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**HOW DO SMALL AND MEDIUM SIZED ENTERPRISES USE SOCIAL
MEDIA?**

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MASTER THESIS JURY APPROVAL FORM

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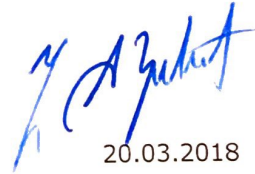
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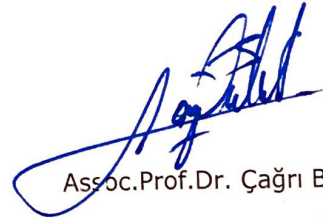
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ABSTRACT

HOW DO SMALL AND MEDIUM SIZED ENTERPRISES USE SOCIAL MEDIA?

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Nowadays, social media is very important tool for businesses' promotional activities. There have been many interests between social media and its place in business. Social media can provide significant advantages in time, cost, and communication quality for companies. The aim of this research was to understand how and why small and medium sized enterprises in Aegean region/Turkey use social media. Within this aim, the study examined main promotional activities of small and medium sized enterprises which operate in Izmir (as urban side of Aegean Region) and Kusadasi (as rural part of Aegean Region). In order to analyze the different characteristics of rural and urban small and medium sized enterprises' behaviors in social media, one urban and one rural city were selected. Fifteen companies from Kusadasi and fifteen companies from Izmir were included in the research in order to analyze how and why small and medium sized enterprises use social media. Convenience sampling technique was used in selecting companies which are using social media. As a data collection method, structured interviews were conducted with face to face connection or phone calls. Employees or company owners were interviewed. Findings showed that small and medium sized enterprises mostly preferred social media for their promotional activities and main activities of the companies that participated in the research were sharing the photos of the company's products and organizing some activities to reach many targeted consumers.

Keywords: Small and medium sized enterprises, Social media, Promotion

ÖZ

KÜÇÜK VE ORTA BÜYÜKLÜKTEKİ İŞLETMELER SOSYAL MEDYAYI NASIL KULANIR?

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Günümüzde, sosyal medya şirketlerin tanıtım faaliyetleri açısından büyük önem taşımaktadır. Sosyal medya ve sosyal medyanın iş dünyasındaki yeri büyük ilgi görmektedir. Sosyal medya şirketlere zaman, harcamalar ve iletişim kalitesi açısından pek çok avantajlar sağlamaktadır. Bu çalışmanın amacı Türkiye’de Ege Bölgesi’ndeki küçük ve orta büyüklükteki işletmelerin sosyal medyayı neden ve nasıl kullandıklarını anlamaktır. Bu amaç doğrultusunda Ege Bölgesi’nde bulunan bir büyük şehir merkezinde (İzmir) ve bir kırsal ilçede (Kuşadası) faaliyette bulunan küçük ve orta büyüklükteki işletmeler ile araştırma gerçekleştirilmiştir. Şehir ve kırsal yerlerde faaliyet gösteren küçük ve orta büyüklükteki işletmelerin sosyal medya kullanımları arasındaki farkı analiz etmek amacıyla bir il ve bir ilçe seçilmiştir. Sosyal medyayı kullanan şirketlerin seçiminde kolayda örneklem tekniği kullanılmıştır. Veri toplama yöntemi olarak, yapılandırılmış yüz yüze görüşmeler ve telefon görüşmeleri kullanılmıştır. Şirket çalışmaları veya şirket sahipleriyle görüşmeler yapılmıştır. Araştırma bulgularında, küçük ve orta büyüklükteki işletmelerin sosyal medyayı pazarlama aktiviteleri için kullandıkları ve şirketlerin sosyal medyadaki başlıca faaliyetlerinin ürünlerin fotoğraflarını paylaşmak ve hedef kitlelerine ulaşmak amacıyla belirli aktiviteler düzenlemek olduğu görülmüştür.

Anahtar kelimeler: Küçük ve orta büyüklükteki işletmeler, sosyal medya, tutundurma.

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Thank you.

Veronika Polat

Izmir, 2018

TEXT OF OATH

I declare and honestly confirm that my study, titled “How do small and medium sized enterprises use social media?” and presented as a Master’s Thesis has been written without applying to any assistance inconsistent with scientific ethics and traditions. I declare, to the best of my knowledge and belief, that all content and ideas drawn directly or indirectly from external sources are indicated in the text and listed in the list of references.

Veronika Polat



March 20, 2018

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C

CD (compact disc), 14

D

DDM (direct digital marketing), 23

Direct response television marketing (DRTM), 22

E

EFT (electronic funds transfer), 26

electronic commerce (EC), 27

electronic data interchange (EDI), 27

EU (European Union), 2

G

GDP (Gross Domestic Product), 4

I

Integrated Marketing Communication (IMC), 12

K

KOBI (Turkish name for SME), 4

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OECD (Organization for Economic Co-operation and Development), 5

P

point of purchase advertising (POP), 17

PR public relations, 15

S

Small and Medium Enterprises (SME), 2

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US (United States), 9

INTRODUCTION

Social media is the most common way of communication today. In order to reach fast, easy large number of consumers in the lowest possible price companies from every size today use social media for their promotional activities. This is the most important tool for new and small companies. The age of technology is developing and changing very fast, most of the old promotional methods are not so effective anymore, especially if the targeted group is young generation. It is a requirement for SMEs today to be active on social media.

The aim of this qualitative research is twofold. The first aim focuses on why do small and medium sized enterprises use social media? The second aim is to understand how do small and medium sized enterprises use social media? This study includes structured interviews with thirty companies in Turkey from cities Izmir and Kusadasi.

In the first chapter of the study small and medium sized enterprises will be defined, also their advantages disadvantages and impact to the Economy. In the second chapter marketing communication tools will be defined then, social media and its instruments also social media marketing and its foundations. Last part of the study is about research and methodology where a scope and aim of the study will be introduced. Used techniques and methods of the research also will be determined in the last part. The findings of the research will be presented in frequency tables and analyzed.

FIRST CHAPTER

SMALL AND MEDIUM SIZED ENTERPRISES

In this chapter Small and Medium Enterprises (SME) will be defined by using theory from different academic sources. Than variety of problems that small and medium sized companies face during their everyday activities will be discussed. Another subject in this chapter will be advantages and disadvantages of being an SME. Later on the impact of SMEs on the Economy will be discussed. Because this research paper is prepared in Turkey in this chapter explanations also about SMEs in Turkey, their problems, advantages and disadvantages and also effects on the Turkish Economy will be given.

1.1 DEFINING SMALL AND MEDIUM BUSINECESS

In today's fast developing world not big but small thing are the ones that can change the way world is going. In the world of business the small enterprises are the once that have more power because they are majority, they are the ones that provide more workplaces and contribute exports. New era of business is full with different sized enterprises but the power of small ones is greater. Now everywhere in the world developed and developing countries focus on SMEs, governments try to support and grow these businesses. There are well known countries that are famous with development in different sectors: for example Germany is known with car production and engineering, India with their Internet Technology development, Italy with their luxury brands and quality of textile, leader and ceramic, Japanize and Chore with their electronic manufacturing. They are all results of growth of small and medium enterprises in to large and mega enterprises.

In EU (European Union) there are 23 million SME's which represents 99% of all European businesses (European Commission Enterprise and Industry, 2011). In United States 99,7 % of the businesses are with less than 500 employees and 89, 6 % with even less that 20 employees (U.S. Census Bureau, 2012).Small businesses play main role when it is about economic growth, employment, social integration and innovations. In the Least Developed Countries (LDC's) the role of SMEs is even more important because they offer "*the only realistic*

prospects for increases in the employment and value-added.” (Hobohm, n.d. p.3). According to European Commission in fact nine out of ten of SME’s are micro- enterprises with less than 10 employees.

It is difficult to find one simple definition of what SMEs are, and the reason is that “small” could be accepted different from sector to sector. There is no universal accepted definition. Some of the definitions are as follow: General quantitative criteria for SMEs: *“independent management, the person who takes risk are entrepreneur, the competition power in the current markets, the marketing power in the active market, close cooperation between business owner and staff, cost of business and composition of the expenditures of business owner, low profile of expecting level”* (Kaya and Alpkhan,2012, p.2), or *“in official statistics SMEs can currently only be identified by employment size as enterprises with fewer than 250 persons employed. This is a big category and encompasses enterprises with different ownership structures and varying numbers of employees and levels of economic activity”* (Eurostat, 2014). Another definition by UNIDO (United Nations Industrial Development Organization) defines SMEs by using also number of employees, but they classify them for industrialized and developing countries. Their definition for industrialized countries is as follow: *“Large - firm with 500 or more workers; Medium-firm with 100-499 workers; Small- firms with 99 or less workers”* (Hobohm, n.d.p.3). The classification given for developing countries is as follows: *“Large-firm with 100 or more workers; Medium-firm with 20-99 workers; Small-firm with 5-19 workers; Micro-firm with less than 5 workers.”* (Definitions vary across industries and across countries)

Under the name SME stays micro, small and medium sized enterprises. Classification for different sizes is shown in Table 1 below. Same classification is used form the European Commission in 2003.

Table 1 SMEs general classification

Subclass	Number of employees	Annual turnover (million Euros)	Balance sheet total (million Euros)
Micro Firm	< 10	< 2	< 2
Small Firm	< 50	< 10	< 10
Medium-sized firm	< 250	< 50	< 43

Source: Henschel and Verlag,2008

SMEs must follow some regulation in order to be classified as small or medium enterprise. First the number of employee, turnover and or balance sheet must be in the norms shown on Table 1; Second maximum 25% of the firm is owned by one or more companies that are not SMEs (Henschel and Verlag, 2008, p.11)

Some differences are seen in different countries, for Example in America can be see that firms with lass that 500 employees are in the group of Small and Medium enterprises. In United Kingdom small is under 250 workers and in Germany there is no official definition for SME. (Henschel and Verlag, 2008, p.12)

Definition may vary from country to country and from industry to industry. Different authors give different definitions in their books. In this study is accepted the definition of European Union: “1. *The category of micro, small and medium sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.* 2. *Within the SME category, a small enterprise is defined as enterprises which employ fewer than 50 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 10 million.* 3. *Within the SME category, a microenterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million.*” (European Commission Journal, 2003, p.39)

In Turkey KOBİ refers to SME (Small and Medium Sized Enterprises). Small and Medium businesses is 99,9 % of all businesses in the country are (Turkish Statistical Institute, 2015) , they can offer work places, economic stability, they pay taxes, increase in GDP and also influence export and import in the country. Since 04.11.2012 with publication in the National Turkish Newspaper Turkey’s SMEs are officially under the following classification shown in Table 2 below.

Table 2 SMEs classification in Turkey

	Micro -sized SME	Small -sized SME	Medium- sized SME
Number of employees	<10	<50	<250
Annual turnover (Million Turkish liras)	<1 Million TL	<8 Million TL	<40 Million TL
Balance sheet total (Million Turkish liras)	<1 Million TL	<8 Million TL	<40 Million TL

Source: Turkish National Newspaper , 2012

In 2013 Turkey was given start to 2 695 131 new firms. From them 99.8 % are SMEs with 74.2 % employment. Compared to 0.2 % (large companies-250 + employees) with 25.8 % employment. From here we can conclude that SMEs are important job creators and they plays significant role in the economic development in Turkey (TUIK 2015). According to KOSGEB in 2009, SMEs are firms that employ between 1 and 250 workers and more that 25% is not owned by large business. In Turkey the number of enterprises with less than 100 employees is higher compared to other countries in OECD (Organization for Economic Co-operation and Development,) in Turkey most of them are even with fewer than 10 workers (micro business). Turkey's micro businesses are 95% and they have 35% of Turkey's jobs with 7.8% of production, compare to other OECD counties like Italy France Portugal where this kind of firms are fewer and employ fewer people but they have production of 11% to 15%. (OECD, 2004, p.29)

1.2 PROBLEMS FACED BY SMEs

Despite the advantages of being small there are lots of problems that SMEs have to deal with. Businesses close down for many reasons. Some that close are financially successful and close for nonfinancial reasons, others close because they have low sales and high expenses which is directly related to poor management. Other business may end their activities due to economic factors, financial causes, and lack of experience or personal reasons (McDaniel and Gitman, 2008, p.216).

1.2.1 Management

Often seen in SMEs is that manager is in fact the owner of the company, same person is the financing director, marketing manager, sales manager, human resource manager, he is dealing with the accounts. This is a huge stress of managing a business. The business can consume the whole life of the owner. They may be unable to cope with the pressure of business operations and long hours of work. Even a successful business must deal with plenty of ongoing challenges. Growing too quickly might cost also many problems, when additional capital is required to cover expanding operations, more materials, more equipment, and hiring additional stuff. Managing a small business is often a challenge. Manager must be able to keep going after starting up of the

company or after buying an existing business. Manager –business owner must respond quickly to the market condition change, to be ready to solve problems (McDaniel and Gitman, 2008, p.216).

One of the best ways of managing a business is to take help from outside consultant. Most of the small businesses need a qualified accountant who can deal with record keeping, taxes and decision making. A person who knows well all the laws related with small business and who can provide legal advices and prepare needed documents. Also help with marketing, employee benefits and insurance can be needed (McDaniel and Gitman, 2008, p.217).

1.2.2 Financing

Once the business is ready on plan next step is financing it. Different types of businesses require different amount of financing and also the owners' personal investment. Manufacturing companies, high-tech oriented businesses and growth- oriented once need more financing than lifestyle enterprises. There are two types of financing for SMEs one is debt where fund are borrowed and they must be repaid with interest over some period, and the other type is equity where those who provide equity funds get a share of the business's profit. Equity financing also has two forms one is angel investors and the other one is venture capital. Angel investors are individuals or group of investors that provide financing new small businesses by investing their own funds. When using venture capital for financing the business the funds are provided from firms that specialize in financing SMEs (McDaniel and Gitman, 2008, p.214).

1.2.3 Marketing

Today big and small businesses are consumer oriented but enterprises not always followed this concept, before they had mass production orientation with aim for lower production cost without a need for satisfaction of consumers' needs. Now marketing aims to find the need and wants of potential buyers and produce goods and services that satisfy them. Today, companies from every size in all the industries release it or not, they all follow the marketing concept: *"focusing on consumer wants so the organization can distinguish its product(s) from competitors' offerings, integrating all of the organization's activities, including production, to satisfy these wants and achieving long term goals for the organization by satisfying customers wants and needs legally and responsibly"*(McDaniel and Gitman, 2008, p.400). In order marketing concept to be successful and accepted as positive not as an problem is needed good management.

1.2.4 Labor quality

In order to be more profitable SMEs must keep their operating expenses lower, that's mean to minimize their day to day expenses. An operating expense is for example labor cost or in other words all the wages that are paid to the employees form the company. It is important to identify all the costs involved in hiring employees and to be sure that the business can afford it. More employees include extras pace, taxes, help-wanted ads and employee benefits that can add 10 – 15 percent to their salaries. Also having an employee means more work for the manager in terms of tainting and management (McDaniel and Gitman, 2008, p.217).

To attract quality employees is difficult for small business because they might not be able to match the higher salaries, benefits or advertisement potential that a bigger company can offer. Small business owners must be very creative in order to convince the right employee to work in the company. After that one of the priorities of the manager must be employee satisfaction- comfortable working conditions, flexible hours, benefits, opportunity to be part of the decision making process (McDaniel and Gitman, 2008, p.218).

