the world since it reached almost three billion users in 2021. Even though Facebook is free for the users, it makes money with paid advertisement. Users who create an account to Facebook can add photos, connect in groups and even start new groups and events. Users can micro-blog on Facebook by posting on their timeline, and pictures or videos can be added to the posts. Users can message each other on Facebook Messenger app with mobile phones and Facebook chat with a computer. Like other websites, Facebook has a like button that allows users to like others posts or dislike them. From 2004 to 2006 only University students in the United States were allowed to join Facebook. In 2006 Facebook allowed every over the age of 13 to join. In 2012 Facebook became a public company and in 2021 they announced to change the name to Meta Platforms. Instagram, Messenger and WhatsApp are all part of Meta Platforms. (Hall, 2021)

Facebook is a potential marketing place, and a lot of small businesses and start-ups can advantage from Facebook marketing because of the huge number of users which is nearly 2.91 billion every month. Facebook Business is free and works like an individual Facebook profile, with some benefits. Companies can add their contact information to their page so that customers can find their phone number, address and email. Facebook is also a great tool for companies to post pictures, insights of offers and what is going on with the company to connect with customers more. Facebook Business allows companies to see data on audience and demographics. If a company has a Facebook Business page they will benefit also in SEO (Search Engine Optimization). If companies want to promote their visibility more, they can pay for adds and boost their posts for an extra pay. These ways of promoting visibility are a great way to target a particular audience. Companies can for example target the audience by their gender, age and location. The Facebook platform collects data of the users, which makes it easier to reach the users that are interested to similar services or products. (Fink;Koller;Gartner;Floh;& Harms, 2020)

#### **2.2.4 YouTube**

YouTube is a website for free video-sharing and viewing. It was launched in 2005 and bought by Google in 2016 (Kuligowski, 2021). There are mainly two types of users: video creators and video viewers. Some users do both, create videos and view other users' videos. Anyone who has access to internet and a computer, or a mobile phone can use YouTube by logging in with their Google Account. Private users usually use YouTube to watch or create videos, and companies usually use it to boost their marketing and visibility. YouTube offers all kinds of content: animal videos, funny home videos and learning tutorials. It is available in almost every country and more than 50 languages. (Moreau, 2022) YouTube works based on the values that they feel are important. They delete content that is against their rules, limit the harmful wrong information content from spreading, bring out the content of official sources and recognize the trusted content creators. YouTube also promises to restrict the content of extremism, intervene in hate speech and cherish the safety of children. (Youtube, 2022)

YouTube has a business account that companies can use to post marketing videos, engage with customers and advertise the company. In order to get more visibility and stand out companies should carefully consider and customize their channel. YouTube offers four

different video ad possibilities. The first one is called TrueView, and it is an ad that plays before or during the video. The company will need to pay for the ad only if the viewer watches it for 30 seconds or clicks on the ad. The second way to advertise is discovery ads. These ads will be shown to users who are trying to find or leaf through content over the internet or YouTube. Discovery ads are not time limited. The third one is a bumper ad, which is under six seconds long and the users have to watch the full ad. Fourth way is the outstream ads that only play on mobile phones and are shown in the websites of partners. (Kuligowski, 2021)

### 2.2.5 Google Ads

Google Ads is an online marketing solution that companies can use to advertise their services or products in the Google search and other websites. With the Google Ads account the marketers can shape their budgets and targets and start or quit showing their ads anytime. Companies can start by choosing their goals such as raising the amount of people who visit the company website or call the company. The next step they take is to choose the location where their add should be seen. The location can be a small area surrounding the company or a bigger area like city or a continent. The last step for the company is to create an add and determine its monthly budget. After the first steps are done and the add is approved, it can be shown every time a user in the chosen location is searching for products or services similar to the company. The company only pays when the add is clicked. (Google, 2022)

