

## BRAND DEVELOPING RELATIONSHIPS THROUGH SOCIAL MEDIA

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### **Abstract:**

In dynamic market environment, distribution channels, marketing activities, diversification strategies, and food quality are increasingly important. Innovation in social networking media has revolutionized the world in 21st Century. Social networking media presents potentially opportunities for new forms of communication and commerce between marketers and consumers. As advertisers typically want to find some way to follow their target audiences, many new media opportunities are presented to advertisers. Communication through social networking media is more specified, with effective interactive strategy among its users. In recent days, internet advertising has taken new forms which have more advantages over the traditional mediums like print media, TV and radio. Marketing communication is becoming precise, personal, interesting, interactive and social.

Dialogue between consumers and the brand is presented in the paper on the case of a leading brand in the category of fast moving consumer goods on Slovenian market. The paper presents internet marketing activities that have contributed to building a relationship with the brand. The main thesis of present case was an effectiveness of communication and strategy done through social networking media could increase brand relationship with young people. It is necessary to study the effectiveness of brand communication strategy followed in social networking media which are mainly accessed by Slovenian users. In recent trend of marketing in social networking sites, various brand communications are widely used to attract targeted leads. So, this study would help to know the effectiveness of communication and strategy done through social networking media which make the target audience to participate in this kind of advertising.

*Keywords: Internet, Social networking media, Fast Moving Consumer Goods, Brand, Slovenia*

# 1. THE EVOLUTION OF INTERNET AND SOCIAL MEDIA

## 1.1 The Internet

The Internet is transforming the business environment, creating new challenges and opportunities. This chapter provides an overview of the Internet and its defining characteristics, highlighting the key developments that have contributed to its explosive growth and its impact on the business environment.

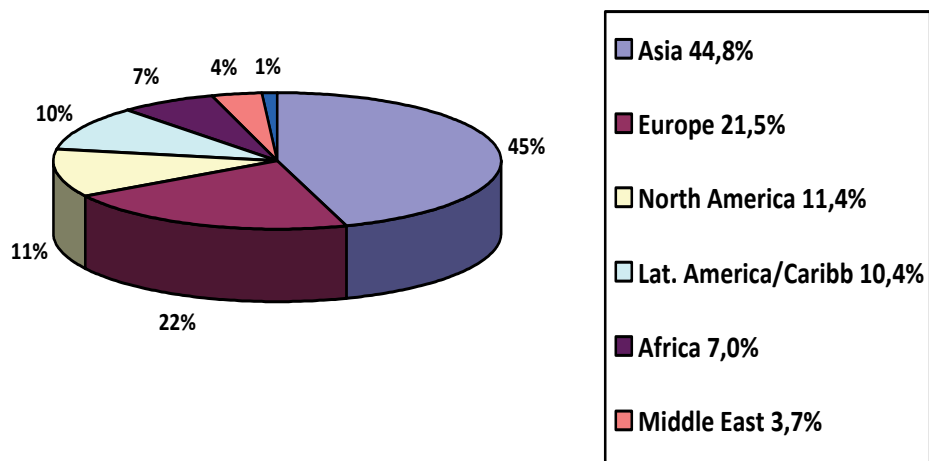
In its current form, internet is primarily a source of communication, information and entertainment, but increasingly, it also acts as a vehicle for commercial transactions. Since the explosion of the web as a business medium, one of its primary uses has been for marketing. Soon, the web could become a critical distribution channel for the majority of successful enterprises. One among them is marketing and spreading brand communication through Social networking sites (Thompson, 2002).

The Internet provides the opportunity for companies to reach a wider audience and create compelling value propositions never before possible (e.g. Amazon.com's range of 4.5 million book titles), while providing new tools for promotion, interaction and relationship building. It is empowering customers with more options and more information to make informed decisions. The Internet also represents a fundamental shift in how buyers and sellers interact, as they face each other through an electronic connection, and its interactivity provides the opportunity for brands to establish a dialogue with customers in a one-to-one setting. As such, the Internet is changing fundamentals about customers, relationships, service and brands, and is triggering the need for new brand-building strategies and tools (Cleland, 2000).

