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SOCIAL MEDIA AND START-UPS

Abstract

Facebook and other social media have existed for more than 10 years. During this time the portals, destined to build relations in different fields, have become tools used intensively by the business environment. Primarily, Baby Boomers haven't understood the fascination of ICT (Information and Communication Technology), X generation have accepted them with reserve, meanwhile twenty and thirty-year-olds have realized they are powerful tools, useful for promoting their businesses.

The purpose of this paper is to present the possibilities of establishing new communication schemes using social media and to present the basic characteristics of new social media and their role for start-ups. To achieve the objective of the article the marketing (especially Internet marketing) literature (both domestic and foreign) has been used, as well as author's own observation, gained during participation in international projects (while working on this project, the generation Y and Z group survey was made) and during running her own consulting agency.

The following theses are taken into consideration:
1. Modern companies must adopt to their business philosophy, based on new economy to avoid slow decay.
2. Internet community that feels involved in any business project is more likely to support, give advice and share its own experience with the newcomers, because they feel to be a part of the business and responsible for start-ups development without a will to be rewarded.

As a starting point, the author defines the term 'new economy' and its relation to the term of new business environment (which is a broader conceptual category). The article shows that the types of Internet users in social media are in many aspects consistent with those observed in other countries. Polish Internet users (running often their own start-ups' business) are present and active in many social networking sites (including all key sites of global reach), in blogs – where they have their accounts, as well as in content communities. They share a lot of media, using them for many different purposes (not only related to making and maintaining contacts), thus new businesses must adopt their philosophy to the new online reality if they want to gain a competitive edge and survive among these larger and more experienced ones.

For that reason, this article aims at describing the phenomena of new economy and constitutes an introduction to further empirical research.

Key words: social media, start-up, content marketing, Facebook, Y generation, Z generation

Introduction

Nowadays young people are facing the problem of unemployment all around Europe, therefore the Polish government and the EU have been making attempts at motivating them to start running their own businesses. Facing the lack of privileges for young entrepreneurs and high expenditure of running their own businesses, many people abandon the idea of doing so, on account of the risk of failure. The truth is that 50% of the companies disappear in the first year of activity, and the other 50% disappear the following year. Those that survive more than three years may become successful.

Meanwhile, easy access to the Internet and low cost of using social media for marketing activities cause ICT (Information and Communication Technologies) to become an effective communication tool, used to build relations between enterprises and customers. They also allow to create the image of start-ups and their brands. It seems that the role of social and content media to promote the company and branding [Kaplan, Haenlein 2010, pp. 59-68] is significant, particularly now, in a turbulent economy, where the creation of real customer value is so important.

New Economy

More and more people agree with the view that the development and spread of information and communication technologies has changed both the theory and practice of areas such as business, management, marketing and economics. "Everything we thought we know about business, is a question mark now" – Robert D. Hof in Business Week last year [https://duolife.eu/soft-marketing.html; 12.02.2016]. The specialists point out that people are going to change their job every 4-5 years and change their profession every 7 years. This is a reason to call this new coming phenomenon – "McWork" and be ready for new terms such as viral marketing, net effect, e-commerce, virtual company, sharing economy, mass customization, crowdfunding, crowdsourcing, open innovation, and finally – social media. They all have one element in common – new technology and CROWD 2.0 – conscious Internet users and consumers 2.0. The new technology is a set of key tools, the second (CROWD 2.0) is not even a resource, but a full-fledged business partner to whom we must tune up the whole business philosophy. Jeremiah Owyang, the founder of Crowd Companies Council and one of the most famous experts of the new economy conception said: "Companies must cooperate with customers if they want to survive on the market. If they don't adapt themselves, they will be doomed to slow decay" [Owyang 2015].

It is necessary to point out that "new economy" describes a new business environment where information and knowledge, thanks to IT, have become a basic economic development force and are basic elements that determine the success or

failure of enterprises, regions and the whole market. Information and knowledge create added value, increase efficiency and effectiveness of economy.

Nowadays, one of the most important factors is the Internet. Thanks to it, new interaction possibilities open between consumers, companies and business partners. Relatively low costs, broadcasting and openness make it possible for the Internet to soon become a basic tool of business communication.

However, many newcomers, who set up their first business make a mistake, assuming that only the investment in the company website and Internet domain will bring results in terms of productivity and profit increases. Brands like Starbucks, Dell, Mattel or Lego give the possibility of submission of ideas to improve their products or service for their customers, who present their proposals, then the community votes for those that are the best, and finally the company must decide about their launching. This open innovation includes [Malinowski 2015, p. 54]:

- service design,
- price policy,
- promotion,
- offer extension,
- customer service.