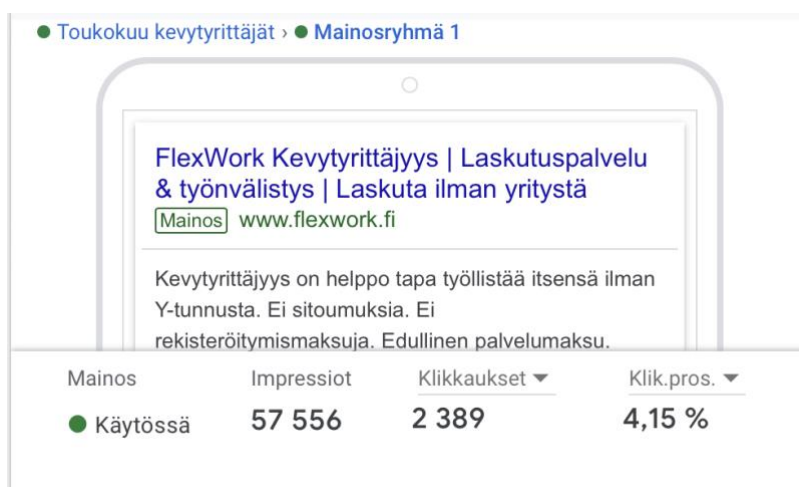


Image 3. Example of Flexwork Software's Google Advertisement. (Google Ads, 2022)

### **2.2.6 Importance of social media for start-ups**

Social media is a great way to connect and interact with customers and other businesses. Social media is a key part of many start-ups journey, with marketing and to reach clients. Many start-ups want low-cost brand building in the beginning, and they can do that with most of the popular social media channels. If the start-up has a solid and rare idea, they might be fortunate to go viral without any cost. Social media also allows start-ups to test their ideas and get feedback from the customers. (Troise;Dana;Tani;& Lee, 2022)

Social media is a great place for start-ups to get customers and run marketing campaigns. In addition, from social media start-ups can follow what their competitors are up to. Social media marketing is a lot cheaper and can be analyzed easier than offline marketing, which is the reason why so many start-ups prefer social media marketing. In social media start-ups have the opportunity to interact with their customers through many different channels. They can answer customers questions, set up raffles to customers and raise customers knowledge about the business and their services. Once the start-up has succeeded in making these customers happy, these customers will spread a positive image of the business to others. By answering customers questions professionally, the customers gain trust. With the help of customer feedback, the start-up is also able to find and fix problems quickly. For start-ups, social media is a great way to measure things. They can see how many users have visited their pages, if users are connecting, which plan works and which social media sites raise the most users. (Troise;Dana;Tani;& Lee, 2022)

Paid advertisement on different social media channels is important to companies. No matter how good the content is, it will not find the audience without paid advertising. Social media paid advertising activities boost visibility and increase awareness. With paid advertising the company can choose where, when and to who their ads are shown. In social media it is easy to follow which ads are working because the advertisement tools offer analytics from the ads. (Lovett & Staelin, 2016)

## 2.3 Marketing

### 2.4 Digital marketing acronyms

It is valuable for a company to have a digital advertising plan. In the digital world of advertising there are a lot of terms that companies come across. These terms are digital marketing acronyms. The following acronyms are important to know in order to be able to fully expertise in digital marketing. (McKinney, 2016)

KPI- Key performance indicator

A company decides their goals and the metrics they want to measure, this metric shows if the company is meeting the goals. When a company carries out a marketing strategy, they have to aim for certain goals. A company can monitor the improvements via KPI's that measure the progress. (McKinney, 2016)

SERP- Search engine results page

When a user types into for example Google search, SERP is a page of rankings the user will see. For companies, having a top SERP ranking is usually the goal. Companies can benefit from learning the competitors rankings to improve their search engine optimization (SEO) plan. (Spinutech, 2021)

CTR- Click through rate

Click through rate is the amount of visits a company gets through an ad compared to the number of times the ad is shown. The CTR is counted so that if the company had shown an ad a hundred times, and it reached ten page visits from users, the CTR would be 10%. (McKinney, 2016)

TLS- Transport layer security

Transport layer security lets the users know that the website is secure. Users can make sure if the page has TLS certificate by checking if there is a lock symbol on the left side of the URL bar. When a company has a TSL certificate, it does not only make customers trust the website more, but also helps to improve the search engine ranks because Google prioritizes the TSL websites. (Spinutech, 2021)

#### PPC- Pay-per-click

This is used to describe a way of advertising costs. If a company is advertising digitally and uses the type of advertising that charges the company by each click on the advertisement. (Spinutech, 2021)