1.3 ADVANTAGES AND DISADVANTAGES FOR SMEs

For a successful small business manager (owner) of the firm must be aware of the advantages they have and to be able to use them. Also disadvantages must be recognized and turned into opportunities. There are many reasons to stay small as a business it offers special advantages. Small sized companies could be more flexible to respond quickly to the changes of the market because of their uncomplicated structure. New innovative products ideas can be easily developed and faster launched to the market, with fewer financial resources compared to the larger companies. Many consumers get back to small businesses because they offer better personal service like fashion boutiques, spas or ravel agencies. Small businesses can operate on specialized markets where bigger enterprises may not be cost effective (McDaniel and Gitman, 2008, p.219).

To be a small business owner gives opportunity for independence and better lifestyle. Big corporations no longer offer fast growth in the career or job security. Any employees of big enterprises leave voluntary or because organizations is downsizing, after they look for work in a smaller enterprise. Another advantage is personal satisfaction from the works many business owners admit that they love what they do. Fast changing technology gives many opportunities for

small businesses to compete in new industries. Downsizing of bigger corporations leads to outsourcing. When they use goods and services from outside firms many small business may be involved (McDaniel and Gitman, 2008, p.219).

Although SMEs has many advantages, they also must deal with numerous disadvantages. If manager –business owner is with limited managerial skills or has difficulties to obtain adequate financing. Managing a small business require total commitment and long hours of work by the owner. Business owners are under a lot of stress, because they are personally reasonable for the success or failure of the whole business (McDaniel and Gitman, 2008, p.220). Other negative of small business is complying with federal regulations, *“Those with fewer than 20 employees spend about twice as much per employee on compliance than do larger firm.”* (McDaniel and Gitman, 2008, p.220). SMEs can also face the problem of sale fluctuation: *“Small businesses face a sale fluctuation problem which influences their cash flow balance. In some seasons sales are high, while in others they drop significantly. Business owners or managers need to balance the cash inflow and outflow so that there are always enough to meet day-to-day expenses.”* (Analoui and Karami, 2003, p.29). This is directly related with SMEs financial instability because as a small business all the money are invested in to the business and there are not enough if unexpected situation appear. The risk of financial loss in small business is higher that the large corporation. Operating on a wrong market, investing in a production of a product that is in declining stage in its live cycle may bring a significant financial loss for small businesses (Analoui and Karami, 2003, p.29). They might come with a brilliant product but because of the early stage of its life on the market, they often lose. Small companies don’t have the time and finance to wait until customers realizes that a tiny little company might meet their expectations for delivery on time, product quality or after sale service. If same situation is positioned but this time in large corporation their loss wound bring them to so critical situation. Another disadvantage of being a small enterprise is competition because of their *“week capital structure, low marketing channels, low market share and like. They tend to face more competition than the large firms.”* (Analoui and Karami, 2003, p. 29).

1.4 EFFECTS OF SMEs TO THE ECONOMY

Small and medium enterprises significantly increase their numbers on the market. Because of this they have huge impact on the economy. In America small enterprises plays an

important role in the economy. Incomes earned by individuals and partnerships that run their own business in 2003 increased by 9%, also loans to new start-up companies more than doubled in five years from 2000-2005 (McDaniel and Gitman, 2008, p.222). SMEs place in the economy may change from nation to nation – it is influenced also from different cultures and habits. Comparison between SMEs in US, European Union and Japan and their role in the national economies shows that in US there is free market economy and free entry to the business. There SMEs are the big economic dynamism force. In US economy is normal practice to support socio and politically small and medium sized enterprises. In Japan SMEs play more indirect role, small firms are used as a suppliers of better quality at low cost and often they are the once with innovative product and ideas in terms of technology. In European SMEs the main focus in on *“socio-economic position of the existing SMEs in the traditional and medium-technology sectors of the economy”*, from country to country there might be differences (Giaoutzi et al.,2016, p.4).

In Turkey SMEs play important role for the economy development, their number is high and they offer many workplaces. Turkey is member of different European organizations like Customs Union and participates on meeting like the OECD 2004 Conference on SMEs Ministerial level. *“Turkish government developed a specific SME policy and created SEGEM (Industrial Training and Development Centre) and KÜSGET (Small Industry Development Organization), which, later on, were united under the umbrella of KOSGEB (Small and Medium Industry Development Organization) in 1990, as a major instrument for the execution of these policies.”* (OECD, 2004, p.10). SMEs in Turkey are big number, they give many workplaces and that way they can affect positively the Economy of the country. Unstable interest rates or difficulties with imports and exports of products and materials might be affect SMEs and lower their performance and positive effect to the Economy.

SECOND CHAPTER

SOCIAL MEDIA MARKETING

In this chapter will be explained the value of Internet, new way of marketing by using social media. In this part will be given definition of what marketing communication and integrated marketing communications are, how they work, what are the tools used by marketers to communicate with their audience. What is social media marketing and its' relation with small and medium sized enterprises will be explained, what are the strategies used by business owners, how social media marketing is accepted in Turkey and its usage by the Turkish SMEs will be seen in this chapter.

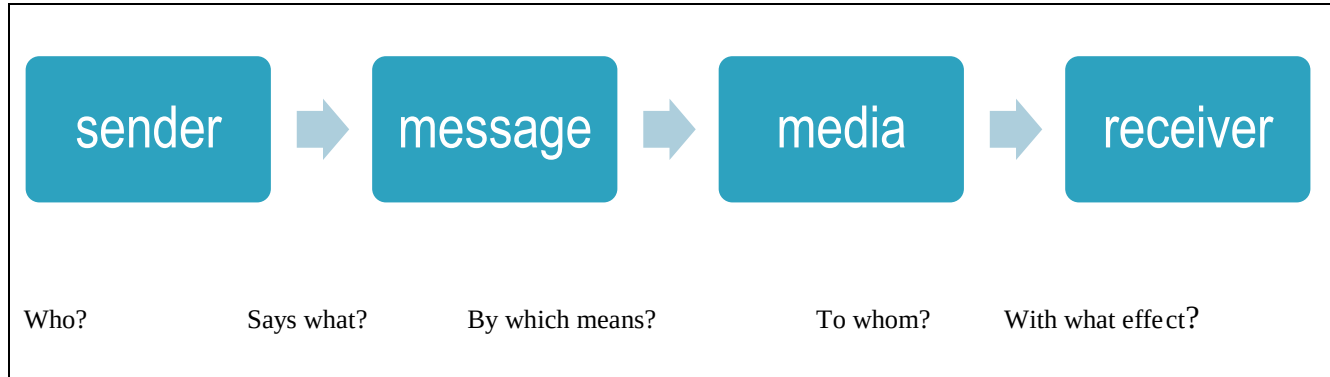
2.1 WHAT IS MARKETING COMMUNICATION

When social media entered peoples' lives ways of communication changed, now society is facing very new communication mode – new types for communication with consumers, new way of marketing, variety of new skills of marketers (or business owners) are required.

Terms like “advertising” or “promoting” are often used in order to explain marketing communications, but it is not enough to cover all the idea on marketing communication, a lot more elements are included in marketing communication process. Marketing communication can be described as “*all the promotional elements of the marketing mix which involve the communications between as organization and its target audiences on all matters that affect marketing performance*” (Pickton and Broderick, 2005, p.2). The basic of marketing is the marketing mix 4P's: product, price, place, promotion. Promotion tools or in other words promotion mix is often used to replace the term marketing communication mix there are five major tools: advertising, sales promotions, personal selling, public relations and direct digital marketing (Kotler and Armstrong, 2016, p.451). To understand marketing communication is important to understand first how marketing communication process works, how all this tools work together and how they affect the relationship between consumer and business. In this process are involved all promotional tool and all the people taking role in the communication

process. In Figure 1 below are shown basic communication steps in basic communication process which includes four elements sender, message, media and receiver.

Figure 1 The communication process



Source: Pickton and Broderick, 2005

In the figure above the sender is the agent who send the message, the message is the information that the sender wants to communicate, the media are all the channels that are used in order to communicate this could be media of many different forms and the receiver are the people who receive the message throw the media channels (Pickton and Broderick, 2005, p.6). In this figure is presented a simple way of promoting a product or service. But this basic model is not enough in order to understand if the whole process is successful, is the information sanded from the sender riches the targeted audience, does the message is understood correctly from the receiver. To have a successful communication all communication tools must be linked, that way a feedback ban be given from the receiver to the sender. Promotion mix is the primary communication activity but today this simple model it is not enough in order to create value and brand loyalty. All the instruments of the promotional mix must working in synergy, integrating all this tools and players is Integrated Marketing Communications.

2.2 WHAT IS INTEGRATED MARKETING COMMUNICATION

Varieties of new communication ways are available – smartphones, tablets, smart watches, millions of television channels from each one of those consumer can connect to internet and communicate with others (Kotler and Armstrong, 2016, p.447). Consumers are better informed due to the digital technologies and new marketing communication models are required. Good marketing in integrated marketing. More and more companies are trying to adopt the concept of IMC - integrated marketing communication concept (strategy). IMC is the way of

coordinating all the work of the promotions tools and by doing that companies are able to deliver clear message to the audience. In Figure 2 below (Kotler and Armstrong, 2016, p. 451) the basics of integrated marketing communications are shown.

Figure 2 Integrated Marketing Communications

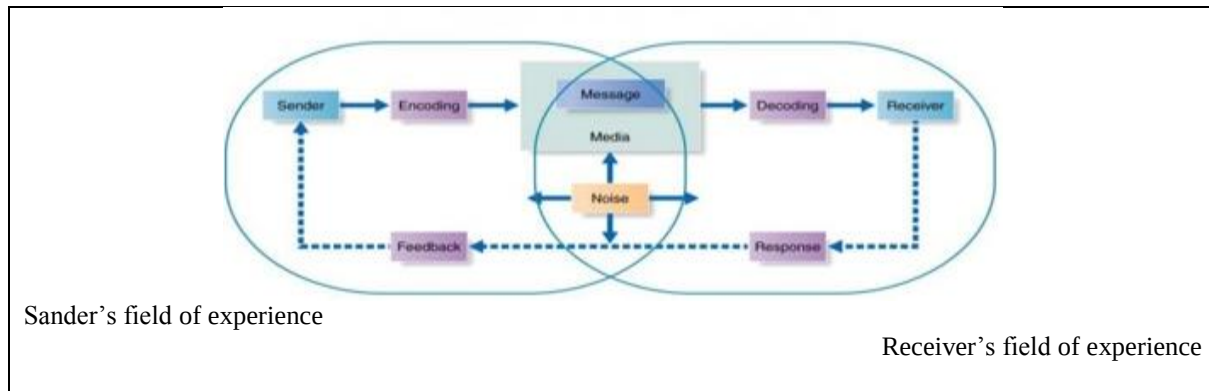


Source: Kotler and Armstrong, 2016

Integrated Marketing Communication (IMC) model is more comprehensive than the basic communication model and gives opportunity to the receiver to take on different actions including purchase, consumption and word of mouth communication (Pickton and Broderick, 2005, p.3). One definition of IMC used by American Association of Advertising Agencies is “a concept of marketing communication planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of a variety of communication disciplines, e.g. general advertising, direct response, sales promotions and public relations- and combines there disciplines to provide clarity, consistency and maximum communication impact.” (Pelsmacker et al., 2004, p.8). Many definitions are available but all of them lead to the same idea – communication instruments that are used normally separate, must be organized to work together in order to deliver clear message to the target audience.

Basic communication model focuses on delivering a message to the final consumer in order to create awareness. New communication model is more complicate the goal is not just to deliver the message but to take feedback, to create consumer relationship and to satisfy receivers' needs at every step of the communication process. In Figure 3 below (Kotler and Armstrong, 2016, p. 453) the elements of the integrated communication process are shown.

Figure 3 Elements in the Communication Process



Source: Kotler and Armstrong, 2016

In the figure above the “sender” is the company that will entertain, the “encoding” is the way this company get together all the words, images, sound, colors that will be included in the ad, “message” is the actual ad that the company will show to the audience – all the symbols working together. The “decoding” is the process in which the receiver interpret the symbols – when a consumer watch the ad and interpret it, receiver is the consumer who is watching the ad, who is receiving the message, response is the reaction of the receiver after seeing the ad (the message), “feedback” is the response from the receiver to the sender (their positive or negative reaction to the ad, when they comment in social media or when they write email or call direct to the company). In the figure above “noise” are all the side distractions that might result with misunderstanding between what the sander wanted to way and what receive understood. When all this elements work in synergy the communication process is successful.

2.3 MARKETING COMMUNICATION TOOLS

In every company there are tools that are used to communicate with audience; all together they are called marketing communication mix or promotion mix. There are five major tools: advertising, public relations, sales promotion, personal selling and direct and digital marketing.

With promotional mix elements marketers aim to achieve organizational and promotional objectives (Fill, 2006, p. 20).

2.3.1 Advertising

Advertising involves mass media like television, newspapers, magazines, radio, billboard, but at the same time with the innovations in technology, web commercials, CDs, monitors in supermarkets cafes and restaurants. As a definition advertising is *“any paid non-personal communication through various media about a business firm, not-for-profit organization, product, or idea by a sponsor identified in a message intended to inform, persuade, or remind members of a particular audience”* (Kurtz and Bonne, 2008, p. 501). Advertising as a non-personal process is appropriate for big audiences where mass communication methods can be used. The organizations have high degree of control for the design and delivery of the advertising messages sanded to the audience. The ability of advertising to make people to thing in a particular way is suspect, it is also difficult to measure its effects on sales (Fill, 2006, p. 21), *“Audiences are less likely to believe to messages delivered through advertising than they are messages received through some other tool”* (Fill, 2006, p. 21). Advertising is good because it can be used to communicate with national audience or just with chosen specific group, it is costly tool but big number of people can be reached and the cost per person then becomes one of the most reasonable once (Fill, 2006, p. 21).

2.3.2 Public relations

Public relation (PR) is used to promote places, people, ideas, activities, nations, products, organization; it is a mass- promotion tool that allows companies to build relationship with audience. By definition Public Relations is *“build good relations with the company’s various publics by obtaining favorable publicity; building up a good corporate image; and handing or heading off unfavorable rumors, stories, and events”* (Kotler and Armstrong, 2016, p.490). Public relations can have stronger impact on the public compared to the advertising at much lower cost. When using PR, company do not pay for the space in the newspaper or in television, the firm is responsible for the organization of events that presents product, service or any activity of the company, and the rest is in the hands of the journalists. That’s mean better event will bring more interest for the journalists and with that more popularity in the media (Kotler and Armstrong, 2016, p.491). Not only positive news can be a resold of PR activities, negative once are also

often seen after a PR campaign, and impact on the public after a negative material can be even stronger.

The internet has changed the way companies plan their public relation activities. Web and social media become very important communication channels. Social media like YouTube, Facebook, Instagram, Tweeter, Pinterest creates new ways of reaching the public and create relationship (Kotler and Armstrong, 2016, p.493). Depending on the nature of the target group different objectives can be set, and with that different types of PR can be created. For example Internal public relation is focusing on informing employees about companies priorities, it is used to motivate them, or Financial public relations which aim is to create stable relationship with stakeholder or investors, to introduce to them stock exchange , financial reports , mergers , acquisitions. Other types are Public affairs –societal or political relation of the firm; Media public relations- most popular one that generate positive publicity on television , social media, radio, newspapers ;Marketing public relations – directed related to selling products (Pelsmacker et al.,2004, pp.281-284). PR department is “must” in all big companies today, its effect on public is so strong that company like Apple did not use any advertisement when launching the new iPad they just rely on massive public relation campaign. They distribute mount in advance iPads in order to have early reviews of the product, also offer early online peek of the new apps that are going to be introduced, the topic appear on some daily shows on television. The result of all that was a thousands of people waiting inform the shop for the louche of the product (Kotler and Armstrong, 2016, p. 491). PR is focusing on long-term consumer satisfaction, building strong relations and with that long-term profit, goodwill and reputation. Public relations created a good ground with strong relations and good reputation so that marketers can work easily relaying on believe that a good reputation company cannot sell bad product (Pelsmacker et al., 2004, p.275).