Information about possible development trends for enterprises is the most popular. In the case of implementation of a chosen solution, the author of the best innovation receives the prize and builds his status in the community. It is also a form of a dialogue between the customers and the company, as well as a way of building loyalty (the company "listens to" consumers' voice and thus, allows them to have real impact on the company's development).

Each start-up obviously needs some money for promotion, branding, website building and its hosting etc. Lots of foreign micro start-ups use a CROWD to gain an idea for:

- business in general,
- creating the company's mission and vision and storytelling,
- building the original website and social media tools,
- creating the segmentation of customers,
- creating a logo and corporate identity,
- copy on website,
- promoting a strategy.

The community that feels involved in any project is more likely to support, give advice and share its own experience with the newcomers. They are a part of the business and feel responsible for its development. They don't bother about being rewarded. It seems that being noticed and the awareness that their recommendations are valuable are the most important factors. There are portals such as oDesk, Elance, Guru or BlurGroup, that gather thousands of professionals who offer their skills in a so called crowdsourced labour market on online marketplace. Each start-up must only prepare their brief, wait and send the project proposals to freelancers, cooperate

with one or a few of them, and after receiving the effect of their work, settle through the platform. Unfortunately, although these kinds of platforms are extremely useful for running a business, especially a new one, only young people use them.

Social media are more and more popular and have become important community tools, used by Polish companies.[1] According to entrepreneurs the main aim of its use are both marketing activities and cooperation with business partners (see chart 1).
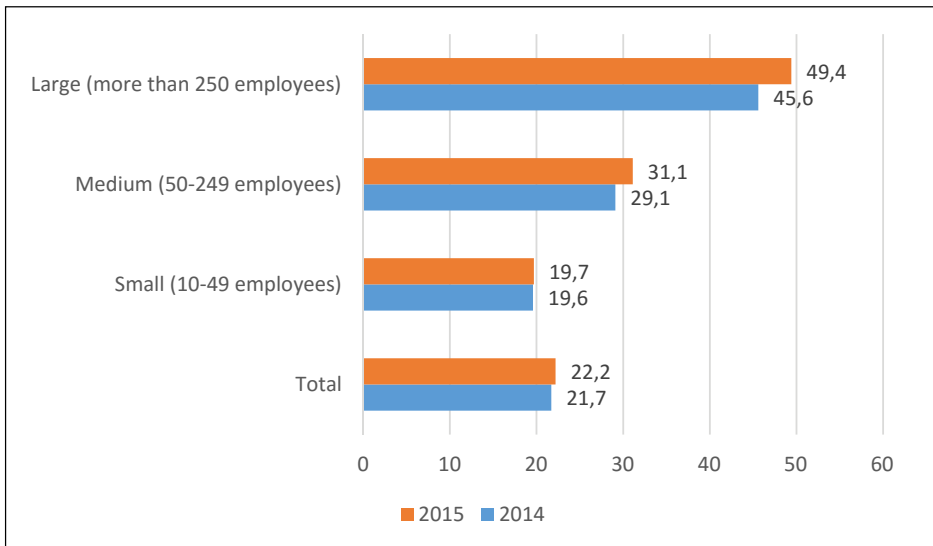

Chart 1. Enterprises use social media in 2014 and 2015

Source: Central Statistical Office, https://uke.gov.pl/files/?id_plik=20973 (access: 9.02.2016).

As we can see, in 2015 the use of social media index has remained stable compared to 2014. According to the Polish Central Statistical Office, the largest group of users are people between 16 and 24 years old (more than 80%), who represent Y or Z generations and according to the Report "Social Media," prepared by portal

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[1] The survey, entitled "Wykorzystanie technologii informacyjno-telekomunikacyjnych w przedsiębiorstwach (The use of ICT by enterprises)" conducted by Central Statistical Office in 2015 in the form of direct interviews on small, medium and large enterprises. The survey, entitled "Wykorzystanie technologii informacyjno-telekomunikacyjnych w gospodarstwach domowych (The use of ICT in households)" conducted by Central Statistical Office in 2015 in the form of direct interviews on households among people in the age of 16-74. N = 8100. Source: Central Statistical Office, https://uke.gov.pl/files/?id_plik=20973 (access: 9.02.2016).