Data from 2011 indicate that the world is currently over 2.4 billion Internet users. Visible increase in the number of users detected in 2011, when the number of Internet users increase for 37 percent on the previous year (2010).

The Internet brings new usability. Therefore, companies must also constantly updated to follow the trend and make better exploit opportunities posed by the Internet, mobility and new technologies. The Internet became a visual and audio multimedia attractive of communication in the business world and in everyday life, which shows also Picture 1.

**Picture 1:** Internet users in the world in 2012 Q2



Basis: 2,405,518,376 Internet users on June 30, 2012  
 Source: Internet World Stats.

The distinctive characteristics of the Internet can be summarised in three key points (Cleland 2000, 35):

- *It Dramatically Reduces Information Costs* - the cost of searching for information and the cost of the information itself is significantly reduced (and in many cases is free).
- *It Allows for Two-way Communication and Interactivity* - this radically alters the process of interaction between communicating parties, allowing both parties to identify each other and

build one-to-one relationships - not previously available with mass medium forms of communication.

- *It Overcomes the Barriers of Time and Space* - The Internet is a global network and can be reached from everywhere, regardless of where the computer or Internet access device is physically located. The Internet can also be accessed at any time - 24 hours a day, 7 days a week. These qualities eliminate the barriers of time and space that exist in the physical world.

These characteristics combine to create a very powerful medium. By allowing for direct, ubiquitous links to anyone, anywhere, the Internet lets individuals and companies build interactive relationships with customers and suppliers, and deliver new products and services at low cost. These defining characteristics have fuelled its explosive growth.

## 1.2 The Social Media

Over the last decade, social networks have changed communications, shifting the way we consume, produce and interact with information, based on explosive migration to the web. Social media websites like Facebook (FB), Twitter etc. have created huge impetus on the communication platform with the end customers of different products and services that was lacking in the traditional medium. Social networking sites are used as marketing tool by marketers in creating brand relationship. Huge growth of customer base enables marketers to explore social media networking sites as new medium of promoting products and services and resulting in reduction in clutter of traditional medium advertising of reaching the mass customers and not realizing the actual ROI. Social networking sites are more collaborative and interactive in comparison to traditional media followed by marketers.

Social media advertising is a paid form of brand, service or business promotion and requires a proper and planned communicative message and budget. Advertising is customer centric in nature. Customers play an important role in any major or minor communication because they are the one who are going to decide the fate of the advertising communication. Some benefits of social network advertising include (Jothi et al., 2011):

1. Popularizing your brand, idea or service to the target group.
2. Informing target audience about your brand or service's presence in the market.
3. Encouraging healthy competition in the market.
4. Providing social benefits for the brand.
5. Making the audience to interact and keep them intact with the brand.

Advertising on internet provides a major contribution to brand competition in the market. Advertising here not only provides information about a product or service but also promotes innovation. Besides it also facilitates customer satisfaction. Big and small companies, individuals of all walks of life, major and minor events, concepts, etc., nowadays lay their base on social network advertising to get recognized in the market (Zarrella, 2010).

Facebook, Twitter etc. have become a personal, product and corporate branding hub in the world. Every brand that exists on social networking sites has the same core features and benefits, such as the ability to create a page, share resources, add multimedia and much more (Eric, 2008). The effective brand communication strategies are analyzed to find the impact among the users.

## 2. BUILDING SUCCESSFULL BRAND ON THE INTERNET

The Internet is changing the brand environment or "brandscape". This chapter explores new strategies and tools for building brands on the Internet, including the interactive approach to attracting customers and building loyalty.

Building a strong brand is a complex task. The brand building process starts with the development of a strong value proposition. Once this has been established, the next step is to get customers to try the brand. If the offering is developed properly, it should provide a satisfactory experience and lead to a willingness to buy again. To entice trial and repeat purchase requires triggering mechanisms, which are created through advertising, promotion, selling, public relations, and direct marketing. The company needs to communicate the values of the brand and then reinforce brand associations to start the wheel of usage and experience, and keep it turning. Through the combination of the stimulus of

consistent communications and satisfactory usage and experience, brand awareness, confidence and brand equity are built.