#### CPC- Cost per click

A maximum cost per click is a calculation that a company makes to determine how much they are willing to spend on each visit on the website from advertisements. A maximum CPC is always bigger than the average CPC which is the cost that the company is billed per visit. (Spinutech, 2021)

#### BR- Bounce rate

When a company's website is visited by a user, but the user does not click on anything on the website, it is counted as the bounce rate visitor. This can either mean that the website was not interesting enough to explore more, or that the user found the information they were looking for already on the front page. (McKinney, 2016)

#### CRO- Conversion rate optimization

A company can decide an action that they wish for the user to make while visiting the website. This action can mean for example making a purchase. Companies can make this rate better with CRO. (Spinutech, 2021)

#### ROAS- Return on ad spend

Return on ad spend measures the sum of money the company spent on advertisement compared to the revenue they made with it (Singular, n.d.).

#### CPM- Cost per mille

CPM is used if a company wants to count how much it costs for their advertisement to be viewed 1000 times. In cost per mille, the mille means thousand, so it counts the cost per thousand views. This abbreviation is usually used by companies who want to increase their audience awareness of the brand and not the clicks. (Spinutech, 2021)



## 2.5 Social media algorithm

Because of the volume of users in social media, algorithms are important to create order and meaning. Algorithms determine where a company ranks in social media and what kind of content is placed on the user's social media feed. The algorithm can decide to show a post on a user's feed that is older but then again important to the user according to the algorithm. (Annavarapu;T.K;& Bablani, 2021)

So, what are the social media algorithms? An algorithm is based on mathematics. There are rules in the algorithm that are mathematical, and these rules define how a group of data operates. Algorithms help to keep order and help in placement of search results and ads. The algorithms are used to sort out insignificant content that might be bad quality from the user's feed. There is so much content added online every day, that without algorithms it would not be possible for users to browse through internet and find what they want to see. (Annavarapu;T.K;& Bablani, 2021)

## 2.6 Social media marketing

When a company markets their products or services on social media, it is called social media marketing (SMM). It gives companies an opportunity to keep in touch with old customers as well as attract new ones. Different social media channels offer analytics where companies can monitor the success of the marketing strategies. Because most social media websites ask personal data from users, like age and gender, it is easier for the company to target the marketing to the wanted audience. When marketing on social media, the company should always first come up with a strategy that determines which social media channels they want to use and what kind of content they want to share. After the strategy is done, the company should come up with designs and plans of the content and decide the dates to publish them. After the marketing content is published, the company should engage and learn about what the customers and users are saying. Going through analytics is also a big part of social media marketing. Companies can also pay for advertisement on social media. (Kim, 2021)

One of the biggest marketing plans used in social media marketing is to create content that people will talk about to their close ones. This is called word-of-mouth and is trusted by

many companies to work. The most significant advantage that companies get from this is that they can reach customers that were not necessarily accessible in other ways. The other significant factor is that these people will trust the company more since they have heard about it from a person they trust. (Kim, 2021)

### **2.6.1 Instagram marketing**

Instagram is a great place for companies to market their brand and create a bigger audience. It is a network that is accessed by over a billion monthly users and 500 million stories are added daily on Instagram. The age of 45% of the network users is between 18 and 44. Instagram engagement report shows that almost 90% of users follow at least one or more business and more than 83% have found a new product or service through Instagram. (Teo;Leng;& Phua, 2019)

When a company starts marketing on Instagram, they need a plan on what they are trying to reach or create. The company has to have a clear idea on whether they want to raise their online presence, raise brand awareness or retail their products from Instagram. If the company has a clear target audience, it is easier for them to point their marketing and ads to the right users. When a user enters the company's Instagram page, the Instagram bio of the company is usually the first thing they read so it is important for the company to have an impressive bio. Company should have their logo as their profile picture, this makes the profile more reliable and gives the users a vision of what the company is. The quality of the content posted on the Instagram page plays an important role. The pictures and videos should be sharp and visually good to get the viewers interested. Good ways for companies to post on Instagram are posts that are giving the users a look at the company's office areas, citations on pictures and videos. The videos can be educational, for example on how to use the product or service. (Newberry, 2020)