2.3.4 Sales promotion

Sales promotions and advertising often work together. Sales promotion is short – term and encourage consumer to buy product or service and advertising offers reason why people to buy this product or service (Kotler and Armstrong, 2016, p. 518). Sales promotions can be seen every day and everywhere – buy one take one free, 10 % discount on second item, free shipping only this Sunday act. Companies like hotel chains, restaurant or airline companies aim to win loyal customers with their sales promotion. Sales promotions grow very rapidly, *“many products being*

sold on deal these days, a given promotion runs the risk of being lost in a sea of other promotions, weakening its ability to trigger an immediate purchase” (Kotler and Armstrong, 2016, p. 519). Manufacturers are now trying to offer something different from the others, like bigger coupons, promotions through new digital media, delivering promotions. According to 88% of retailers see digital promotes- such as internet and smartphones, as a very important part of their shopper marketing efforts (Kotler and Armstrong, 2016, p. 519). Sales promotion is all *“marketing activities other than personal selling, advertising, and publicity that enhance consumer purchasing and dealer effectiveness”* (Kurtz and Bonne, 2008, p.587). On the market there are three types of promotion: consumer-oriented, trade-oriented and business-oriented. (Kotler and Armstrong, 2016, p. 520) Each of them requires different tools, consumer- oriented promotions uses coupons, refunds, sweepstakes, bonus packs, contests, samples ect. Mail, magazines, newspapers are the standard ways of distributing coupons but now Internet gives new possibilities for distribution by cell phones (Kotler and Armstrong, 2016, pp. 520) *“Ecario, a developer of mobile marketing technology, has pioneered a green solution to couponing with its MoBeam Barcode Service, which permits, retailers to distribute coupons digitally to cell phone users, who can also redeem the coupons digitally when they shop”* (Kurtz and Bonne, 2008, p.589). Samples are very popular way of promoting, by getting consumers to try free sample of the products companies try to guarantee future purchase. It is the most effective but at the same time the most expensive one. Samples are free or some companies charge very small amount; they can be mailed by mail handed out or taken from kiosk machine (Kotler and Armstrong, 2016, p. 520).

Consumer promotions are *“sales promotion tools used to boost short-term customer buying and engagement or enhance long-term consumer relation.”* (Kotler and Armstrong, 2016, p.520). This is a technique that deals only with consumer and their purchase, but in order this purchase to happen, manufacturers need the help of retailers and wholesalers. That means that companies must encourage retailers to sell their products, to put them on better place in the retail stores. Here manufacturers use another technique called trade promotion. Trade promotion is: *“sales promotion tools used to persuade resellers to carry a brand, give it shelf space, and promote it in advertising”* (Kotler and Armstrong, 2016, p.522). Companies spend millions of dollars for trade promotions, even more than they spend for promotions to the final consumer.

Spend correctly this money can earn to the firm better shelf space, they can be involved in advertisement of the retailer store or the final seller might pay more attention to the certain brand.

There are few tools that marketers use in trade promoting, special discounts for the retailer, allowances, free goods, cash gifts, trade shows, and point of purchase advertising (POP), holiday gifts or training programs for the salesperson. Trade allowances are special financial initiatives that manufacturer offer to the wholesaler or retailer (buying allowance for example free goods, one free for every then ordered, promotional allowance – when manufacturers offer to cover some or all of the cost of a promotional display that retailer will use) (Kurtz and Bonne, 2008, p.592). POP advertising is a method of sales promotion that use special in store displays or other promotions, placed on the side where the actual buying decision is made. Consumers are taking most of their buying decision after they enter the supermarket and POP advertising influence their purchase decision, that's why manufacturers give importance to this kind of promotions (Kurtz and Bonne, 2008, p.592). Trade shows are popular technique in order to attract members of the distribution channel. Trade exhibitions are made very often, but because it is costly promotional tool companies try to optimize them and to attract also consumers. This type shows manufacturers aim to present their new products or innovations or to meet competitors and consumers. Every sector is familiar with this type of trade fairs it could be medical equipment, automobile, electronic, health care, tourism or any other sector (Kurtz and Bonne, 2008, p.593). Sales promotion techniques are serving to all the members of the communication channel, manufacturers promote to their retailers, companies to their consumers or employees.

2.3.5 Personal selling

Selling is one of the oldest business activities, in the past people exchanged good for other goods, after when the money and gold become valuable goods were exchanged for them. Personal selling is the arm of promotional mix. By using advertising nonpersonal communication is made with large audience, salespeople are involved in interpersonal interaction and engagement with individual consumer. It can be more effective than advertising in some situations. It can be made by phone, online conference, e-mail, video messages or by the help of other tools (Kotler and Armstrong, 2016, p.503). The role of personal selling varies from

business to business, some companies do not have salesperson at all for example these once that operate and sale online.

Personal selling might be divided to a few types according to the target group or according to the sales channel used. In the Table 3 below (Pelsmacker et al., 2004, p.443) types of personal selling according to the target group are shown.

Table 3 Types of personal selling

Type of selling	Target group
Trade selling	Supermarkets, groceries, pharmacies, etc.
Missionary selling	Target group of consumers of your direct customers
Retail selling	Consumers
B2B selling	Businesses
Professional selling	Influencers of your target group
Direct selling	Consumers

Source: Pelsmacker et al., 2004

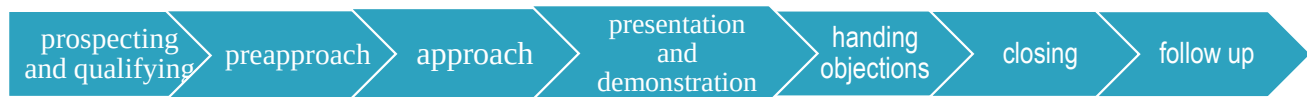
In Table 3 above are shown types of selling, trade selling- sales product to supermarkets, grocers, pharmacies, and the salesperson must convince this store to put their product on the shelves. Big companies like Coca-Cola, P&G don't have trouble convincing them because markets cannot afford not to have these brands, but smaller firms must have very well trained salesperson (Pelsmacker et al., 2004, p.442). Missionary selling- very good example for this is a pharmaceutical business where producers try to convince doctors and pharmacists to buy and prescribe their product to the final consumer who is in fact the person who buys from the pharmacy (Pelsmacker et al., 2004, p.443). Retail selling- is a direct way of selling where consumer communicate face to face with sales person, it might be for example purchase of computer or another electronic where consumer ask for the help of salesperson. B2B selling- business to business selling is a process of selling products or final products to another business. Professional selling – here we cannot talk exactly for a sales person, because we have one specialist influencing or convincing another specialist of using a certain product now or in a future project. For example interior designer convince architects to use a specific product in their

project. Direct selling – this is a face-to –face selling which is not realized in a store, but in consumers home. A good example for this is Avon or Amway (Pelsmacker et al., 2004, p. 443).

According to the sales channels used, personal selling might be divided to four main types: over the counter selling, online selling; telemarketing and field selling and inside selling (Kurtz and Bonne, 2008, p.568). Over the counter selling channel is still one of the most frequent used one, these are clothing retailers, supermarkets. Consumer goes to the location of the store to purchase a product often they go to their favorite one, sales person can advise them and help them during their shopping process. New technologies are available in this type of stores in order to make shopping more pleasant, for example the interactive mirror of Bloomingdale's where consumer might share his or her outfit with friend and receive comments or consumer can check other colors of the shirt he/she is wearing without even taking it out.(Kurtz and Bonne, 2008, p.568). Field selling or also called network marketing is a face to face type of selling, it is happening on the business place of the consumer or at his home. In general sales person first must convince customer that he/she needs the product or good and after to sell the particular brand. Examples of this type of selling channel are Avon or large industrial installations like Boeing's 787 Dreamliner jet (Kurtz and Bonne, 2008, p.569). Telemarketing is a channel that uses phones in order to conduct their selling process, it is an old method and people don't like it but it is still used by some companies to sell product or services. It is provided direct to consumers or business to business. It might be outbound when phone call is made to the customers' home or cell phone or inbound where consumer can call in order to collect information, to make reservation or purchase product or service. It is a preferred sales channel there are companies that keep open lines 24 in order consumer to reach them every time. Inside selling is field selling technique applied through telemarketing. It is a selling in which are used phones, mails or electronic commerce (Kurtz and Bonne, 2008, p. 569).

A good salesperson has to follow seven steps when selling: prospecting and qualifying, preapproach, approach, presentation and demonstration, handling objections, closing and to follow up (Kotler and Armstrong, 2016, p.515). Depending on the chosen target group personal selling steps might change. In the Figure 4 (Kotler and Armstrong, 2016, p.515) the main steps that a salesperson must follow are given.

Figure 4 Steps in selling process



Source: Kotler and Armstrong, 2016

The first step in the selling process is *prospecting* at this step salesperson must be able to recognize the qualified customer. The aim of the salesman is not just to talk with any potential consumer but the right one, the consumer who will respond to the companies' values. They must create relationship with consumer and it can happen just when the company and the client share the same value for a product or service. After identifying the qualified potential consumer salesperson is ready for the second step *preapproach*. At this step salesperson tries to learn as much as possible for the customer. The consumer might be a company that's mean that salesperson have to make good online research of the company, to be prepared and to know what are their needs, who is buying, why is buying. During the next step *approach* the sales person must know how to create relationship with consumer. A meeting is made it can be online or offline, in-person or through digital conferencing or social media. Salesperson must know how to lead a meeting, how to talk and to attract the buyer. During the next *presentation* step sales person must impress the buyer by presenting company's product and services; in this presentation he/she must answer the need of the consumer and to give solution to his or her problems. Presentation or demonstration must be planned and practiced before the real meeting with the potential consumer. Today's presentations cannot make it without the help of the multimedia, tablets, smart boards or other type of innovative technology. Next step of the selling process is *handling objections*, after every presentations consumer have some objections but most often they stay unspoken. Salesperson must be skilled to learn these objections to take as more information and to turn them from negatives to opportunities. Almost at the end of the process come a very important part –salesperson must come to the *closing* step. It seems easy but most of the salespersons fail exactly here. This is the step where the consumer is asked to make an order. Salesperson has to be trained to read the body language, to be careful for some comments or questions- to recognize when consumer is ready for this closing step. Salesperson may offer

special price, extra service, quality or he might try to convince this that now is the best moment to buy. *Following up* – the last step, after the closing step salesperson must make clear all the necessary details about the delivery, time, date and other matters. After the product reaches the consumer a phone call must be made in order to assure that there is no dissatisfaction with product, service or delivery process (Kotler and Armstrong, 2016, pp.515-517).

The most important thing in the personal selling is the ability of the company and the salesperson to create value, to listen the consumers, to recognize their need and create consumer based values which will bring to the company long-lasting relationship with the buyer. Most of them are well trained and well educated professionals who *“assess consumers’ needs, and organize the company’s efforts to solve their problem. The best salespeople are the ones who work closely with consumers for mutual gain.”* (Kotler and Armstrong, 2016, p.503).

2.3.6 Direct and digital marketing

Many of the marketing communication tools are focusing on mass marketing, where standard message is prepared for massive public. Innovations in technology and new trends require new marketing approach to be created and the focus now is development in direct marketing. Direct marketing is a very fast growing communication tool; its most popular form today is digital marketing – usage of different online marketing channels for direct communication: like social media or mobile marketing. Direct and digital marketing is *“engaging directly with carefully targeted individuals consumers and customer communities to both obtain an immediate response and build lasting customer relationship”* (Kotler and Armstrong, 2016, p.535). Direct marketing is used for more than just creating awareness for the products. Marketers want to persuade people to purchase, to visit store, to call and to require more information. Successful direct marketing lead to action from consumers (Kurtz and Bonne, 2008, p.506). Direct marketing has its traditional channels such as direct mailing- brochures and catalogues, telecommunication, television, radio, internet such as e-mail or electronic messaging. Printed channels such as newspapers and magazines also special channels like electronic kiosk (Kurtz and Bonne, 2008, p.506). Traditional methods have their popularity because they give better results in engaging consumers. Many companies prefer to use digital and direct marketing together. Consumers are very comfortable of using technology but they still cannot hide the need of real touch, which affect their purchase decisions.

By direct mail marketing companies might send millions of letters, catalogues or ads. The predictions are that this traditional mail system is going to be replaced by only emails which are delivered faster and cheaper. Anyway the traditional mail has its advantages too, it is more effective because it gives something that people can hold in their hands, it creates emotional connection with consumer and it can be used to send samples with it- electronic mail cannot do any of that. People can hold it, feel it and engage with it, digital mails are generally sent into trash or spam filtered – a filter that does not let some emails to reach consumers' inbox, at the end consumers do not read any of these emails. Traditional direct mails are more expensive to send that's why marketers are choosing very carefully their receivers and send mails to those ones who want to receive them (Kotler and Armstrong, 2016, p.542).

Catalogue marketing is another common traditional marketing tool. Catalogues give opportunity to companies to sell multiple products by presenting them on a printed paper to the consumer. With the advances in technology today not only printed catalogues but also digital catalogues are available, most printed catalogues as their online version or on smartphone app (Kotler and Armstrong, 2016, p.551). Digital catalogues eliminate printing and mailing costs. People can carry them anywhere they go, even while shopping in a physical store. Digital catalogues may include videos and other product presentation tools, they are working on real time and they can be removed whenever is needed (Kotler and Armstrong, 2016, p.552). Many firms use just online catalogues or smartphones catalogues, others still produce printed ones but support them with web-based versions. To use online catalogues is a lot cheaper and very popular however many consumers prefer to shop online but with paper catalog in their hands- to touch it, feel it and engage with it. According to a study *“58% of online shoppers browse physical catalogs for ideas, and 31% have a retailer's catalog with them when they make a purchase online”* (Kotler and Armstrong, 2016, p.552). Despite the advantages of web-catalogues old-fashion printed ones are still preferred from many consumers and companies keep delivering them in order to create emotional connection between users and products (Kotler and Armstrong, 2016, p.552).

Direct response television marketing (DRTM) is one of the most popular forms of direct marketing. This includes ads on television generally around 60 or 120 seconds where companies present their products, give contact information refer consumers to retail stores or stimulate them

to visit their internet sites to learn more (Kotler and Armstrong, 2016, p.553). Successful made direct response advertising can bring many sales. Very popular form of DRTM is iTV interactive TV, where technology gives possibility to people to interact with television programming and advertising, smartphones, interactive cable system and Internet based smart TVs let viewers to use remote or smartphone to purchase direct from the commercials (Kotler and Armstrong, 2016, p.553).

Kiosk marketing is a form of marketing used in high traffic areas where digital touchscreen machines are positioned for public use in order to give information for certain places and topics or direct for purchasing a product. Kiosks are generally placed in shopping malls, big retail stores, airports, hotels. They are everywhere consumer can for example use a self-service ordering in a hotel, can check in and take ticket by his own at the airport, in the malls they are used to give information for store locations. Some machines are used to transfer pictures from mobile phones for example and print them out. Kiosk is a developing marketing tool, it increase consumer satisfaction and provide better buying experience (Kotler and Armstrong, 2016, p.554).