Traditionally, in addition to providing added value, brands were a substitute for information - a way for customers to simplify the time-consuming process of search and comparison before deciding what to buy. However, the Internet makes search and comparison much easier. This threatens to undermine the value of brands. On the other hand, the logic of the Internet cuts another way. Transactions on the Internet require customers to provide detailed personal information - names, addresses, credit card numbers, etc. Generally, people have concerns about sharing personal information. In addition, the intangible nature of the Internet, and the fact that customers are buying goods that, in most cases, they have never handled or seen (except on-screen), has placed greater importance on trust and security. People only tend to transact with sites they know and trust - sites that provide a wealth of information and make comparison shopping easy, where the user feels a part of, and sites that understand the user's needs and preferences. This highlights the surfacing of information and relationships as key sources of added value in the Internet economy. Customers derive added value through the provision of information on the products or services they buy, as well as on topics of interest related to the brand and product characteristics. Traditionally, brands have been developed in an environment whereby a company creates a brand, and projects it onto a third party intermediary (the media). In response, many unnamed customers develop a "relationship" with the brand. The Internet, on the other hand, offers interactivity, whereby the company can establish a dialogue and interact with individual customers on a one-to-one basis. In doing so, a company can listen, learn, understand and relate to customers, rather than simply speaking at customers. This creates the opportunity for companies to build stronger relationships than previously attainable. However, this also poses a challenge as these relationships may take on a life and character of their own (Cleland, 2000). The differences between the traditional approach and the one-to-one approach are outlined in Table 1.

**Table 1:** The emerging brand building environment

<b>TRADITIONAL APPROACH</b>	<b>ONE – TO – ONE APPROACH</b>
Monologue	Dialogue
Public	Private
Mass	Individual
Anonymous	Named
Adversarial	Collaborative
Focused primarily on one –off transactions	Focused on relationship over time
Remote Research	Intimate learning
Manipulative, "stimulus-response" approach	Genuine need driven, service approach
Standardised	Customised

Source: Cleland, 2000, p. 46.

The Internet gives companies control over all their interactions with customers and therefore, brand-building must focus on the end-to-end customer experience - from the promises made in the value proposition, to its delivery to the customer. In maximising the customer experience, companies have to find innovative ways of leveraging the information and relationship building characteristics of the Internet.

### **3. A STUDY ON EFFECTIVE COMMUNICATION STRATEGY BY USING SOCIAL NETWORKING MEDIA TO BUILDING A RELATIONSHIP WITH THE BRAND**

#### **3.1 The case study of leading Slovenian brand in fast moving consumer goods category**

Food industry in Slovenia is one of the most competitive international branches and is in its mature stage of development. In order to maintain their competitive position on the market, companies have to constantly prove themselves by providing supplies of innovative products and processes. New products and strong brand play a very important role in this industry. It is large and competitive industry with many active companies (Vukasovič, 2012). The producers of high-volume products are aware that a company's leading role on the market is ensured through strong and established brands and loyal consumers. Today, the labelling with brands is such a strong factor that there are hardly any products without a brand. Various literatures provide tons of advices and rules on how to create or

shape a successful brand. On the other hand, decisions regarding the policy of brands are far from being straight-forward and require numerous researches and considerations (Vukasovič, 2010).

Objectives of the study in this paper is to analyze the effective communication strategy through social networking media. It is important to study the effective way of communication in branding the product in social networking media and analyze its reach among the consumers. The paper explores the consumer engagement practices adopted by social networking media for building the brand. Dialogue between consumers and the brand is presented in the paper on the case of a leading brand in the category of fast moving consumer goods on Slovenian market. So, this study would help to know the effectiveness of communication and strategy done through social networking media which make the target audience to participate in this kind of advertising. This study would help the advertisers to understand the effective communication strategy to communicate their brand among the users.