### **2.6.2 Importance of Instagram marketing**

For companies, Instagram is a great platform to get a huge audience and customer base. Behind Facebook, Instagram is the second most visited app where users spend time on average 53 minutes a day. In 2019 Facebook made research which showed that 65% of the

users who saw a brands Instagram page, visited their website after. (Virtanen;Björk;& Sjöström, 2017)

Instagram will make the brand stronger, as the network makes it easier to find new brands, products and services for 83% of the users. Through Instagram companies are able to engage with their audience in a more personal way. Users give feedback to companies usually by commenting or direct messaging on Instagram. This way companies can read the feedback fast and therefore be faster with the replies. On Instagram the users purchase products straight from the app. The network gives the companies an opportunity to let the users buy their products as they are in the app. Instagram allows companies to target their audience specifically to the chosen segment. (Virtanen;Björk;& Sjöström, 2017)

### **2.6.3 Influencer marketing**

Influencer marketing is a way for companies and brands to increase their visibility online. Social media influencers are mostly people with many followers, celebrities, authors and leaders. These people are usually paid to post pictures or videos of the brands services or products in order to affect their followers' minds in a positive way about the brand. Influencers have the ability to influence the followers' buying habits because of their amount of information, their social media position or the relationship that they have with their followers. Usually, influencers want to work with brands that they are supporting or feel close to because when they create content with the brand the followers connect the influencer to the brand. Consumers feel like influencer marketing is more trustworthy and personal. Brands can send free gifts to influencers and do not expect them to share the products on their social media site or they can send sponsored products which means that they are in a sponsorship with the influencer. There are nowadays regulations that if the product or service is sponsored or commercial the brand and influencer have to point it out. (Martínez-López;Anaya-Sánchez;Fernández Giordano;& Lopez-Lopez, 2020)

In order to be successful in influencer marketing companies must have a plan, like in any other marketing campaign. Companies need to have a clear game plan, budget and research. To find the right influencer the company can either look for one themselves or ask the help of an agency or platforms. It is important to find an influencer who has followers that are a

part of the brands target audience. For the partnership to be successful with the influencer there should be clear schedules for post releases and materials. (Geysler, 2022) It is good for companies to understand that influencers cannot be bought with money if the brand is not for them. They are very careful about what they post because they want to keep their reputation. (Martínez-López;Anaya-Sánchez;Fernández Giordano;& Lopez-Lopez, 2020)

Influencer Marketing Hub has created a Benchmark Report on the state of Influencer Marketing in 2022 in partnership with Refersion. Some important things found in the report are that in 2021 the influencer marketing grew to 13.8 billion dollars and in 2022 the influencer marketing industry is appointed to grow to about 16.4 billion dollars. With influencer marketing the companies are making 5.78 dollars ROI (return on investment) for every dollar they spent. 67 % of brands use Instagram for influencer marketing. Over 75% of brand marketers will commit the budget to influencer marketing in 2022. (Geysler, 2022)

#### **2.6.4 Content marketing**

Content marketing is a strategic way of marketing that focuses on creating and sharing valuable and meaningful content consistently and this way attracting and engaging a carefully defined target group. Content marketing is a great way for businesses aiming for profitable customer acquisition and customer retention. Content marketing focuses on content, which is everything stakeholders can read and see online, as well as on print and TV. Examples of these are the texts on websites, blogs, e-books, videos, webinars, podcasts, pictures and tests. The reasons these contents are created is to draw potential customers to the business network and take them further in their decision on buying and at the end ensure them to buy the product of service from the specific company. The last step is to keep the customer so happy that they do not want to give up the collaboration and compliments it to others too. What makes content marketing special is the fact that the texts, pictures and videos are not marketing in its basic context. These are more reliable and closer to people marketing because even though the meaning is to get more customers to the business, these texts, pictures and videos are actually interesting and useful to the customers. The contents are usually entertaining, raise emotions and most importantly answer their questions. (Aaltonen, 2019)

## **2.7 SWOT ANALYSIS**

SWOT analysis is a tool that helps to figure out a company or a plan. It is a frequently used evaluation method in strategic planning. With SWOT analysis a company is able to define their own position in relation to themselves and the outside world. SWOT analysis consists of four parts: strengths, weaknesses, opportunities and threats. The strengths are things inside the company that the organization sees are good already and what they have succeeded in. Weaknesses are things inside the company that for example are in the way of success or what has not been successful and what should be avoided in the future. Opportunities are things outside the organization. Opportunities are affected by for example different trends, social and economic development, media interest and technological development. Threats are problems that might occur in the near future or things that should be avoided. Threats are external and come from surrounding society and can be caused by the same things as opportunities. (Gürel, 2017)

This SWOT analysis will focus on Flexwork Software Ltd social media marketing possibilities.