Direct marketing becomes more and more internet based, and its' most popular form is DDM (direct digital marketing). Many companies still use direct marketing as a supplementary channel, *"but they also sell through direct mail, online catalogues and social media pages"* (Kotler and Armstrong, 2016, p.535). As a major form of direct marketing DDM has its own tools, three of its main instruments are: online marketing (blogs, emails, web sites, online videos, ads and promotions), social media marketing and mobile marketing. (Kotler and Armstrong, 2016, p.539, figure 17.1). Today is difficult to find company without online site or social media account; some of them even operate just online – like amazon.com where goods are sold online directly to the final consumer. People connect with each other online, people connect with companies online and consumers are online almost anywhere and anytime. Consumers are leaving in a digital ages where *"More than 85% of all U.S adults use the internet, and the average U.S Internet user spend more than five hours a day using digital media. Moreover, more than 60 % of smartphone owners access the Internet via their devices."* (Kotler and Armstrong, 2016, p.538) The result is that companies promote generally online because they can meet with consumers mostly online.

Online marketing is used by marketers in the form of web sites, online advertising, online videos, blogs or e-mails marketing (Kotler and Armstrong, 2016, p.540). Using online marketing or traditional marketing the aim of the marketers is to create awareness and to bring consumer to the web-site of the company. That's why one of the first actions that firms take is to create their web-site. Some of them are designed for direct purchase of one or different brand and with that to engage consumer to the web-site, others primary purpose is to build closer consumer relation and motivate direct contact- face to face, by telephone or online by using direct email. In some web sites consumer cannot by anything but they are able to become part of some brand community to rich variety of information for the brand, to see videos or to chat in blogs (Kotler and Armstrong, 2016, p.540).

When people are searching in internet immediately on the right side or on the top appear a sales offer related with the product consumer is looking for, price, place where it can be found. Text and images are included in the ads sellers' aims is "click" that brings consumers to internet site. This is type of online marketing is called search advertising (Kotler and Armstrong, 2016, p.541).

Another online marketing tool is E-mail marketing. This type of marketing is still growing despite the popularity of social media marketing. Good email marketing can bring one of the highest returns on investments compared to other online marketing practices because it is still one of the cheapest channels in the clutter (Kotler and Armstrong, 2016, p.542). It is not just a text message any more, emails can be personalized, interactive, colorful, some discount coupons, tickets, commercials, videos or other promotions can be added. Email marketing is a way of creating consumer loyalty and stable consumer relationship by sending to the targets personalized messages. Often this kind of emails creates negative feelings in consumers and they refuse to receive emails. Companies now send mails online only to consumers that want them; they are based on customers' previous purchases and preferences. Otherwise these mails can be send to spam from the side of consumers (Kotler and Armstrong, 2016, p.542).

In the emails, web-sites, social media, even in the smartphone apps digital videos can be posted, this is another way of online marketing. Some videos are made specifically to be used on web sites or social media, others are commercials created to be shown on television or other media and to be used online before or after the campaign. Now when you try to watch video on

YouTube for example video based advertisement shows up and consumer cannot skip it at least ten seconds. Many videos have been shared on social networks by consumers, similar to word of mouth marketing videos are shared from one to another account, people are more likely to watch and share something that their friend or family posted, this practice is known as viral marketing (Kotler and Armstrong, 2016, p. 542).

Another marketing tool are web logs or better known as Blogs, it is a way used from companies to enter consumers' online communication space by creating special internet groups. (Kotler and Armstrong, 2016, p.543). It is a kind of web journal where people and companies can meet and share information or opinion on specific topics. These blogs can be about anything food, clothes, politics, sports, kids, education, and health. It is a place to learn and discuss variety of things. Blogs are used from the companies also to inform consumers about the firm, its practices, to share videos of production process for example, or to advise people how they can use a product more efficient, to share some employee experiences, and the most important possibility for direct exchange of thoughts between consumer and company. Blogs as marketing tool offer some advantages such as “*fresh, original, personal, and cheap way of entering into consumers online and social media conversation*” (Kotler and Armstrong, 2016, p.544). Blogs can be very tricky because it is very difficult to control them, maybe some inappropriate comments can be posted for consumer or competitors, some bad experiences can influence future purchases, shortly blogs are less or more under the control of consumers, not of the company (Kotler and Armstrong, 2016, p.544).

Mobile marketing is a tool used to promote and deliver brand and shopping information through consumer's cell phone, smart phone or tablet (Kotler and Armstrong, 2016, p.547). Its most popular form is SMS messaging – where companies give information about discounts, promotions, send gifts, coupons, they can send links, photos or videos (MMS) or just a text message. This kind of message can be sent to the consumer regularly every day or weekly no matter of their location. Targets also can be tracked and when they enter specific zone automatically messages for the business in that area are sent. Most mobile marketers target only customers that want to receive messages or those once that download apps of the company on their devices. The advantage of marketers when using mobile marketing tools is that they can interact with consumer anywhere and anytime because people carry their mobile devices all the

time. In US over 65% of the people has smartphone, every consumer has average 25 apps installed on their smart phones and they spend at last 58 minutes a day on their phones texting, talking or visiting a website (Kotler and Armstrong, 2016, p.547). Many marketers create their own apps to engage consumers with the brand, for example Starbucks app that is used from consumers' phones instead of member card. (Kotler and Armstrong, 2016, p.548). Mobile marketing can be personalized and sanded according to the specific needs of the customers, it can help to create good shopping experience, and if made correctly mobile marketing can be more than just sanding a message. Mobile marketing have to be used carefully because most people don't want to be disturbed by advertising messages (Kotler and Armstrong, 2016, p.548).

2.4 SOCIAL MEDIA MARKETING

The fast jump of internet usage and digital technology are the fundamentals of digital age people live in today. This age changed the way people communicate, they connect digitally with brands and with each other almost anytime and everywhere. They find information online from products, services or brands. All this gave to the “marketers a whole new way to create consumer value, engage, consumers, and build consumer relationship (Kotler and Armstrong, 2016, p.538). This is just the beginning of the digital age and even today companies cannot afford not to be on online, because this is the best way to connect and communicate with audience. Most of the world's businesses today has at least internet site, many of them use also the other digital platforms such as , online videos, blogs, social media, mobile apps and ads, and others in order to directly engage consumers anywhere and anytime (Kotler and Armstrong, 2016, p.538). If a business wants to stay on the market it has to be online because even marketplaces is not the same anymore, all the goods, services, money or information is now exchanged online on the electronic markets known also as e-marketplace.

2.4.1 Foundations of social commerce and social networking

The internet creation was a revolution but it showed its real impact with the creation of electronic commerce. Its simplest form called EFT (electronic funds transfer) started in the early 1970s, immediately after US government created the Internet as a result of an experiment in 1969 (Turban et al., 2012, p. 44). With this innovation funds were electronically transferred from one organization to another, but the usage was limited, it could be used by a corporations or financial institutions. This created the need of transferring data electronically- electronic data

interchange (EDI), where also financial data transferring could be made. These applications were available for many different businesses like manufacturers, retailers, services. This was known as IOS (inter organizational system) application. After these first steps many other applications fast developed but the biggest impact for electronic commerce (EC) development was the introduction of World Wide Web (www.) in 1990s.(Turban et al., 2012, p. 44). This date is known also as the real beggaring of e-commerce activities. Because after that the web was open for commercial use. Companies created a webpage which can be used from consumers too. This was a huge innovation that allowed all the businesses to participate in Internet with photos and text. This gave opportunity for many new companies to start up their businesses on internet, but with this competition also increased, every company today has web site where employees, consumers and stake holders can reach corporate information. Electronic commerce is defined as *“The process of buying, selling, or exchanging products, services, or information”* (Turban et al., 2012p.38). In 1990s EC was used mainly for buying things online like books, music CDs and other items. The problem with World Wide Web or Web 1.0 was that it is one way communication, thousands of links and pages were available online, but in one direction from business to consumer or from business to other business with no feedback. Some of the oldest known e-commerce companies are Amazon.com, eBay and Yahoo!, all of these companies are still first to updated their web pages when an innovation is presented. Any of them had huge impact on EC growth but the biggest of all was Google revolution. It started as a search engine, but today it is a lot more and it can impact business activities and even personal lives.

The first generation Web 1.0 was static, it was used more like catalogue where consumer can see the products and choose the method of purchase, and it was based on giving information. Web 1.0 is related with computers with desktops where consumer has to download the needed data. Technologies changes and internet become more accessible, people started to be involved, new browsers let them to generate, control and post information to the web- people started to interact. Companies can still use their old web sites but with some innovation that let people to post comments, to play games or be part of some competition. This is the second generation of Internet- based services called Web 2.0; People are able not only to download but also to upload information, photos or videos. Olds desktop computers are replaced by laptops they are portable and smaller (Turban et al., 2012, p.48), With 2.0 people are able to post text and photos not just on websites but also on blogs, social networking websites and wikis, information online is

perceived in a new ways. The term web 2.0 was presented in 2004 by O'Reilly Media (Turban et al., 2012, p.48), everyone can post things on a web site and to see the posts of other people and answer them, that way a simple network is created. They are able now to create relationship with others around the world. These types of networks are known today as social networks, it is the most interesting internet application. Social network is defined as *"A category of Internet applications that help connect friends, businesses, partners, or individuals with specific interests by providing free service such as photo presentation, e-mail, blogging, and so on using a variety of tools"* (Turban et al., 2012, p.49). The users of social networks go to a website where they can create their homepage for free and to post there, photos, videos, share music or ideas, or even write a blog. The first social network website is Facebook created in February 2004. Web 2.0 had developed a lot since it was first presented, it is able now to exchange small amount of data with the server so that the web page doesn't have to be reloaded every time when a person post something new, this results with faster loading webpage, better usability and interactivity. Social software (web 2.0) is changing people's way of working, living or communicating. Without people shearing ideas and thing that they are interested in on Facebook, YouTube and the other social networks there won't be any difference from 1.0. While people still try to get use to web 2.0 tools, web 3.0 already "knock on our door". It is new technology added to the old web version where computer intelligence is used. By recording preferences in the past and collecting as more as possible information computer has the ability to offer for example near restaurants, product, places, price comparison and more. The smartphones are one of the biggest factors of the new revolution, Siri application now can respond just too a few simple commands but in web 3.0 more detailed information will be given by the robot. Web 1.0 was static information based software, web 2.0 is social network based and in web 3.0 will be developed artificial intelligent.

When social networks are used by organization to do E-commerce activities it is called social commerce, part of which is social media, social marketing and social media marketing. In *"July 2010 there are 700.000 small businesses with FacebookFan page and close 850.000 in February 2011, and LinkedIn's network exceeds 90 million members. Furthermore, almost 70 percent of all companies worldwide use some social networking."* (Turban et al., 2012, p.338) Social commerce is mostly marketing and sales oriented. Organizations prefer to use social commerce because it is cheaper, faster, consumer oriented, easier to choose a target group, and easier to reach thousands of consumers with less efforts.

2.4.2 What is Social media

Social media is a very popular online platform with variety of tools. It is associated with the usage of web 2.0 software system that allows people to post data and interact with each other. It is defined as *“technologies and applications that people use in developing and maintaining social networks sites. This involves posting of text, images, audio or video, location based services, gaming, and many similar aspects.”*(Albarran, 2013, p.2). Users can share opinion, ideas, experience, to send messages, to see the post of people that are in the same virtual community. This computer based way of communication has become very popular with social networks like Facebook, micro blogs like Tweeter or media shearing sites like YouTube. According to Kotler and Armstrong (2016, p. 544) social media is *“independent and commercial online communities where people congregate, socialize, and exchange views and information”*. Social media offers some amazing marketing possibilities, but many marketers still cannot use it very efficiently, Mobile technologies and social media have taken the marketing world (Kotler and Armstrong 2016, p.544).

2.4.2.1 Blogs and Microblogs

According to Kotler and Armstrong (2016, p.543) blogs are *“online journals where people and companies post their thoughts and other content, usually related to narrowly defined topic”*. Blogs are also known as web logs, they can be about anything, from politics to sports, cars, brads or latest TV series. According to a study in Unites States today there are more than 31 million blogs (Kotler and Armstrong, 2016, p.543). Typical blog is a combination of pictures, text, some links to other sites or social network accounts organization issues. It is easy to create a blog, it is free so that every user can create one and write in it every day. Many marketers are creating brand related blogs that reach their consumers communities. For example Disney Prks Blog where people can discuss and learn all they want for Disney even things behind stage with interviews with employees, post about dance rehearsals, and more (Kotler and Armstrong , 2016, p.543).

Very popular form of blogging is microblogging and the best known microblog is Tweeter. Its difference from normal blogs is that here we have limited space for messages (text, image or video) that users are allowed to post, this post can be viewed from anyone of from or just from

special group that user chooses. Participants on this microblog post tweets and they can see also the text posts (tweets) of other users if they are interested and follow them. By using tweets business can share quickly information about their business, new products or make some promotions to consumers, partners or stakeholders and receive immediate feedback. Usage of Tweeter from businesses is known as Tweeter Marketing it gives a chance to marketers to advertise and engage with consumers in real time. *“Tweeter began offering advertising in 2010 and according to eMarketers, in 2012 over 50% of companies with more than 100 employees are now using it for marketing purposes.”* (Laudon and Traver, 2013, p.41). Business tweets can be promoted when it is paid the post to appear on the top of the list, promoted trends when it is paid the company’s hash tags (#) to be shown on the top of the trends list this is an expensive service that cost to the company around 120.000 \$ a day, and the last one promoted accounts when a payment is made in order the company to be shown on the top of the list Who to Follow on Tweeters home page (Laudon and Traver, 2013, p. 415). Other popular example for microblogs is Tumblr.

2.4.2.2 Wikis

Most popular wiki logs is Wikipedia- collaborative encyclopedia, anyone can read it and be part of it by changing the content, put some new notes or erase other. Some wikis allow to be published just text, in others can be added also tables, images or games. There are some limitations of changing in some of the wikis in order to avoid vandalism Wiki is *“a type of blog that allows everyone to participate as a peer; anyone may add, delete, or change content.”* (Turban et al., 2012, p.109). For business purposes wikis are used to create collaborative wiki website as a result of a team work. In the top 10 of most visited web sites is taking place Wikipedia, it cannot be used to make money or to advertise. Examples for wikis are MediaWiki, DokuWiki, Muppet Wiki, Wikibooks, Wikinews etc.

2.4.2.3 Social networking

Social networks are one of the most popular ways of communication today. It is a new culture a place where everyone can create account and become part of a social network community, to meet and talk there with friends and family or with other people that share the same interests or ideas. Users can share photos, videos, text, music, and links to other websites or white private messages. Accounts can be public or private. Social networks can be used to create

a personal page, business pages or nonprofit groups that bring together followers with same values, ideas and interests. Social networks can be with business purpose like LinkedIn or social purpose like Facebook, Instagram or Myspace. Businesses actively use all types of social networks to advertise and professional social networks in order to grow their business contacts – meet new people and promote themselves. Facebook is one of the most visited social networks for personal needs, business purposes or other organizational activities. Social networks' members increase every day *“more than 1.2 billion people access Facebook every month, 3.4 times the combined populations of the United States and Canada. Similarly, Tweeter has more than 645 million registered users, and more than 1 billion unique users visit, YouTube monthly, watching more than 6 billion hours of video. The list goes on: Google + has 400 million active users, LinkedIn 240 million, and Pinterest 70 million”* (Kotler and Armstrong, 2016, p 545).

Smart phones are the main reason consumers are all the time online. Some large enterprises realize this and focus some of their campaigns to the smartphone users. One Coca-Cola social network campaign in 2007 targeted mainly young people and the access was possible just by their cell phones (Turban et al., 2012p.117). Facebook has many competitors but it is steel leader in the world. Tweeter, Instagram and Google+ are some of it's the biggest competitors but *“Facebook mindshare trumps Google + by huge margin, however, the average user spend three minutes a month on Google + versus seven hours on Facebook.”* (Laudon and Traver 2013, p.672) The most popular tool on social networks now is the Like button, which gives opportunity to users to show their preferences in products, brands, services or friends posts.