### **3.2 Emerging trends in social media in Slovenia**

Today Internet is widely spreading as a communication media in Slovenia. Emergence of the information super highway has revolutionized the way media is created and consumed. Previously media used to be created by media firms who are the content generators as well as the content owners. And the content used to broadcast to the consumers by the media. This concept has undergone an elementary change, now anyone can create content best known as User Generated content and share it with others using platforms like Blogging, Social Networks, YouTube etc. Now the consumers of the media have converted into media creators and the content also distributed on the internet through social networking and people connect with this content through comments. Social networking has become more popular among everyone. Consumers are getting more connected and communicative with their networks and technology allows them to voice their opinions rapidly.

Today Slovenian consumers can make use of facilities like E-banking-retailing-shopping etc. with more confidence and trust as never before. Internet has proved to be more than just emails and Google search. With the advent of networking media, broadband and Web 2.0 now many people are joining the social networks like Facebook, Twitter and thus it is easier for the marketers to spread the word about them over the network. To bridge the gap between the consumers, organization, marketing and media planning people there is the need of uniformity and trust in the social media. Social media, community networking, blogging, twitting, etc. were beyond anticipation for large mass of people. E-Shopping and E- bookings, E-learning and online dating have achieved good heights and became popular among Slovenian consumers.

Another area of opportunity for building brand is Viral marketing. Viral marketing, also known as word-of-mouth (WOM) or “buzz marketing”, is the tactic of creating a process where interested people can market to each other (Subramahi & Rajagopalan, 2003). Implementing an effective viral marketing strategy is a good way to get people talking about your business. A successful viral marketing campaign can be developed through social networking media like Twitter, Facebook etc. With the information available on online network the marketers have the knowledge of the needs and wants of different level of customers. Word-of-mouth is a particularly powerful medium, as it carries the implied endorsement from a friend. The Internet, with its e-mail lists, web sites, chat rooms and bulletin boards, makes communication tighter, and word-of-mouth even more effective. As a result, viral marketing is an effective tool in getting a message out fast, with a minimal budget and maximum effect. If a company can provide a strong enough incentive for customers to share their lists of personal contacts, whether for communications or community, they will have a powerful viral opportunity at their disposal. A good virus will look for prolific hosts (such as students) and tie into their high frequency social interactions (such as e-mail and messaging).

Next chapter provides some information about leading Slovenian brand in the category of fast moving consumer goods. Chapter also provides a mix of activities that have been carried out as part of marketing campaign by using social networking media.

### **3.3 Building successful brand by using social networking media**

Due to data protection and providing discreet company for analyzed brand we used in this paper instead of brand name label X. So Brand X is leading Slovenian brand in the category of fast moving consumer goods, precisely in the category of chicken sausage products. In Slovenia and in the region

South-East Europe it has been an "icon" for 38 years: it is present on the market since 1974. It became first chicken pariser sausage on the European market, best selling sausage in its category. The brand X is consistent in its quality, its recipe remained unchanged from the very beginning. Brand X is a synonym for pleasure, emotions and quality. Brand X became the first customer's choice: leading brand in the region in terms of sales and market share.

Brand X personality is matching the characteristics of brand X target group – generation Y (witty, funny, dynamic, full of energy), which always needs something new and challenging. Brand name X doesn't bring any negative associations neither regionally, neither by any consumer group. The Slovenian brand is considered as a trustworthy market – leader in the chicken sausage category with a lot of positive associations: packaging, reasonable price, wide product range with long tradition. Slovenian brand X stands for values like trust, safety, quality and loyalty.

Advertising campaign were designed on irresistible desire for brand X. Basic guideline of the market communication campaign was the orientation towards consumers and their benefits. The next guideline was the creativity as the most powerful marketing tool to create a brand. After defining the marketing and communicative goals and target group to which the message is intended, what followed was the stage of defining the implementation of the creative strategy. The key element of the creative strategy was humor with the core communications like "Brand X is not mad, we are mad about brand X"). The main thesis of this case was an effectiveness of communication and strategy done through social networking media could increase brand relationship with young people.

Advertising campaign took place in the media in the time from 1.4. to 31.7.2012. Campaign was spread across web site for brand X, internet media with web advertising on Windows Live Messenger, 24ur.com, izklop.com, Cosmopolitan, Igre123.com, Ringaraja.net, Facebook.com, YouTube.com.