Interaktywnie.com in 2015, 17 million of young users use Facebook and 3 million use Twitter, less popular is Pinterest, Snapchat and YouTube, but more than 50% of their users are less or a bit more than 20 years old.

Generations' differences, difference of world perception

The subject literature shows that there is a division of the current generation into the following categories: traditionalists (born between 1925-1945), Baby Boomers (born between 1946-1964), generation X (born between 1965-1980) and generation Y (born after 1980) [Jamka 2012, pp. 237-238].

One of the challenges faced by modern managers from generation X and sometimes still Baby Boomers is an effective management of generation Y, i.e. employees who are under 30. The differences between generation X and Y in the understanding of norms and values or in the perception of the world are significant, that's why the process of identifying a working place and attitude to work is completely different [Dziadkiewicz, Nieżurawska 2014, pp. 50-52].

„Ys" do not live to work but work to live. That is why they don't choose a business that is absorbing and takes a lot of time to work on it. Their business must be interesting and must be connected with their passion. Therefore they are always searching for something extraordinary and global. Additionally, they are young people who were brought up in the world of new technologies, for whom there is no life without computers, smartphones and the Internet. They do not use libraries' sources, do not read paper newspapers and do not write by hand. On the other hand, they use a keyboard and the Net very efficiently and find this online world a place where they can find the answers to all of their questions.

Apart from the generation Y mentioned above, we need to remember about that group of newcomers born after 1990, called the Z generation. They live in a time of prosperity and the newest technologies. They easily combine offline and online life. In spite of their openness for online world, they don't exactly understand the real world. This is the most divided generation. Firstly it depends on their parents and their financial situation. They must face the economic crisis, speak different languages (not English, German or French, but Chinese, Japanese and Arabic). They are also forced to accept a boss, who is e.g. Muslim or Indian.

"Zs" are the generation of high standard living. They work skillfully with high technology gadgets and use the mechanism of activities taken from computer games at their work and real life e.g. gamification. Real relations are substituted by online ones. Sometimes they exist more in the Internet using blogs, YouTube and games than offline and it needs to be said they have more virtual friends with whom they share their passions, interests and even life dilemmas. As one of this people said, she reads lifestyle blogs to get to know how to live and what to say when she is in public.

Because of the social media, they have friends all over the world – in Brazil, China or Australia, and they are not afraid of distance online working e.g. being in Poland, and working remotely for Japan. It does not mean they are only IT specialists, they can be online experts in medicine (e.g. cooperation during surgery, when a team of surgeons operates being in different countries), physics, management (e.g. interim management during crisis management, change management, MBOs, IPOs, mergers and acquisitions and project management) [Kalleberg 2000, pp. 341-365], etc. Summarising, the reality cannot be tangible and the world is so small for them. In one second, they do online shopping in the USA, simultaneously speaking to the Chinese business partner [Bosch 2004, pp. 617-636].

Due to their attitude they are also called "Multitasking generation", unlike Ys – whose are called iPod generation or Millennials. The difference in attitude is visible – Xs create their website first, and then think about supporting the company position using social media. Ys and Zs – check the exposing on Facebook and Twitter first, followed by thinking how to promote their company, not only in a traditional way.

Many Xs or older Baby Boomers find being so open-minded a threat, not as fascination. Meanwhile the Ys and Zs are not afraid of travelling, meeting strangers, organising projects and working on the other end of the world. With all these changes and an increasing role of online life, they use more and more new terms, describing new business environment, connected with ICT – social media marketing, as the process of gaining website traffic and attention through social media sites [Trattner, Kappe 2013, pp. 86-103] or content marketing that will be described broadly below. The development of social media and ICT cause the introduction of new occupations, connected with Internet reality such as a content manager, infobroker, fundraiser, personal shopper, showrunner, game tester, gamer, trendsetter, underwriter and others.

Social media characteristics and their role for start-ups

The Internet and social media require a new approach to communication, as it is the first medium that allows to send and receive messages instantly with any number of people. This has allowed people to create their own personal infosphere [Patrut, Patrut 2013, pp. 29-30]. This community is dynamic and can interact with each other and share parts of their lives. These characteristics empowered people to become more involved and therefore more interested in a company and its products or services.

Communication of the Internet users in real time, allows to build relations, even between people from different parts of the world. The process feels natural and therefore is more engaging for those who are involved. People who are involved start to trust each other and identify themselves with a presented company. As research indicates, the contact is closer and the belief stronger.