### **2.7.1 Strengths**

Flexwork Software has a great understanding of the industry and their competitors. They understand the value of their service and what it brings to their users. Flexwork Software has many experienced coders working on their pages and mobile app, constantly improving it. Their service is interesting and there is a big number of users who need a service that Flexwork offers.

### **2.7.2 Weaknesses**

Flexwork is not at the moment measuring their ROI, which makes it hard for them to see the value that their marketing efforts bring them. They are not advertising as much as they could which can mean losing potential users to competitors.

### **2.7.3 Threats**

Flexworks threats are their competitors, possible law changes in taxing and the threat of a long sick leave. Their competitors already have a lot of users, and it is hard to make a user change from a platform that they know well to a completely new one. Laws in Finland can change when it comes to taxation and business, so this is a possible threat for the future. Flexwork is a small company with 5 employees and the two owners, if someone gets very sick and has to be away for a long time, this can affect the result for development.

### **2.7.4 Opportunities**

Flexwork has just invested in a social media engagement tool which helps to control social media channels, gives them better analytics and measurements and an opportunity to benchmark competitors. This will help them see which posts are most efficient, what their competitors do and what they could do better. With this tool they can stay informed of what kind of content their audience likes and interacts with the most and hopefully this way they can create better content with value for their audience which will increase the user amount.

## **3 Methodology**

### **3.1 Research method**

The research method for this study is chosen to be quantitative research. This research method was chosen to compare and analyze Flexwork Software Ltds media marketing data from approximately six-month period. The analyze and comparing will help to understand which social media channels are most effective for the commissioning company in order to reach more audience.

Quantitative research is technique of gathering and analyzing data with numbers. Quantitative research is often used in marketing since it can be used to discover different figures, medians and make prognosis. (Walter & Andersen, 2013)

### 3.2 Implementation

The data that will be analyzed in this thesis is the paid and free online marketing results from Flexwork Software Ltd. Data is taken straight from the Meta Business Suite and Google Ads pages of Flexwork Software, where the commissioning company gave access for the author to analyze and compare the data. The author was also given a Marketing Report from Flexwork Software from the time period of 10.1.2022-31.7.2022. Flexwork Software has been doing content marketing and paid marketing on social media. The goal was to find out which social media marketing channels reach the most audience for the commissioning company.

## 4 RESULTS

### 4.1 Demographics

Based on the analytics 100% of the current audience is located in Finland. The image below shows that most of the audience is located in the biggest cities in Finland, such as Helsinki, Tampere, Espoo, Vantaa, Turku and Oulu.

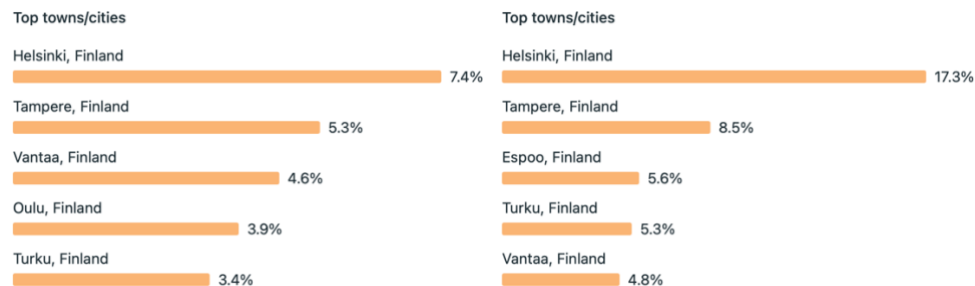


Image 4. The cities and towns where their audience is located. Left side is Facebook audience and right side is Instagram audience. (Meta Business Suite, 2022)

### 4.2 Audience

Based on analytics the current Facebook followers of Flexwork Software are 82.6% women and 17.4% men. The highest percentage of Facebook followers are 45–54-year-old women. On Instagram followers are 78.2% women and 21.8% men. On Instagram the commissioning

company has reached a younger audience with the highest percent of followers being 25-34-year-old women. The percentage of these 25 to 34-year-old women followers on Instagram is 27% and on Facebook only 12.9%. The difference between the age of male followers is not very significant. Here we can see that both Instagram and Facebook pages are important because they reach different age groups of people and because the commissioning company does not have a target age for their audience this is very important for them.