The marketing goals of the campaign were:

1. To retain 46.4% volume and 61.6% value share for brand X on an annual basis in category of poultry pariser sausages.
2. To achieve high (90%) campaign recognition by the target group.

The communicative goals of the campaign were: to increase the involvement of consumers and their engagement with the brand X. Measured through key performance indicators for the period from 1.4. to 31.7.2012.

1. Web site for brand X:
  - to increase the attendance of web site for brand X with basic 3.367 unique visitors and 4.581 visits in the previous three month period to 100.000 different visitors and 200.000 page views.
2. Facebook:
  - Brand X activate in the Facebook environment – to increase the number of Facebook fans: from 5.882 fans before campaign to 20.000 fans after campaign.
  - to increase the level of interaction with the posts (min. 500 comments, min. 1000 likes).
  - to increase the number of female Facebook fan (25+ years) of 100% (key decision makers on daily and weekly purchases).
3. Fun Club for brand X:
  - to acquire at least 10.000 new email contacts for future direct communication.
4. YouTube:
  - to achieve at least 50.000 views on video for brand X.

The second phase of the campaign was included different viral videos "Mad about brand X". The videos were posted on YouTube.

#### **4. RESEARCH DESIGN**

To analyze and find the effectiveness of communication strategy to building a relationship with the analyzed brand, communication through social networking media was done with the survey method in the research.

#### 4.1 Methods of data collection and sample

Survey was conducted randomly among Facebook user community, by sending questionnaire through online to collect the individual opinion from the respondents.

Non probability sampling technique is used to collect the opinion from the online respondents. The total population is social networking user community, but to collect the effective data the sampling is constrained to the target population like young adults, graduates within the age of 18 years to 55 years. The sampling size is two hundred.

### 5. RESULTS AND DISCUSSION

#### *Usage of internet by the user*

It has been found that 3% of audience use internet once a week, 15% of the respondents use 2 to 3 days a week. 35% of the respondents use 1 or 2 h a day and the remaining 47% of users are accessing internet more than 3 h a day. It is understood that the new media and its technology is an emerging trend in communication which attracts almost all the people, if they have knowledge of computers. So this digital media has more snatchers towards its communication and internet is becoming part of necessary communication among Slovenian young population (Table 2). Differences in Slovenian young population usage of internet with respect to their gender and age level were verified by Chi-square analysis. Chi-square analysis showed that there were differences in population usage of internet with respect to their gender and age level. We found that men tend to use internet more often than woman. More than 58% of men and 42% of woman claimed to use internet very often (more than 3 hours a day) ( $\chi^2 = 12.586$ ;  $df = 2$ ;  $p = 0.002$ ). Further, our results suggested that 67% of younger population (between 18 and 35 years old) tend to use internet more often than older people (33%) ( $\chi^2 = 9.201$ ;  $df = 2$ ;  $p = 0.010$ )

**Table 2:** Usage of internet

Usage of internet	%
Once a week	3
2 to 3 days a week	15
1 or 2 hours a day	35
More than 3 hours a day	47

#### *Awareness of social networking sites and internet marketing campaign for brand X*

From this result, it is observed that nearly 99% of the internet users are aware of social networking sites and only 1% of them are clueless. Although the concept of computer-based communities dates back to the early days of computer networks, only some years after the advent of the internet online social networks have met public and commercial in a successive manner. At the most basic level, an online social network is an internet community where individuals interact, often through profiles that represent their selves to others (Donath and Boyd, 2004). Social networks have grown rapidly, and some like Facebook, YouTube, have achieved the mass market and penetrated in a few months since their inception, such applications have infringed their users in different strategy to interact with more people (Jothi et al. 2011). Also from this results it is observed that nearly 92% of the internet users are aware of internet marketing campaign for brand X (Table 3). More than 62% of young population (between 18 and 35 years old) had high level of awareness about internet marketing campaign for brand X.