2.4.2.4 Media sharing sites

Media sharing sites allow users to post videos, images or audio on a website. The aim of posing in social sharing sites is the post to be viewed from big audience, that's why post are generally public not private. Most popular site for video sharing is YouTube, millions of people post there of just watch videos. Some videos are made especially for web social media, other are made for TV commercial but are posted online before they show up on television (Kotler and Armstrong, 2016, p.542). Many companies hope their videos to become viral- viral marketing this is the online form of word of mouth marketing, it involves creating videos, ads, that are so good that people share them with press and with their friends (Kotler and Armstrong, 2016, p.543). Other famous video sharing sites are Veoh, Google video, Vimeo, Vbox 7.

Photo sharing sites are working the same way as video sharing webs. Artists, photographers, or just people that want to share their work with the world generally post pictures on these web sites. They can be seen from many people, posts can be named or categorized so they can be easily reached by others. Most well-known ones are Flickr and Photobucket. There are social photo sharing sites like Instagram where people post more lifestyle images or activities. This media type is often categorized as social network. Businesses often use Instagram for their promotional activities. Many small businesses use it as a main marketing tool. Another very popular media sharing site is Pinterest. In this site posts known as pins- images with the link to the original content (web site) are shared. Posts must be carefully named that way they can be easily found.

2.4.2.5 Forums and Chats

Forum and chat are another way of communication that is very popular among today's internet users. According to Laudon and Traver (2013, p.157) online forums are *“a Web application that allows Internet users to communicate with each other, although not in real time”*. They are also known as message board, bulletin board discussion board, discussion group, or board of forum. There people can discuss different topics, according to the permission that the administrator (the creator of the forum) give to the members they can open new topics or to answer to consumers questions. In many forums administrator is the only person who can control the web site, he can delete, edit or move posts.

Online chat is a way of real time communication it is typically made between two people, but there is so called chat rooms where internet users can chat with more than one person at the same time. Modern chat use 2D and 3D technologies where people can use online figures that represent them into their chat and have the ability to communicate using audio or video systems. Example for chats is Yahoo, MSN, IRC –internet reality chat, Jabber (Laudon and Traver 2013, p. 158). Examples for chats which can be on real time or just instant messages type are Windows Live messenger, Skype, Google Talk, Facebook Messenger.

Forum and chats are used for business purposes too. Companies create communities where members can discuss experiences with a brand or product or firm can offer service tools that help to the client in real time.

2.4.2.6 Social bookmarks

Social bookmarks are web sites where people can organize, save, categorize and share links. Social bookmarks can be referred to other social media, they are sometimes used as search engine, if users are operating professionally they can use bookmarks to attract quality followers from the same industry. Some very popular examples for social bookmarks are Delicious, Stumble Upon, Digg, Flipboard, Reddit (it is more news oriented). It is good for businesses to have one social bookmark account in order to share documents, interesting links for innovation in the sector, news links connected with them directly or indirectly.

2.4.2.7 Virtual world (second life)

Virtual world is accepted as the future of social media. Today people can communicate with each other in a virtual world where they are represented from 3D avatars. They live in a virtual world and meet there other avatars representing real human behind the computer. In this virtual world people can do things they cannot do in real life, they can buy things they cannot afford there and be whatever they wish. Companies can offer real virtual experience to their customers, virtual test-drive, virtual service, they can enter in houses without even going there, even virtual holiday are possible, people can reach every point of the world in seconds and they can feel like it is real. For small and big business it is a big step that can influence positively consumers purchasing decision.

2.4.3 What is Social Media Marketing

Very popular social media tools are Facebook, MySpace or LinkedIn, people post on Tweeter or upload pictures on Instagram, they check regularly YouTube videos, and exchange ideas on Pinterest. Consumers are on social media all the time and everywhere, this is the best place for companies to meet potential or already existing customers. It is part of the marketing plan of most of the marketers today, *“nearly 90 percent of U.S. companies now use social media networks as part of their marketing mixes”* (Kotler and Armstrong, 2016, p.544). Even though it is easier to use already existing social media, some big companies prefer to create their own online communities, a good example for that is Nike + site where people with same sport preferences become a part of a running community, today it has nearly 20 million runners (members), Nike also created a Nike + app and corresponding products (Kotler and Armstrong, 2016, p.545). Social media marketing is described as *“the use of social media platforms such as networks, online communities, blogs, wikis, or any other online collaborative media for marketing, market*

research, sales, CRM, and consumer service. It might incorporate ideas and concept from social capital, web 2.0, social media, and social marketing” (Turban et al., 2012, p.336).

There are four social marketing features that effect the growth of this tool: social sign-on, collaborative shopping, network notification and social search (recommendation). First one social sign-in is related with signing in web sites like Facebook that way the webs site can receive social profile information and use it for its marketing purposes. Second one collaborative shopping allows consumer to share their shopping experiences with each other, users can chat or text about brand and products. Network notification is based on consumer sharing again but this time it is about products, services or content, if they like it or not, people can advise friends or a club or restaurant, good example for that is following on Tweeter or likes on Facebook. The last one is social search it is all about sharing and recommendation to friends and family, this time users can advise on purchasing products. By listening comments of others consumers can evaluate the quality of certain place, service or product (Laudon and Traver, 2013, p. 414).

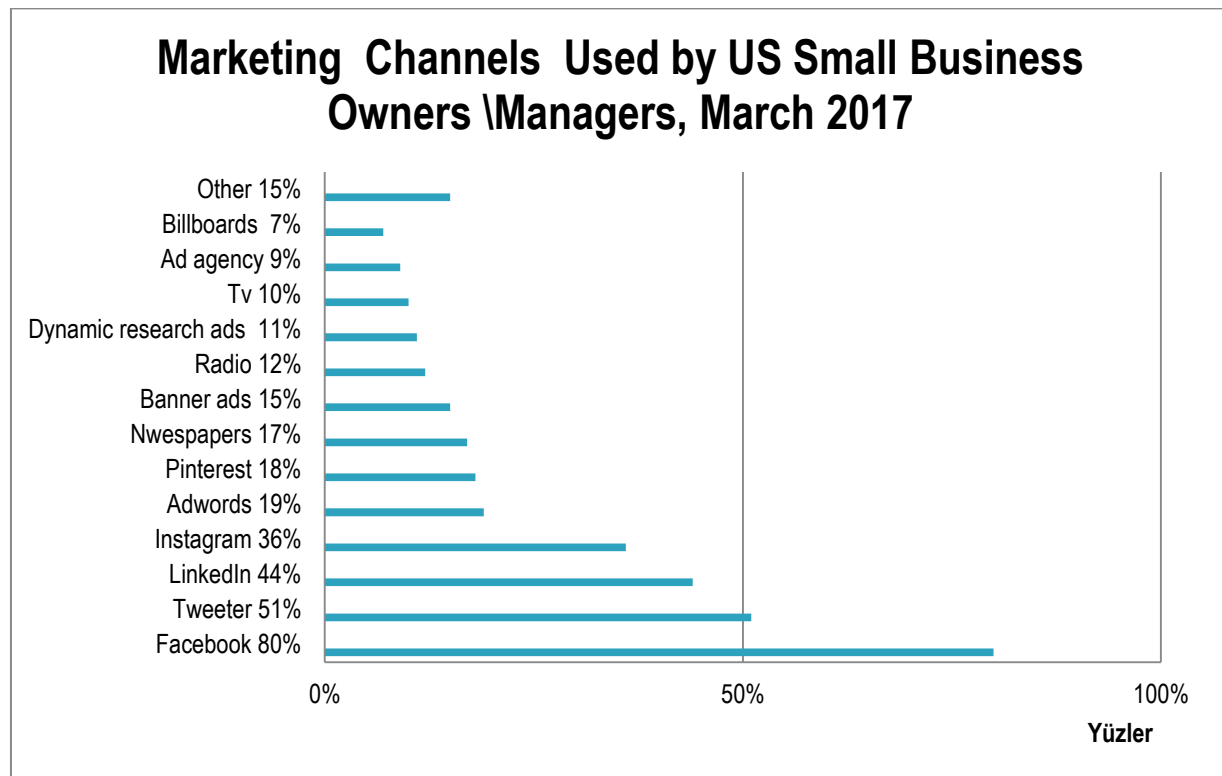
Social media is very powerful marketing tool. It is fast and cheap, social media channels give opportunity for advertising to specific groups according to demographic characteristics or interests. Good example for the marketing power of social media is one of Oreo’s campaigns “Whisper Fight” which began with ad on Super Bowl, where two men in the ad argue over which is better the cookie or the crème of Oreo biscuits. This ad invited people post their favorite pictures of Oreo in Instagram and take side if they like better #cookiethis or #crèmethis. Then company by the help of artists made sculptures form cookie or crème using ideas of chosen pictures from this campaign. But the real power of social media is shown in numbers – at the beginning of Super Bowl game, Oreo has 2,200 followers on Instagram, immediately following the game Oreos Instagram followers jumped to 22,000 , now it is about 142,000 flowers. The content also motivated around 32,000 followers that felt engaged in the Oreo brand experience. (Kotler and Armstrong, 2016, p.546) Social media marketing is not just posting and collecting “likes”, companies have to engage people in their activities, to ketch their attention, to make them part of the process. Most large businesses make a lot of efforts to be online all the time *“For example Starbucks, one of the most successful social media marketers, manage 51 Facebook pages (including 43 in other countries; 31 Tweeter handles (19 of them international); 22 Instagram names (14 international); plus Google +, Pinterest, YouTube, and Foursquare*

accounts.” (Kotler and Armstrong, 2016, p.547). Starbucks is there all time and everywhere; they engage consumers, make the brand part of their lives, and motivate them to share their experiences. The goal of social media marketing is to increase traffic in the web site, social account or in the physical store. Social advertising is used by marketers to attract fans, to make them part of brand community and meet them online with other followers.

2.4.4 Small Businesses and Social Media Marketing

Companies’ use social media as a tool to reach consumers (B2C). People in social networks don’t like to be treated as a target, people go in social networks to have fun, to communicate and to collect information. Some SMEs use social media for direct sales generally Facebook and Instagram, it is a solution for many small businesses or artists. It is kind of portable store, it is free from office rent, water or electricity bills, it allows SMEs to advertise on reasonable price, to offer products without to do mass production, to personalize and build relationship with consumers. In US over 80% of the companies have Facebook account and also other social networks pages; big sized enterprises spend nearly 90% of their social marketing budgets on social networks and mostly on Facebook (Laudon and Traver, 2013, p.413). Digital marketers admit that 77% of UK small and medium sized businesses are regularly using social media sites and apps as a marketing tool. Also about 70% of business with 50 to 249 employees use social media marketing compared to 44% social media marketing usage of the business with one to nine employees. Enterprises with more workers use more often social media in UK (eMarketer, 2017). Large companies are still developing new strategies for social media marketing specifically Facebook marketing and they are very successful in what they are doing. But when we are talking about small firms they are still don’t use very active social media as a marketing tool. The question today is not if businesses have to be involved in social media but what exactly they have to do there, and how to do it correctly. In 2012 money speeded from companies on social networks ads in U.S. is \$ 2.1 billion for Facebook, \$259 million Tweeter, LinkedIn \$210 million, Myspace \$156 million (Laudon and Traver, 2013, p. 676, Figure 10.2). According to a research conducted by G2 Crowd (business software and service review web site) 80% of small business in US use Facebook for marketing purpose and 51% use Tweeter. In the Graphic 1 below is shown the percentage of usage of different Medias for marketing purposes from SMEs in US (eMarketer, 2017).

Graph 1 Marketing Channels Used by US Small Business Owners \Managers



Sourece: eMarketer, 2017

It is seen from the graph that traditional media tools like billboards, television, and printed press are not very often used by SMEs in United States compared to new digital media tools. Most used marketing channel according to the graph is social media, Facebook is leading with 80% followed by Tweeter, LinkedIn and Instagram. Traditional media usage is between 7% and 15%. It is a necessity for small enterprises to participate online, SMEs are taking advantage of reaching millions of consumers without increasing the marketing costs.

2.4.5 Social Media in Turkey

Social media is leading communion tool in many countries. It is common online acidity in Turkey too. In 2014 the statistics in the report *"We Are Social"* shows that there are 37.7 million active internet users in Turkey that's mean 49% penetration (In 2014 the population of Turkey was 76.7 million citizens). The number of active social media accounts was 40 million, which in percentages in 52% of active social media accounts. People use internet all the day everywhere, 32million use their social media accounts through their Mobil devices, that is 80 % of active

social media accounts are used from mobile applications. User in Turkey spend about four hours 37 minutes a day on the Internet, two hours 51 minutes using Mobil internet and two hours 56 in social media, compared to two hours 17 minutes a day in front of television. The most often used social Medias in Turkey are Facebook, WhatsApp and Facebook Messenger they are followed by Tweeter, Google + and Skype (Hai- Jew,2016, p. 86). In 2017 the population of Turkey is passing 80 million citizens, and the usage of technology is increasing every single day, the number of this research will change significantly every year. If we compare Turkey's Internet usage today 2017 and in January 2016 we can see that there is a growth with 4% (2 million), usage of social media accounts growth with 14% (6 million) and the usage of social media through mobil device has grown by 17% . According to the statistics of Digital Agency most four popular social media are YouTube with usage of 57 %, Facebook 56%, Instagram 45% and Tweeter 44%, followed my messenger and chat applications like Whatsapp, Facebook Messenger (Digital Agency, 2017). In 2015 internet users participate the most in social networks 80.9%, followed by other activities like reading news, magazines, newspapers online (70.2%), searching for health information (66.3),uploading personal arts and contents (62.1%) or looking for information for products or services (59.4%) (Turkish statistical institute, 2015).In Turkey social media is very common used communication tool, but it is fact that many people here are not very familiar with technology. Many of the accounts created are not used properly or not used at all. That's mean that the real numbers might be a little bit lower that shown in the researches. According to Statista data the penetration of social networks in Turkey in lower than 60 %, for 2016 they estimated 44.2 % of penetration rate (Statista, 2017) in the research are taken as a base social medias like YouTube, Facebook, Instagram, Linkedin , Tweeter. The usage of social media and technology as an everyday activity is the future and its usage is going to grow every year. In turkey people communication by the help of technology is steel developing but very fast, especially the young generation.

2.5 Small Businesses Social Media Marketing in Turkey

According to statistics from Turkish Statistical Institute from September 2016, nine of ten enterprise use internet, 93.7 % of them with at last 10 employees compared to 92.5 % in 2015. According to the size of the enterprise the percentage of usage of internet is changing as follow 99.2% with more than 250 employees, 96.9% usage of internet from enterprises with 50-249 employees and 92.8% usage from SME with 10-49 employees in 2016. At the same year 66% of

small business had their own web site compared to 65.5% in 2015. The higher percentage is for businesses with 250 or more employees 89.1%, followed by 79.0% (50-249 employees) and 62.4% (10-49 employees). In the same research is seen that 38.1% of SMEs with at last 10 employees used social media for their businesses in 2016, this rate was 38.8% in 2015. The most common used social media from companies are social networks with 94.9% of usage (Turkish Statistical Industry, 2016). Social networks makes possible for SMEs to promote online cheap and fast. Social media marketing is one of the most attractive tools for big and small sized companies. It is cost effective and time saving. Social network marketing (SNM) gives opportunity to small companies to build relationship with consumers in a way that any other traditional media tool cannot. Social networks are improving their tools day by day and SMEs can receive feedback and learn more about their marketing effectiveness. Communication on internet requires very fast reactions for example immediate response from the organization to consumers' questions or comments. It is not possible to control consumers on social media, they are free to choose, they might like or dislike and most important users have the freedom to share their opinion online.