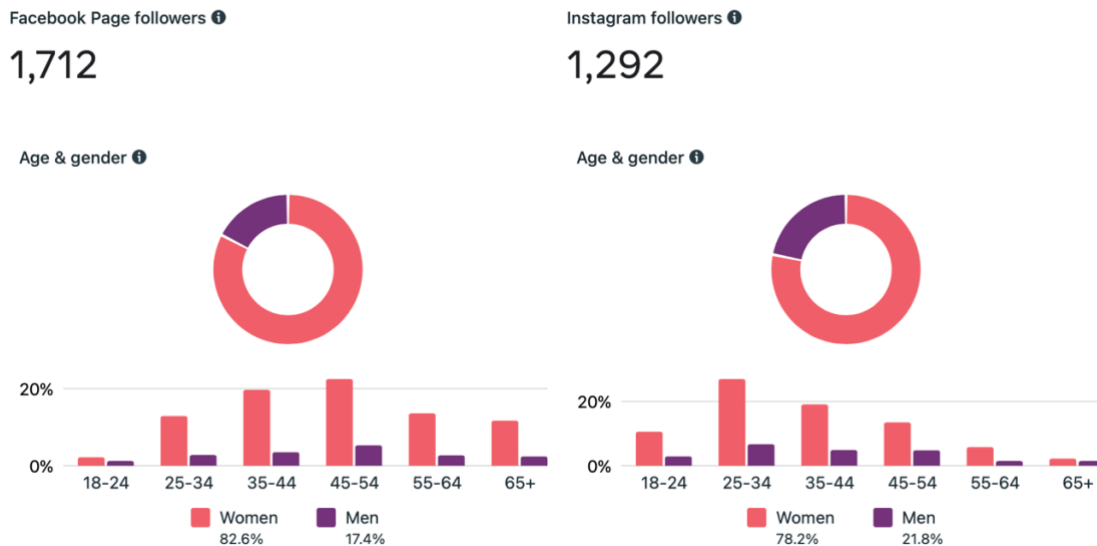


Image 5. Age and Gender of the current Facebook and Instagram audience of Flexwork Software Ltd. (Meta Business Suite, 2022)

### 4.3 Instagram and Facebook results

The following chapter will explain the differences between Facebook and Instagram reach, profile and page visits, and new likes and followers during the time period of 10.01.2022 to 31.07.2022. In the analytics we can see that Facebook reached about 470 000 people more than Instagram. Page reach is the number of times the post has been shown on a user's screen. (Priyaanka , 2022) The Instagram page visit amount is higher even though the reach for Facebook was notably larger. This shows that with the same content on both pages the audience on Instagram is more interested of the company itself than on Facebook. New likes and follows analytics show that from the approximately 4 700 visits on both pages, around 1 350 people have been interested enough to follow or like the page.