**Table 3:** Awareness of social networking sites and internet marketing campaign for brand X

Awareness of social networking sites	%
YES	99
NO	1
Awareness of internet marketing campaign for brand X	
YES	92
NO	8

#### *Accessibility of ads in internet marketing campaign for brand X*

Only 5% of the total samples say that they have never accessed or shown interest to the ads displayed in social networking sites for brand X. 85% of the respondents use to access often and were interested to listen to the advertisements for brand X, 10% of the respondents use to access sometimes and were interested to listen to the advertisements for brand X (Table 4). Today's

customers want to be engaged differently than in years past and many traditional marketing tactics simply do not work anymore. Social media marketing is a revolutionary way to build solid relationships with customers long before first contact with fun, attractive messages and interactions (Borges, 2009)

**Table 4:** Accessibility of ads in internet marketing campaign for brand X

Accessibility of ads in internet marketing campaign for brand X	%
Often	85
Sometimes	10
Never	5

*Brand communication that attracts the users*

Interactive fan page for brand X attracts 40% of users. 35% of users are pulled their interests towards brand X game and 20% of users listened to viral video ads, 5% of users are interested to traditional banner ads. Most of the social networking websites are enabling brands to engage the right people in the right conversation at right time (Shih, 2009). Nowadays communication on branding in social networking sites is more personal, contentious, fascinating and influencing among the user community (Table 5).

**Table 5:** Communication fro brand X that attracts the users

Communication for brand X that attracts the users	%
Interactive fan FB page for brand X	40
Game "Crazy T-shirts" on web site for brand X	35
VIDEO ads "Mad about brand X"	20
Banner ads for brand X	5

*Impact on building brand relationship with target group*

According to the respondents, 92% of user agreed that the communication strategy used in brand X communication creates impact on brand effectively and also which could help it to recall the same often and interactively. The remaining respondents almost 8%, says that it does not create much impact on brand relationship but still effective for other communication purpose like sharing and chatting information (Table 6). Based on research results the target group for brand X is young population, between 18 and 35 years old.

**Table 6:** Impact on building brand relationship with target group

Impact on building brand relationship with target group	%
Agree	92
Disagree	8

## 5.1 Key performance indicators campaign for analyzed brand

The finding of the study states that the internet marketing campaign for brand X was effective and resulted in the process of building a relationship with the brand. Key performance indicators campaign for brand X are:

- after campaign volume market share has been raised to 48,3% and value market share for brand X has been raised to 63,7% in the category of poultry pariser sausages on Slovenian market (Nielsen, 2012)
- the awareness of internet marketing campaign for brand X was 92%, so the campaign for brand X has been recognized.
- we activated 178.682 unique visitors and reached 377.832 page views (Google Analytics).
- with the mentioned marketing campaign brand X gained more than 20.000 Facbook fans; at the end of the campaign, brand X had 20.510 Facebook fans (Facebook Insights).
- we increased the level of interaction with the posts: we had got 938 comments and 2.841 likes (Facebook Insights).
- the number of female Facebook fans, 25+ years has increased by 431.63% (from 784 to 3.384 Facebook fans) (Facebook Insights).
- we achieved 12.212 new email contacts for future direct communication
- we achieved 61.047 views on video "Mad about brand X" (YouTube.com Analytics).

Based on the mentioned results we can conclude that the marketing and communicative goals of the campaign for brand X were achieved. Based on the presented results the main thesis was confirmed.



## 6. CONCLUSIONS

With the advent of Internet Technology and social media revolution it's a must for the Slovenian company to take help of social networking websites for the sales generation as well as brand promotion to achieve global competitiveness. Social networking sites users of Facebook and Twitter have become a personal, product and corporate branding hub in Slovenia nowadays in digital era. Every brand that exists on social networking sites has the same core features and benefits, such as the ability to create a page, share resources, add multimedia and much more. Social networking sites are filled with potential users who are mainly young adults. They spend more time in these networking sites due to heavy commercial contents, entertainment and social gathering. So, product or service communicators through their ads in these areas with more and more interactive and with fascinating factors so that their brand identity is developed among the right choice of focused audience. Advertisers and brands use social networking sites as the major resource for their promotion and developing brand identity among the focused market.

This study would help the advertisers to understand the effective communication strategy to communicate their brand among the users. This paper highlights the need for marketers' presence in social media, the value that can be yielded from a well-designed internet marketing campaign and strategies for penetrating into the new media segment.

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