There are many different characteristics of social media, the same as different kinds of divisions. One of the most accurate was made by Kaplan and Haenlein [2010, p. 62]:

- Blogs e.g. Twitter,
- Social Networking Sites e.g. Facebook, Google+,
- Content Communities e.g. YouTube,
- Collaborative Projects e.g. Wikipedia,
- Virtual Game Worlds e.g. World of Warcraft,
- Virtual Social Worlds e.g. Second Life.

Facebook is an ideal tool to communicate the brand. The portal allows to lessen the distance between a company and its potential customer, affects customer's opinion to gain product reviews, which have a beneficial effect on decisions about choosing a particular company. The best way to make B2B communication on Facebook more effective is selection of suitable content and strategy.

46% of Facebook users are more than 45 years old, which proves that Facebook is not only an entertainment portal for teenagers. It also means that those companies whose products or service are for the elderly, wealthy consumers can find the proper target. According to PBI/Genius Report (July 2013) Facebook has almost 15 million of real users in Poland. According to the newest report of a consulting company Vivaldi Partner Group, 90% of shopping is done on the basis of recommendations and opinions in social media. 49% of professionals use mobile equipment to follow Internet sites. Facebook is a leader in mobile marketing among all social media tools and its application is the most frequently downloaded to smartphones and tablets. 41% of companies that use Facebook for business communication gain new customers from this medium.

Fanpage statistics describe the fans gained, their involvement and interest in a product, which in result helps the rapid SEO of activities and communication strategy and thus can save time and money (for instance: it is easy to check who clicked on any paid advertising and determine their age, sex and interests). Most purchase decisions are taken under the influence of impulses and emotions. Facebook helps to build a relation with fans, produce a halo effect, which favorably influences the decisions of buying a product or service.

It has 1.44 billion monthly active users (as of March 31, 2015), but it doesn't mean all of them may be a start-up audience. Nowadays, the most important marketing decision that a newcomer needs to make is defining the target audience. Then, it is crucial to identify the platforms on which the company target audience is active.

It is obvious that nobody looks for a job on Facebook or makes business relations on Pinterest. Being active on the most popular platform does not make sense if the company target is not present there.

Facebook is a good platform when a new entrepreneur needs:

- to present content that is highly visual,
- to use the community effect,

– to gain trust by sharing information via friends' network,
– to invest money to sponsor posts and ads, otherwise it is really difficult to find fans organically, because of Facebook algorithms change.

Twitter is a good platform when a new entrepreneur wants:
– to broadcast their message,
– to join the on-going conversations,
– to connect with opinion leaders and people that matter,
– to build a position for themselves.

LinkedIn is proper for those who represent B2B company and want to make a relation with professional audiences and establish opinion leadership within a group of homogeneously targeted audience.

There are also Google+ and Pinterest that are less-known in Poland. The first one is used to help with employee SEO efforts and to participate in Google community to connect with like-minded people, Pinterest is used for those businesses whose primary target audience is women and it is essential to share a highly visual content. The target identification is only the first step on the long way to proper social media use. There is a need to do a more thorough research and brainstorming to finalize the social platforms for startup brands.

The next step is an active presence on a chosen platform. As an expert of marketing communication in Polish medical companies from Polish Confederation Lewiatan, the author of this publication noticed that the majority of these organizations have a Facebook page, so they recognize the social media as useful, but the last posts are totally outdated e.g. from last year. However, having an inactive presence on any of the platforms always creates a bad impression.

Meanwhile, when it comes to the medical business, using social media is one of the best way to exist on the market. There are professions that couldn't be advertised in any other form. They are all medicine and legal professions, tax advisers etc. Therefore, social media can be an excellent tool to do viral marketing among people who are interested in a certain subject. For example, the competition on Facebook for the best lawyer, ranking on LinkedIn and groups on Twitter. One of the newest contests is a ranking for the best Polish vet clinic, where Facebook users can vote on their best vet in their place of living [http://gdziedoweterynarza.zumi.pl/sopot,index.html].

In this kind of business, no matter how much experienced, the use of social media can cause:
– an increase of customers' involvement in relation with a certain business – e.g. patients can recommend a certain doctor by clicking "Like It" on company's fanpage, feel connected by following posts on Facebook,
– an increase of trust for doctor/lawyer/advisor – a specialist who writes down interesting medical information and communicates with patients online, becomes more familiar,
– an increase of the businessman's credibility – they become a knowledge source for customers,

– getting better SEO results – being active on Facebook results in better rec-
ognizability of the name in the Internet search, which in turn creates better
movement on the company website.