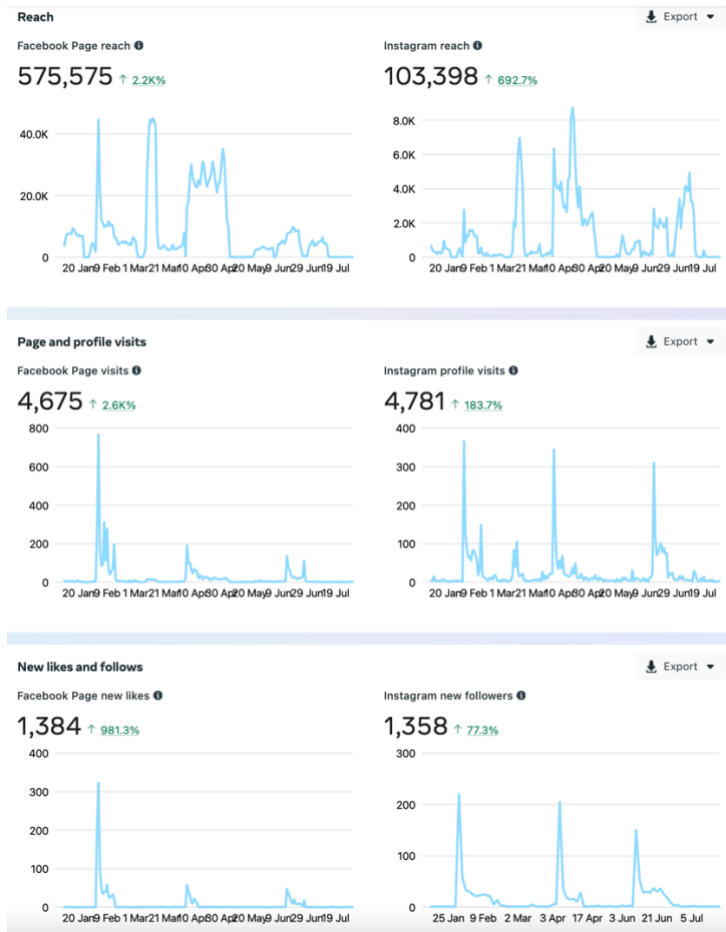


Image 6. Facebook and Instagram analytics from Flexwork Software Ltd Meta Business Suite (Meta Business Suite, 2022)

Paid reach is the estimate number of times that a user saw the ad once. Reach differs from impressions which counts all the views and times the ad was on screen, meaning that the same person might have viewed the add more than once. (Facebook, 2022) Flexwork Software Ltds reach for Facebook and Instagram were all together 678 973, which means that from that number the 482 933 reaches 3 were paid. The number of users the pages reached without paid ads was only 196 040/28.9%, which shows the importance of paid adds in order to reach audience. From the Marketing Report given by Flexwork Software Ltd the author could see that the amount of clicks the ads had was 14 890. The total amount the commissioning company spent on paid reach and impressions on Facebook and Instagram during this time period was 8 500€.

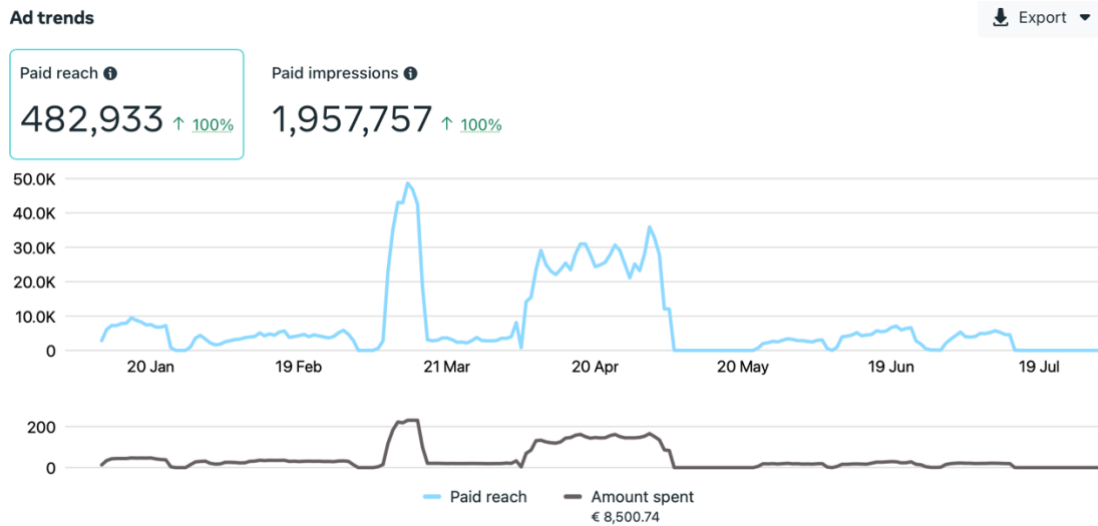


Image 7. Facebook and Instagram paid ads analytics of Flexwork Software Ltd. (Meta Business Suite, 2022)