THIRD CHAPTER

A QUALITATIVE RESEARCH ON SOCIAL MEDIA MARKETING ACTIVITIES OF SMALL AND MEDIUM SIZED ENTERPRISES

3.1 AIM OF THE RESEARCH

Social media has become a very powerful tool used by enterprises from every size. It is a major form of communication between consumers and preferred way for advertising form organizations. The aim of this exploratory research was to find out how do small and medium sized enterprises in Izmir and Kusadasi use social media and why do SMEs use social media? In order to achieve the research aim, a qualitative research was conducted by using structured interview technique. In the research, 30 SMEs from different types in Izmir and Kusadasi were included.

3.2 SCOPE OF THE RESEARCH

The usage of social media marketing is a modern marketing strategy for the big enterprises but SMEs are fast adopting this tool. Because it is a new marketing trend there are limited academic materials that can be used to support this research.

This study examines exactly how do Small businesses (up to 250 employees) use social media, if they use it as a marketing tool and why they think is it good for their business to use it. This research focuses on small sample size of SMEs in Aegean region from the cities Izmir and Kusadasi.

3.3 RESEARCH METHODOLOGY

In this study exploratory qualitative research was conducted by using structured face to face interviews and interviews on the phone with 30 SMEs in order to answer the research questions below:

RQ 1: Why do SMEs use social media?

RQ 2: How do SMEs use social media?

3.3.1 Data Collection Method

For a research to be made is needed data (information) to be collected. This data can be primary or secondary. Primary data is when needed information is collected for the first time. Data must be first hand collected using various methods. Secondary data collection is when the needed data was already collected by someone else and researcher uses the final findings of previous research (Kurtz and Bonne, 2008, p. 246). For this research paper in the literature part was used secondary data collection method in order to collect general information about SMEs and social media use. In order to meet research' specific needs primary source data collection method was used too. When collecting primary data qualitative or quantitative data collection can be used. Quantitative research is more statistical oriented and use big sample size that can be measured in order to represent large group. For this paperwork qualitative research is appropriate because it develops deeper understandings of specific smaller groups' activities. Qualitative research is *“unstructured and the questions asked are formulated as the research proceeds. It is exploratory in nature and based on small samples.”* (Malhotra, 2012, p.73). This type of research focuses more on text rather than numbers. Researches that use this method are not advised to make generalizations for all the society relying on qualitative research results.

Marketers collect primary data by observation, survey or controlled experiments. Survey methods can be focus groups interview, telephone survey or online survey, interviews can be conducted by telephone or personal (Kurtz and Bonne, 2008, p. 253). In this study researcher used one to one personal interviews and telephone interview technique. For this research was used open ended structured interview questions followed by unstructured questions in order to clear the answers of the interviewee. While collecting data a structured interview form was used. All the interviewees were asked same open ended questions with opportunity for the interviewer to ask additional questions in order to clear the topic. The questions for the interview were prepared by the researcher within the scope of the aim of the research. The Interview Protocol was developed by using the previous studies in the literature (Derham et al., 2011; Pirnar, 2014; Ozelturkay and Yarimoglu, 2017; Ozelturkay and Yarimoglu, 2018; Yasa and Mucan, 2012). There were seven general questions about the companies and nine questions about company's promotional activities.

This research was constructed of 30 interviews with different SMEs (15 from Izmir and 15 from Kusadasi). Most of the interviews (25) were face to face by the help of recorder and 5 of the interviews were made by phone calls. The duration of the interviews was at average of 25 minutes. The interviews were conducted in December, 2017. All the questions were asked and answered in Turkish due to the fact that research in made with SMEs in Turkey.

First part of the interview aimed to collect general information related with the characteristics of the interviewee and the firm. First three questions asked to the research participants were related with their promotional activities, next four questions were asked in order to answer the first research question and the last and the last two questions were asked in order to collect data for the second research question. In Table 4 below is shown the research form used in the interviews.

Table 4 Structured interview form

A. General questions about the company and interviewee:

Establishment year: _____ City: _____

Industry: Food and Beverage ☐ Education ☐ Media ☐ IT ☐ Construction and Architecture ☐ Textile ☐ Health and Beauty ☐ Rental ☐ Accommodation ☐ Manufacturing ☐

Company Type: _____

Size of the company: Micro-scaled ☐ Small-scaled ☐ Medium-scaled ☐

Interviewee's position & department in the company: _____

Interviewee's gender & age: _____

B. Social Media

Q1. What is the mostly used media by your firm for its promotional activities?

Q2. Does your firm use social media?

Q3. Which social media tools does your firm use?

Q4. Why does your firm use social media actively?

Q5. What are the advantages and disadvantages of social media for your firm?

- Q6. What are the main aims of your firm when using social media?
- Q7. What do you think is social media useful for firms' promotional activities?
- Q8. What are the main activities of your firm in social media?
- Q9. How often does your firm post to social media channels?
-

3.3.2 Sampling Method

The study is interested in small and medium sized enterprises from private sector and their social media activities. The area, from where the target group is chosen, was Aegean region/Turkey. In order to see the differences between urban and rural, one urban city (Izmir) and one rural city (Kusadasi) were selected. This study aimed to obtain ideas about how SMEs use social media. The most appropriate research method for the study is exploratory research. This research does not aim to give solution to the research problem but to explore the research questions. Most often exploratory research collects qualitative data by using interviews. Typically researchers use small samples for this kind of researches. Sampling size can be also influenced by time and money limitations. A very important step of sampling methodology is to choose the correct sampling technique which depends on the decision of the researcher to use probability or nonprobability sampling. Nonprobability sampling was used in this study. There are four types of nonprobability sampling: convenience, judgmental, quota and snowball. Convenience sampling is *"a nonprobability sampling technique that attempts to obtain a sample of convenient elements. The selection of sampling units is primarily to the interviewer."* (Malhotra, 2012, p.373). This sampling technique is the most appropriate for this study. Convenience sampling is not recommended for descriptive or causal researches it is most often used for exploratory research. For convenience sampling respondents are selected because they are at the right place at the right time, for example students in university, people on the street, list of names in department stores. Its advantages are that is fast and not expensive, most of the cases samples chosen by using this technique are easy to measure. Some limitations are also faced for example the fact that samples are not representative of any definable target population, the interviewees might have characteristics that are systematically different from the characteristics of the target population. Theoretically it cannot be made a conclusion for the whole population if convenience sampling method is used (Malhotra, 2012, p.373). In convenience research samples are part of the population that is close to the researcher at that time and place.

For this study convenience sampling technique was chosen because it is inexpensive, fast, samples are easy to measure and collect. Samples characteristics are SMEs from service private sector, with employees less than 250. Enterprise must have social media account because otherwise research cannot answer the question “How” and “Why” do SMEs use social media? Firms included in the research are limited to Aegean region cities, Izmir and Kusadasi. Sampling size is 30 firms and they are separated as follow: 5 firms with less than 10 employees from Izmir, 5 firms with 10-50 employees from Izmir and 5 firms with 50 to 250 employees from Izmir. The rest 15 firms are separated the same way (5 micro, 5 small and 5 medium) but the sample is from Kusadasi.

3.3.3 Data Analysis

There are different types of data analysis, according to the collection method or according to the information that researcher want to have at the end. For this study was chosen qualitative data collection by using semi structured interviews. The best data analysis method for this research type is content analysis where the collected data is transformed form text to numbers. Content data analysis is *“a research technique for making replicable and valid inferences from text (or other meaningful matter) to the context of their use”* (Krippendorff, 2013, p.24). After conducting all the interviews the information was translated into English and handwritten written on a paper. After that code system was created from the text (answers of interviewed SMEs) in order to present collected data in frequency tables and numbers.

3.4 FINDINGS

3.4.1 Firms characteristics

The firms were classified as micro, small, and medium based on only their number of employees since the interviewees did not want to say their turnover amounts. The first part of the interview was General questions, all of the participants were asked about their age position in the company and some basic questions about the firm. Company type was not one of the sampling characteristics that is why firms interviewed are operating in different industries.

The profiles of the companies included in the research and interviewee characteristics are presented in Table 5 below. The firms in Kusadasi were coded as “K” and the firms in Izmir were coded as “I”. In Kusadasi were interviewed 15 companies and they are presented as K1 to

K15, the rest 15 companies from Izmir are shown as I1 to I15. They are putted in order according to their city- Izmir and Kusadasi and their size – Micro, Small or Medium.

Table 5 Characteristics of Firms and Interviewees

	Industry	Est. Year	Company Type	No. of employees	Interviewee's position	Interviewee's gender & age
Micro						
K1	Food & Bev. *	2014	Café bar	4	Owner	Female - 39
K2	Cons. & Arc. **	1994	Architecture	4	Interior architect	Female - 33
K3	Health & Beauty	2014	Hair dresser	5	Owner	Male - 38
K4	Cons. & Arc.	2013	Interior architecture	9	Manager	Male - 35
K5	Food & Bev.	1999	Restaurant	9	Sales Manager	Female - 37
Small						
K6	Cons. & Arc.	2015	Construction	25	Sales Manager	Female - 29
K7	Accommodation	2014	Hotel	20	Manager	Female - 42
K8	Education	2002	Kinder garden	25	Owner	Female - 24
K9	Food & Bev.	2011	Café bar	18	Manager	Male - 38
K10	Food & Bev.	2015	Café bar	18	Owner	Male - 34
Medium						
K11	Education	2015	Primary school	60	IT Manager	Female - 28
K12	Health & Beauty	1998	Hospital	143	Public Relations	Female - 27
K13	Accommodation	2005	Hotel	132	General Manager	Male - 38
K14	Health & Beauty	2017	Hospital	120	Public Relations	Female - 31
K15	Cons. & Arc.	1995	Construction	80	Op. Manager ***	Male - 37
Micro						
I1	Media	2012	Ad agency	8	Owner	Male – 39
I2	Rental	2012	Car rental	8	Manager	Male – 45
I3	Media	2012	Ad agency	8	Owner	Female - 32
I4	Textile	2015	Retailer	2	Owner	Female – 31
I5	IT	2012	Security systems	9	Owner	Male – 37
Small						
I6	Textile	1969	Retailer	35	Manager	Female - 45
I7	Food & Bev.	2016	Restaurant	18	Owner	Male – 39
I8	IT	2002	Software	12	General Manager	Male - 42
I9	Health & Beauty	1997	Clinique	22	Owner	Female - 37
I10	Cons. & Arc.	2009	Construction	10	Owner	Male - 28
Medium						
I11	Food & Bev.	2014	Café bar	130	Owner	Male - 47
I12	Manufacture	1957	Industrial product	55	Owner	Male - 51
I13	Food & Bev.	2010	Restaurant	200	Owner	Male - 33
I14	Manufacturing	1990	Industrial product	112	Engineer	Female - 38
I15	Cons.& Arc.	1971	Construction	50	General Manager	Male - 37

* “Food & Bev.” means Food and Beverage Industry.

** “Cons. & Arc.” means Construction and Architecture Industry.

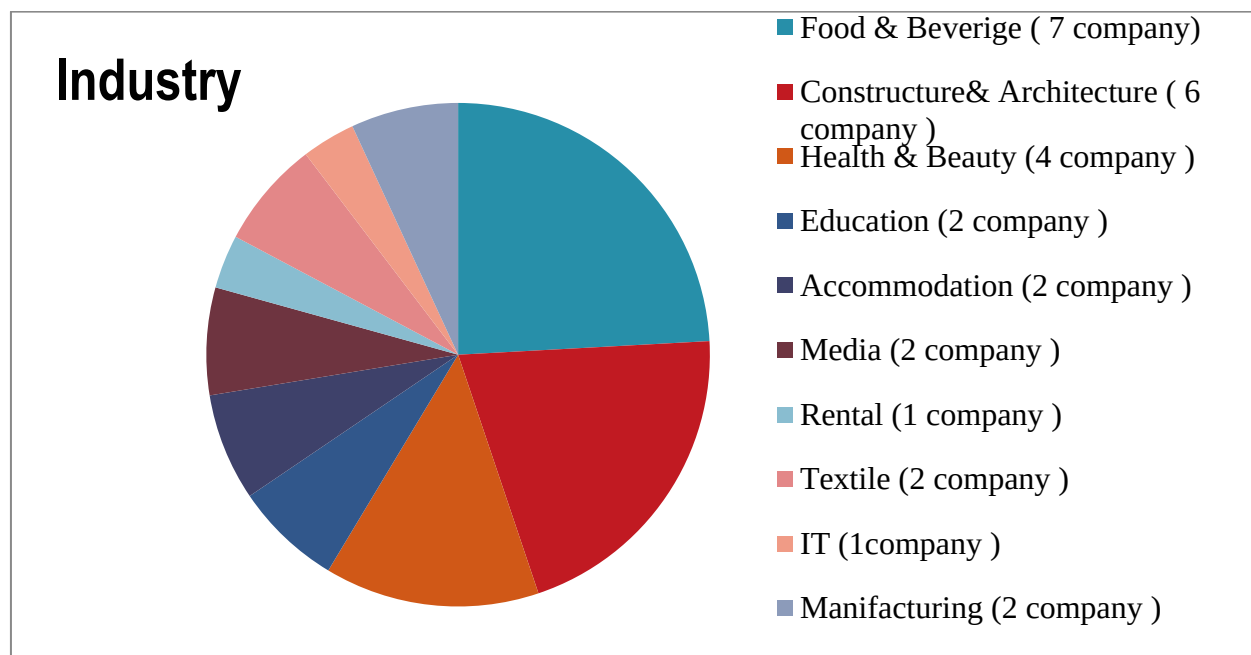
***”Op. Manager “means Operation Manager

First part of the interview was related with the demographic characteristic of the interviewee, position in the company and industry of operations. According to the results

interviewees' age range was from 20 to 50 years old, 15 male and 15 female. Even though the companies were small it was difficult to find the owners of all of them, so the interviews were conducted with people on different positions in the company: 14 of the interviewees were owners, 12 of the interviewees were on managerial position, 2 persons were working in public relations department also 1 engineer and 1 interior designer were interviewed.

Half of the companies (15 companies) are created after 2012, they are young firms operating less than 7 years. All 30 firms are private but from different industries. In the Graph 2 below are shown the industry types included in the research.

Graph 2 Characteristics of Firms and Interviewees



The graph shows that majority of the firms included in the research are from Food and Beverage industry (7 companies), Construction and Architecture (6 companies) and Health and Beauty (4 companies). Other industries included in the research are Education, Accommodation, Media, Car Rental, Textile, IT and Manufacturing, from each of these industries one or two companies were included.

3.4.2 Promotional activities

Second part of the interview was related with companies' promotional activities and social media activities. It was constructed of nine questions; first three questions were about firms' promotional activities.

The first question was about the mostly used media channel for the forms promotional activities. The results of the question are shown in Table 6 below. They are organized in descending order. The results from the table are showed also in Graph 3.