Every start-up needs both activity on the social platforms and consistency. But
all company owners have to remember that the opposite activities (too many up-
dates every day) are also inadvisable and make followers on e.g. LinkedIn compa-
ny page irritated.

The social media fulfill those needs as they allow personalized communication
with different stakeholders. However, social media are only a tool and require a new
approach to communication and marketing management.

Content marketing as a strategy for start-ups

Content marketing is a great power of social media. It produces valuable contents
that answer the customers' needs [Stawarz 2015, p. 10]. Content marketing can help
every start-up in valuable content distribution, attraction of customer's attention
and gaining involvement. In social media, monitoring, listening to the community,
keeping up a dialogue with customers and then making conclusions and matching
the communication to the target's needs play a significant role.

Lots of people make a mistake thinking that content and content marketing are
the same. The marketing conception is based on a production of the contents that
are important for customer, then the elected aims of content marketing strategy,
and finally on measurement indicators of these activities.

Often people do not want to implement content marketing because of many
myths such as:

– the company's target does not use social media and does not read online –
Google research shows that almost everybody looks for useful information
about the product or service before shopping or purchasing. Doremus Re-
search and Financial Times show, 60% of senior managers read blogs, watch
YouTube and participate in media such as LinkedIn;
– lack of time and money to create contents – many people, even those who
have business experience cannot imagine the contents which are not a de-
scription of product or service can give a ROI. They may think that creating
the contents that have no advertising nature is unprofitable;
– content marketing is an advertising campaign, blogging and education –
definitely content is a process, a philosophy, it needs time to bloom. A blog,
meanwhile, provides a foundation for many content marketing activities
and it can be one of the tools used by content marketing. When it comes to
education, we must say that many activities of content marketing are orien-
tated on branding and positioning as a leader in the Internet. Education is
a small part of the whole process;

- using content marketing will cause a reveal of company secrets – BCG, Microsoft, IBM, Unilever write contents and they are not afraid of their know-how sharing or public communication with customers;
- a lack of will to share a company's knowledge for free – creation of the contents, every company can gain the customers' interests, their involvement and priceless trust. The contents let them gain the customers' attention without advertising which might be irritating.

The next reason of failure is forgetting that every platform has different content needs. Some newcomers think that pushing the same content everywhere saves working time. Another issue is to adjust content to the target (different content for young people, different content for CEOs) and to make sure that marketing tone matches the new company culture.

Another thing to keep an eye on is the type of content that is shared. Too much of self-promotion is a big turn-off. The rule is the customers prefer purchasing products or service from founders to the company. Summarizing, every start-up should include personal branding to its founder in a social media strategy.

Conclusion

Social media are becoming more and more popular among Polish Internet users. There are many workshops and EU projects that are designed to encourage people and entrepreneurs to use social media tools in their business. There are lots of benefits of using these tools, not only in connection with business, but also with environment protection.

It is worth saying that in April 2015, the author of this publication was invited to an international project, entitled "Get Connected 2," organised by an Italian non-profit organisation Mine Vaganti. GC2 was a 7 days training course that aims to gather in Olbia, Sardinia 21 participants from 9 countries: Italy, Cyprus, Croatia, Poland, Spain, Bulgaria, Austria, Malta, and Romania. The main aim was to develop the participants' skills, knowledge and attitudes, concerning how to involve young people through E-Media in the policy's decision making process. Every day was dedicated to one of the social media tools (Facebook, Twitter, LinkedIn, YouTube, and Pinterest) starting with a contribution of an expert and concluding with practical challenges for participants. These kind of courses are popular in Western EU countries, they are also becoming more and more popular in Poland. The participants confirmed that being involved in start-ups projects can be the better impulse to their support and sharing of their advice, opinions and ideas than getting prize money.

The largest group of social media users are between 18 to 29 years old, 82% of them declare to be visiting social media portals regularly. In the group of users who are 30 to 49 years old, 53% use social media. This data is coherent with the Central Statistical Office data that indicate 62% of Polish households have permanent In-

ternet access and 42% use social networks. 55% of people access the Internet using a computer, while 45% use some mobile device (Wave6 Report, 2012). The data clearly indicates that Poles are present in the Internet and social sphere, despite obvious infrastructural shortcomings. This shows a potential for everyone who wishes to build a community using social media and especially for those who wish to exist in the business environment.

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