#### 4.4 Google Ads results

Flexwork Software has been able to get 16 800 clicks and 719 000 impressions on google with paid advertisement. The company set up a wide range of keywords on Google Ads and when a user searched for these words the company’s ad would appear on their screen. Some of the most efficient keywords they set up were “palkkaa” which means “hire” and “kevytyrittäjyys” which means “light entrepreneurship”. From the Marketing Report of Flexwork Software Ltd the author could see that the average CPC, cost per click, was 0,80€ and from the whole time period of 10<sup>th</sup> of January to 31<sup>st</sup> of July 2022 the cost for Google Advertisement was 13 500€.

The cost is slightly high, and there are ways to lower the cost per click on Google Ads. Some solutions are to try other keywords that the competitor might not be using, using more words in the same keyword search, try new combinations of keywords and making the ads more relevant. (Adams, 2022)



Image 8. Analytics of Flexwork Software Ltd Google Ads. (Google Ads, 2022)

## 5 RECOMMENDATIONS

Flexwork Software Ltd should consider starting the use of marketing metrics because this way they would see the return on investment of marketing. Without these numbers it is hard for them to see what actions affect visibility and growth, which makes it hard to analyze the impacts of marketing revenue. At the moment the commissioning company does not measure ROI which makes it hard for them to understand if their paid advertisement is producing results. It would also be good for the commissioning company to have a clear marketing plan to follow.

The commissioning company should also consider starting media monitoring and social listening. This would help them to see what conversations people are having about competing companies and media. With this information they could see what they are for example missing in their marketing efforts that their competitors are doing already. With social listening tools they could see what is written about their company, their competitors and about the industry. With the social listening they would be able to see what is trending and react ahead of competitors.

Flexwork should engage more with the audience and create content that speaks for the wanted users in a deeper way. The author also thinks that Flexwork should create a Twitter account, because for a software start-up every reach is important.

From the analytics we can see that there are peaks at the beginning of the months. There have been different campaigns where the commissioning company has created a draw for example to win coffee for a year and these draws have caused the peaks. Now it would be time for the company to start posting more systematically throughout the whole month and analyze which posts bring the most visibility and gain most audience. There should be an analyze done every month on which posts were the top performing and this way see what type of posts speak to their audience the best.

## **6 CONCLUSION**

The aim for this thesis was to create an understanding for the commissioning company as well as other software start-up companies on how social media marketing affects their journey to reach more audience and clients. The aim was also to explain what the start-up journey looks like and what struggles they might face. The author of this thesis believes that the goal of the thesis was met with providing analytics on Facebook and Instagram as well as Google Ads and explaining the journey of start-up companies and the main struggles they usually have. The author was able to answer the research question by identifying the role of Instagram marketing by pointing out that the Instagram page visit amount was higher than Facebook even though the reach for Facebook was notably larger. The importance of Instagram marketing was also explained in detail.

The author was also able to discover a very important factor which is that the paid reach covered over 70% of all reaches, meaning that it is very important for software start-ups to put their efforts in paid advertising. Another discovery the author made was that Google Advertisement is highly affective for a software start-up when the keywords are the right ones and connected to the industry. This way when the user is searching for any word related to the industry, they can see the advertisement on Google.

The commissioning company has not been marketing on social media as constantly as they should have as a start-up due to lack of resources. It takes a lot of planning and time to create content and advertisement constantly. The author suggested a social media engagement platform for the commissioning company that they have now invested in. With this tool they will be able to publish more content easier and manage the accounts as well as get better measurements and reports on their social media performance.

In this thesis the author was able to point out the importance of social media marketing for software start-ups. Flexwork Software has an audience for their service mostly on social media platforms and therefore it is very important to do marketing on these platforms. As the results of this thesis show, social media marketing is a good low-cost way to gain audience in the beginning.

The author found it more difficult to analyze the data because this is a start-up company. As the author discovered in the thesis the already existing companies have a lot more data and information to analyze and plan marketing than start-ups. It would be good for the company to do further research. The author believes that Flexwork Software has all the ingredients to succeed. They have enough knowledge of the industry and they are prepared to work long and hard to reach their goals. They understand that the work does not end when they have reached a certain amount of users.

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