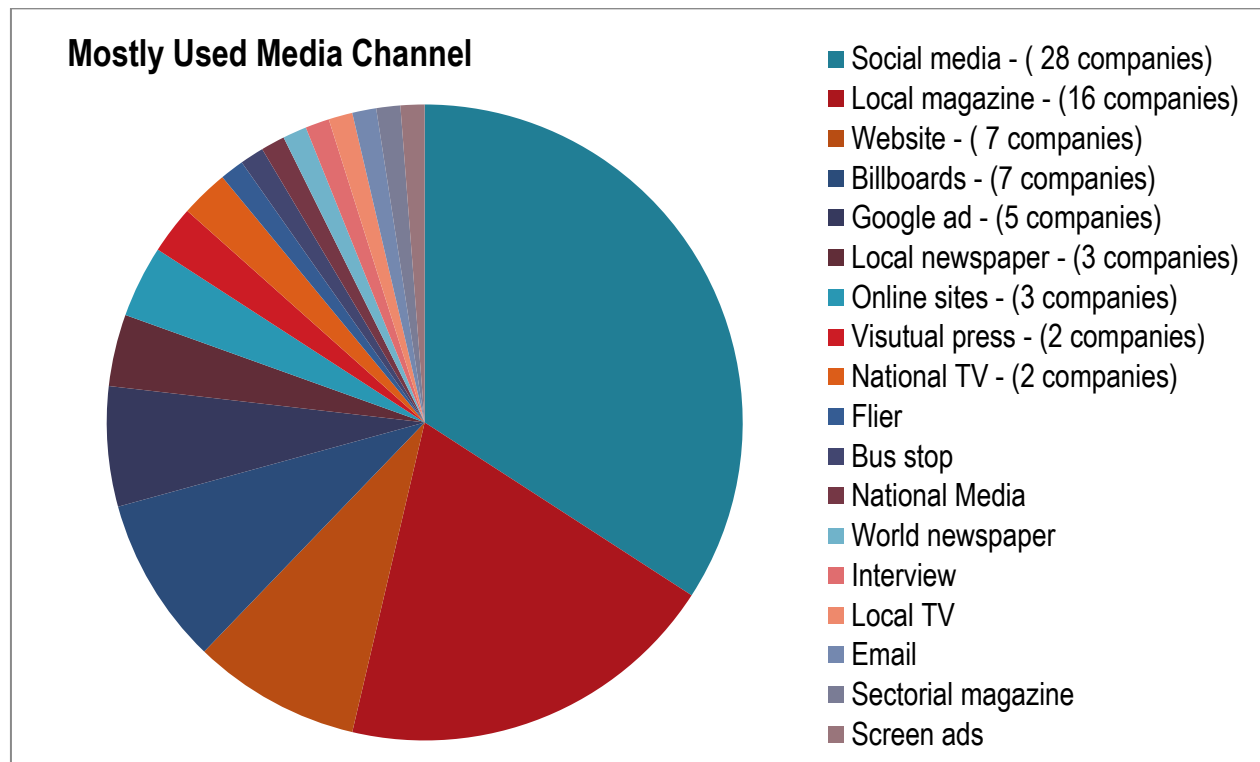
Table 6 Mostly Used Media Channels

	Frequency	Company
Social media	28	K1, K2, K3, K4, K5, K6, K7, K8 ,K9, K10, K11, K12, K13, K14, K15, I1, I2, I3, I4, I5, I6, I7, I8 , I10, I11, I13, I14, I15,
Local magazine	16	K13,K14, K12, I11, I7, K9, K1, K10, K8, I4, I15, K11, K4, I2, K6, K15
Website	7	K13, K7, I12, I9, I6, I5, I10
Billboards	7	K14, K12, K6, I13, K9, I3,K15
Google ad	5	K12, K7,I10, I8,I15
Local newspaper	3	I11, I15, K15
Online sites	3	I1, K7, K13,
Visutual press	2	I11,I15
National TV	2	I11, K14
Flier	1	K14
Bus stop	1	I3
National Media	1	K7
World newspaper	1	I12
Interview	1	I12
Local TV	1	I11
Email	1	K15
Sectorial magazine	1	I14
Screen ads	1	I3

From the table above is seen that mixture of traditional and modern digital media tools are used form the companies but the majority of the participants (28 firms) were using social media channels as a main promotional tool. Two for the interviewed companies (I9, I12) said that they use social media but not as a main tool. Because their work is more Business to Business oriented they rely more on their website. I12 said also that often gives interviews in industry magazines. Second place for mostly used promotional tool after social media takes local magazine used by 16 companies, than website (7 companies) and billboards (7 companies). Another important tool is Google ad, we can see that 5 companies of our sample use it (K12, K7, I10, I8, I 15) they are small and medium sized. Just one of interviewed companies use fliers (K14), because it is a hospital they need to catch as much as possible customers and they distribute their brochures around the city, in cafés, restaurants, on the street, everywhere. Three of interviewed companies (I1, K7, and K13) use the help of other online sites like, sahibinden.com or hotels.com in order to

sell and popularize their business. These types of online sites are place where their consumers look for type of products they offer. From the table is seen that 16 companies use local magazines for their promotional activities as one of their main channels. From them 11 companies are from Kusadasi and 5 are from Izmir.

Graph 3 Mostly Used Media Channel



In the graph is seen that most popular media channels are social media with light blue and local magazines with red, followed by website in orange and billboards in blue. The media channels that has no number on the side are used just form one of the interviewed companies.

Second question of the research was “*Doses you firm use social media?*”. All the answers were short and same “YES” that’s why the finding of this question was not presented in a frequency table or graph.

The third question was about the preferred social media tool form the companies. While conducting the interview additional questions were asked in order to clear the question, because some of the companies have accounts in social networks but they do not use them at all. In the Table 7 below are shown only social media tools that are currently used form the firms interviewed.

Table 7 Mostly used Social Media Tools

	Frequency	Company
Facebook	29	K13, K14, K12, K7, I12,I11, I7, K3, I8, I13, K15, I1, K9,I9,K1, K10, K8,I4,I15, I 14, K2, K11, I6, K4,I5, I3, I10, K5, K6
Instagram	25	K13,K14, K12, I11, I7, K3, I13, K15, I1, K9, K1,K10, K8,I4, I15, I14, K2, K11, I6, K4, I2, I3. I10, K5, K6
Tweeter	9	K13,K12, I11, I8, I13, K10,I15, K11, I3
Linkedin	5	I12, I11, I7, I1,I14
YouTube	3	I15, I1, I3
Forsqare	2	I7,I8
Swarm	2	K9, K5
Pinterest	1	K2,
Snapchat	1	K13,

From the table above can be see that most frequently used social media tools are Facebook, Instagram, and Tweeter. Facebook is used as a main promotional tool from 29 of the interviewed firms. Just one firm do not have Facebook Business account (I2), company post products on Facebook but by using their personal accounts, as a company they prefer Instagram and online sites.

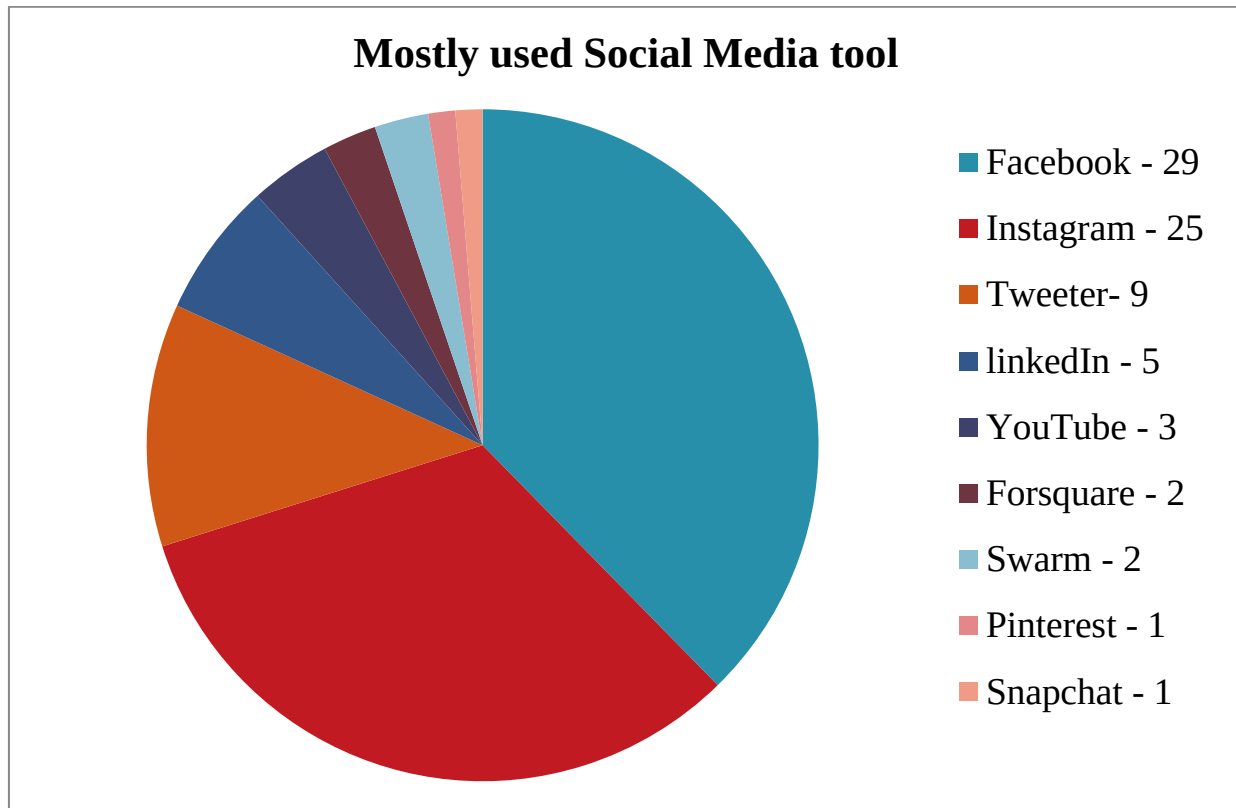
Instagram is also fast taking advantage as a promotional tool, 25 of the companies included in the research are using actively Insatagram. Some companies admit that they are more active in Instagram that in Facebook. Five from the interviewee don't use Instagram (I12, I9, K7, I5, and I14), the reason is that they are more B2B oriented and don't think that their targets are using Instagram. These firms give more importance to keep up to date their own website.

Tweeter compared to Facebook and Intsgram is not very preferred tool among the interviewees. Only 9 of them use it but most firms admit that they are not very active there anymore, because they take better feedback from the other two preferred social media. From the research sample just five firms are using LinkedIn for business purpose (business page) but many of the interviewee shared that they have personal accounts there. All five firms are from Izmir.

In the Table 7 is also seen that three companies (I15, I1, I3) use YouTube videos to promote their businesses, two of them are advertisement agencies (I1 and I3), and the other one is one construction company (I15). YouTube is very important social media tool that will become more and more popular for promotional activities because consumer is more likely to watch videos than to read or look at photos.

The results of Table 7 are graphically presented in Graph 4 below.

Graph 4 Mostly used Social Media tool



In the graph are shown the most common social media tools used for promotional activities from SMEs research was made with. Most popular among them are with light blue and red, Facebook with 29 firms using it and Instagram with 25 firms that use it, followed by orange for 9 companies that use Tweter and blue for 5 companies that use LinkedIn.

3.4.3 First research question

Questions four to seven from the research form aim to give answer to the first research question: Why do SMEs use social media?

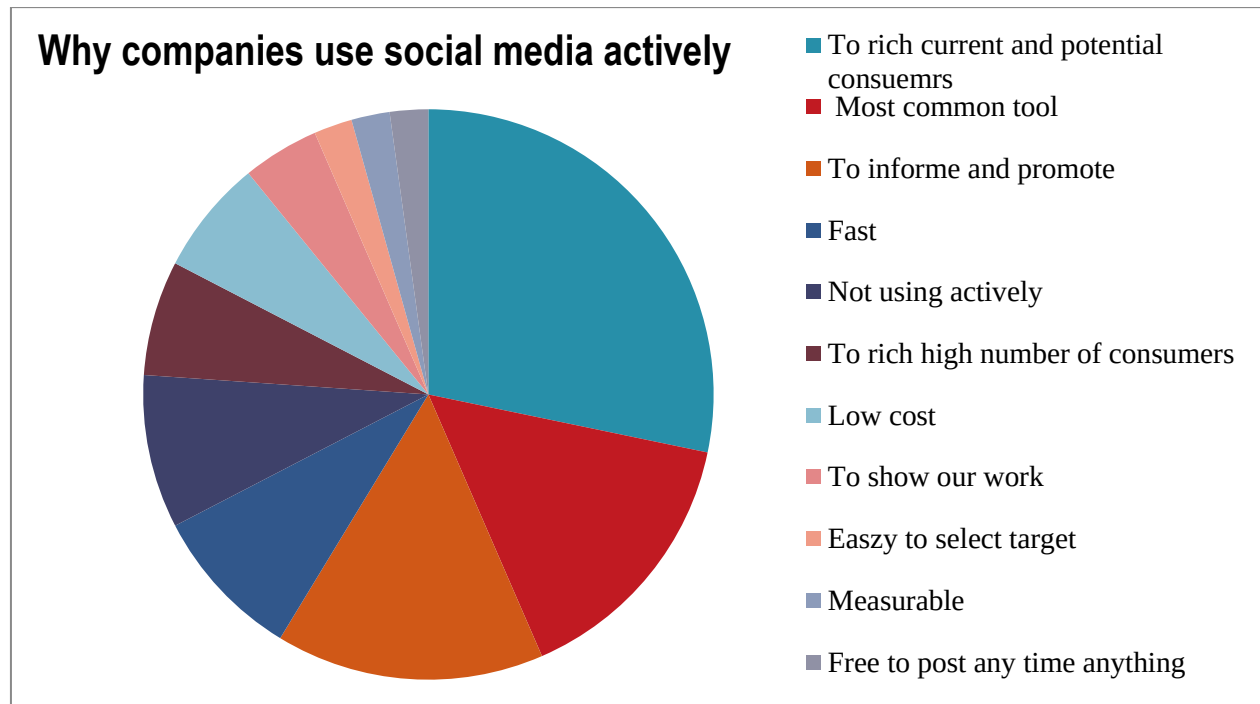
The fourth question was about why companies actively use social media. The results are shown below in Table 8 and Graph 5.

Table 8 Why companies use social media actively

	Frequency	Company
To rich current and potential consumer targets	13	K13,K12, K7, I11, I 7, I13, I1,K9,K1, I15, I14, K2, K11,
Because it is the most common tool for communication today	7	K14,K7, K1,I6,K4, I10, K5,
To inform consumers and promote	7	K12, I8, K15, K10,K2,I2, K6
Because it is fast	4	K13,I11, K8,I4
Not using it very active	4	I12, K3, I9,I5
To rich higher number of consumers	3	K13, I4, I3
Because it is low cost	3	K13,I2, I3
To show our work	2	I14,K11
Because we can select target characteristics	1	I15
It is measurable (likes, followers)	1	I15
Because we can post everything all the time	1	K8

To the fourth question companies gave different answers, some of the firms gave more than one reason why they use actively social media. Most common answer was “*to rich current and potential consumer targets*”, 13 companies showed this as one of the main reasons. Seven of the interviewed companies said that they are active in social media because it is the way of communication today and everyone uses it. Other seven companies said that they want to inform people and to promote their firm that’s why they are active online. Four participants (I12, K3, and I9, I 5) of the research admit that they use social media but not very actively, that’s why they couldn’t honestly answer to this question. Just three companies said that they are actively promoting in social media because it is cheap compared to other promotional channels.

Graph 5 Why companies use social media actively



From the graph is seen that price is not a leading reason for the companies to use social media. More important for them is to rich many current and potential consumers (shown with blue) and because consumers today use social media companies find it perfect place to promote the firm and inform customers.

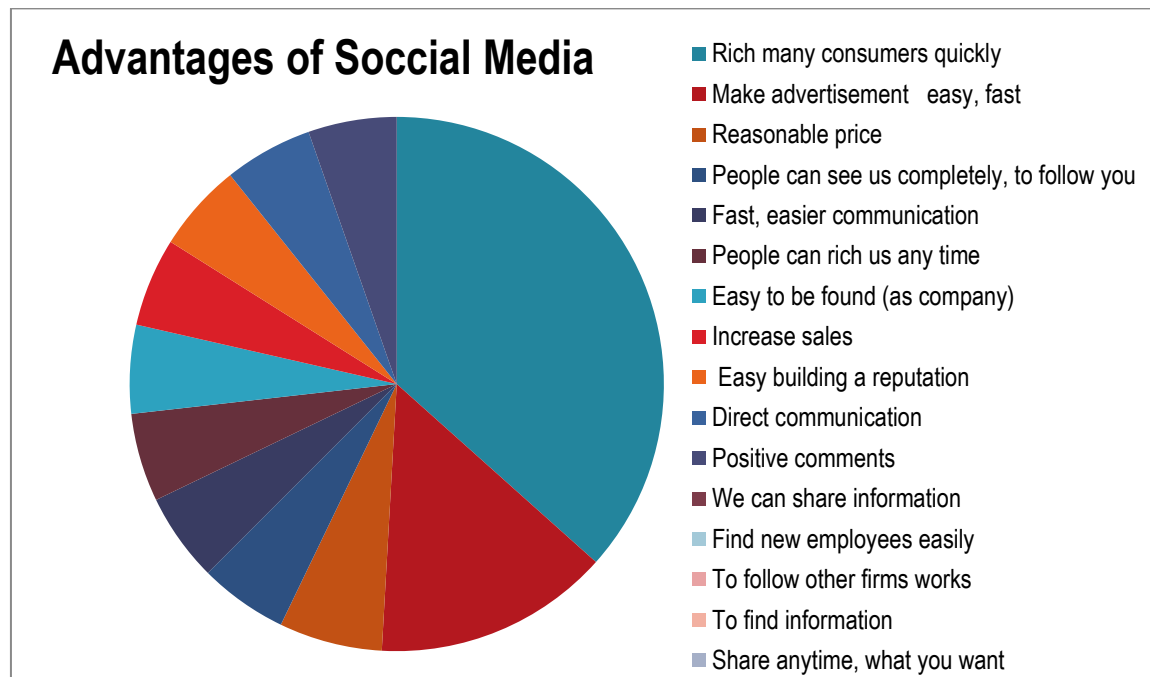
Fifth question asked to the participants was about the advantages and disadvantages that social media brings to the firm. The results are presented below in two Tables 9 and Table 10, one for advantages and one for disadvantages.

Table 9 Advantages of social media

	Frequency	Company
Rich many consumers quickly	15	K7, I11, I13, K15, I1, K1, K10, I15, I14, K11, I5, I3, I10, K5, K6
Make advertisement easy, fast	8	I1, K9, K12, I9, K10, I4, I2, K5
Reasonable price	6	K13, I11, I8, I15, I3, K6
People can see us completely, to follow you	5	K1, K8, I15, K11, K4
Fast, easier communication	5	K13, I13, K9, K2, I10
People can reach us any time	4	K12, K7, I15, K4
Easy to be found (as company)	4	I9, K10, K2, I6,
Increase sales	3	I4, I15, I2
Easy building a reputation	2	K14, I7
Direct communication	2	I4, I15
Positive comments	2	K14, K9
We can share information	1	K12
Find new employees easily	1	I12,
To follow other firms works	1	K3,
To find information	1	K15
Share anytime, what you want	1	K6

From the table above is seen that 15 of the interview participants say that for their company the biggest advantages is that they can reach many consumers very quickly thanks to the social media. Another advantage for eight SMEs included in the research was that to advertise becomes very easy with social media channels. The third advantage is price, compared to other media used for promotion activities from SMEs social media is a lot cheaper according to six of the participants. Companies give importance to their transparency and communication with consumers. *“It is easy to find companies and learn more about them and their work in social media”* this is advantage for four of the interviewed firms (I9, K10, K2, and I10). Just one of the companies (K3) said that social media is used from them not to give information about themselves and their work but to learn more about the sector and competitors’ work.

Graph 6 Advantages of Social Media



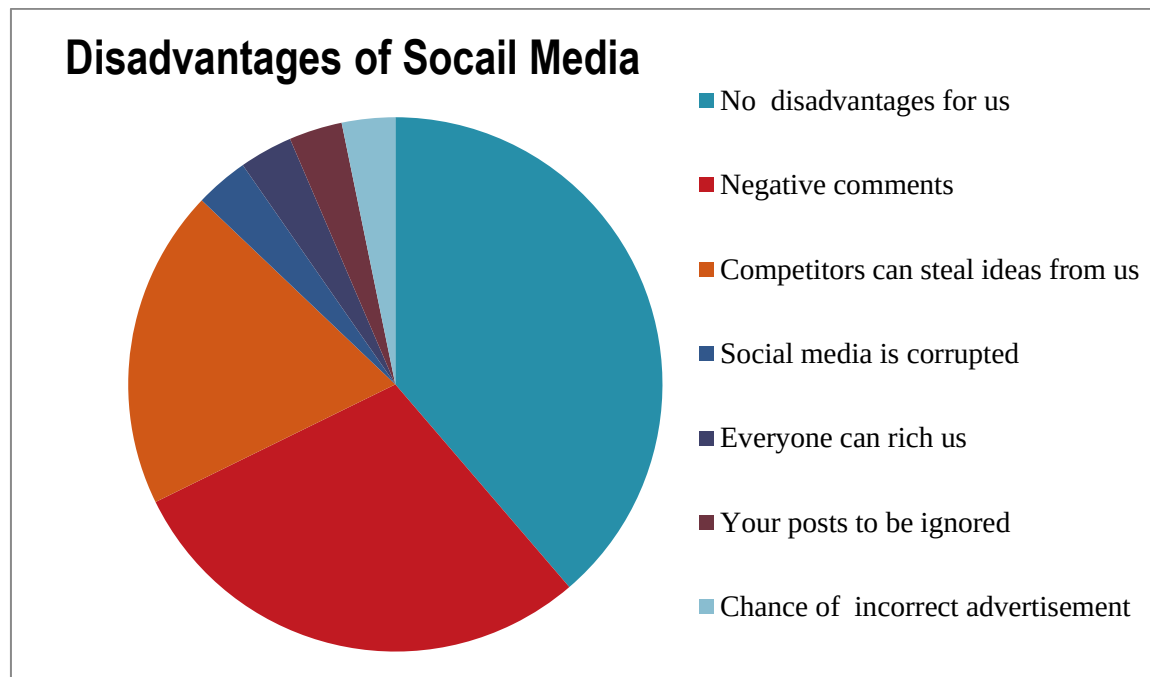
The graph above shows that the advantages to rich many consumers quickly with advertising the easiest and fastest way on a reasonable price are the biggest advantages for the companies in the research. Many other reasons like “*people can rich us anytime*”, “*social media help us to increase sales*”, “*easy to be found*” are also advantages for SMEs included in the research but this answers were given just from one or two firms.

The results from the fifth question related with the disadvantages of social media for SMEs are presented in Table 10 and Graph 7 below.

Table 10 Disadvantages of social media

	Frequency	Company
No disadvantages for us	12	K13, K7, I11, I7, K3, I8, I13 , K9, K10, I2, I5, I10
Negative comments	9	K14, K12, K15, K8, I 4, K11, I6, K4, K5
Competitors can steal ideas from us	6	I12, I9,K1, I15, I14, K4
Social media is corrupted	1	I1
Everyone can rich us	1	K2
Your posts to be ignored	1	K6
Chance of incorrect advertisement	1	I3

Graph 7 Disadvantages of Social Media



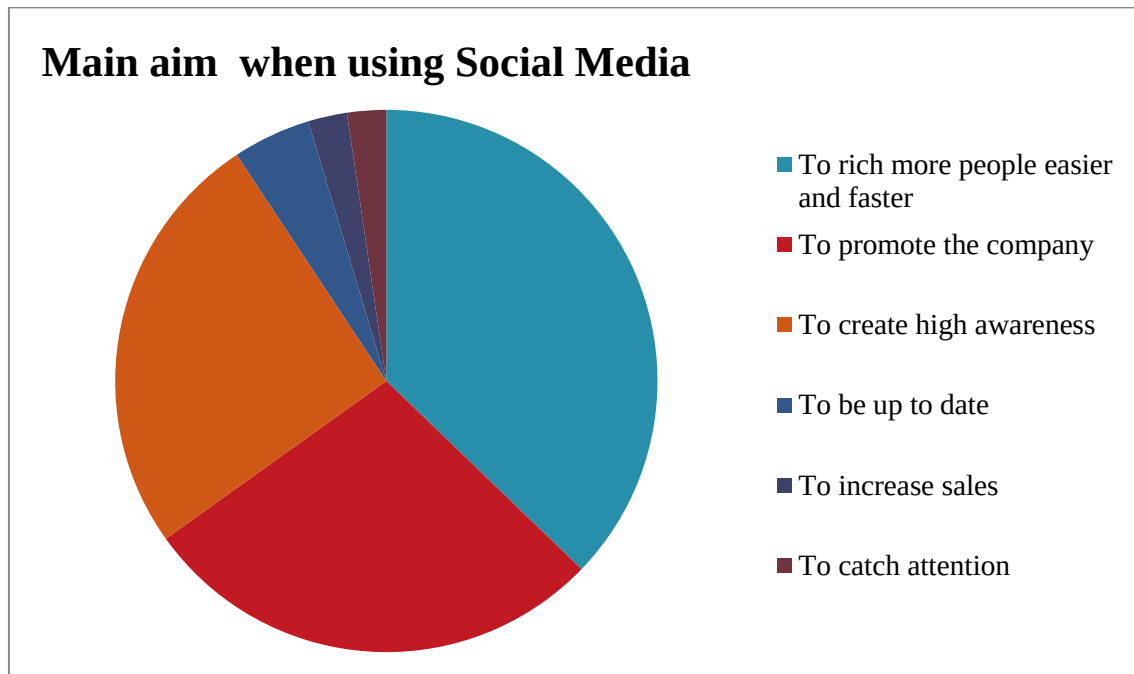
Twelve (12) firms think that social media brings no disadvantages for them. Big group of SMEs (9 companies) think that negative comments can be a disadvantages because everyone can see them and they might be unreasonable. On the third place of disadvantages is the fact that competitors can steal ideas and SMEs feel uncomfortable to share everything, six of the interviewee see this as disadvantage of social media. One of the companies (K2) think that social media gives opportunity to everyone to contact the firm, and for them this is a disadvantage, because they have specific consumers and want just their target to rich them. One firm (K6) says that very often the post can be ignored by the audience in social media, and one firm (I3) said that due to the lack of knowledge firm might advertise wrong that can cause troubles to the company. The biggest disadvantages for SMEs are “*negative comments*” and “*competitors can steal ideas form us*”, but majority of the interviewed companies think that social media do not bring any disadvantages for their company.

The sixth question of the research was about the main aims of the company when using social media. Table 11 below shows that 16 enterprises admit that their main aim is to rich more people faster. Another big part of the interviewees 12 firms said that they aim mainly to promote their company by the help of social media, third group from 11 firms of our sample answered that they want to create awareness, to their brand, products, and activities. One company (K11) answered that they aim to increase sales, two (K13, I3) that they are using social media to be up to date and one firm (K4) aims to catch attention while posting in social media.

Table 11 Main aims when using social media

	Frequency	Company
To rich more people easier and faster	16	K13, K14, K7, I12, I11, I7, I8, K15, I1, K9, K10, I 15, I14, K2, I3, K5,
To promote the company	12	K3, I8, I13, I1, K9, K1, K10, I6, I5, I10, K5, K6
To create high awareness	11	K14, K12, I9, K1, K8, I15, K2, K11, K4, I2, K6
To be up to date	2	K13, I3
To increase sales	1	K11
To catch attention	1	K4

Graph 8 Main aim when using Social Media



Graph 8 shows that there are three main aims why small enterprises use social media the first one is because they want to reach more people easier and faster , they want to promote to the audience and to create high awareness.

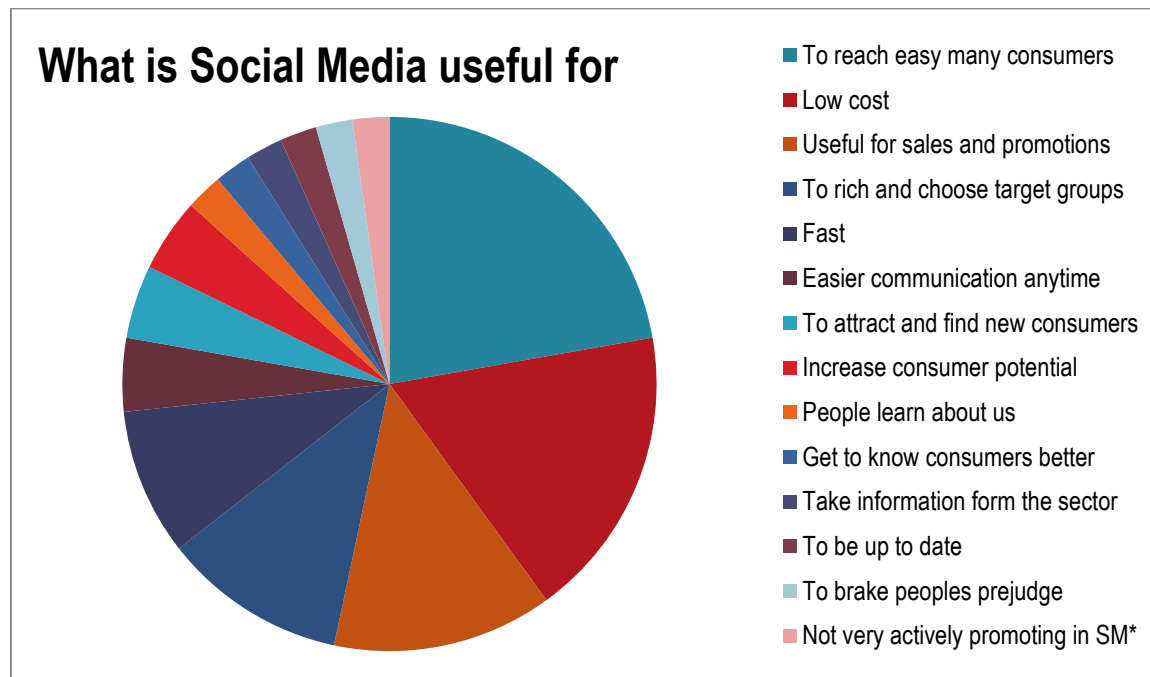
The seventh question asked to the companies was about what is social media useful for their company. The results are presented below in Table 12. Variety of answers were given, most common one (given from 10 participants) was that is “*useful in order to reach many people easily*”. Price was preferred on second place in the answers from 8 firm, followed by “*useful for sales and promotions*” (6 companies) .Interesting answer from one of the SMEs (K4) was that they find social media useful in order to break peoples prejudice that some products that they sell are expensive. One of the interviewees (I9) couldn’t honestly answer that question because they don’t use social media actively all the time; their aim is to show that they exist and still work, not to do actively promotions and advertise in social media. Five of the companies find SM useful in order to choose their target groups and advertise to them. Four companies said that it is fast and because of that it is useful. Many other different answers were given but from one or two companies they can be seen in Table 12 below.

Table 12 What is social media useful for

	Frequency	Company
To reach easy many consumers	10	K7, I12, I13, K1, K10, K8, K11, I5, K5, K6
Low cost	8	K13, I13, I1, K1, I4, I5, I3, K6
Useful for sales and promotions	6	I13, I15, K2, K11, I6, I2
To reach and choose target groups	5	I8, K9, I4, I3, I10
Fast	4	K13, I11, I4, I3,
Easier communication anytime	2	K2, I8
To attract and find new consumers	2	K15, I14
Increase consumer potential	2	K12, I7
People learn about us	1	K14,
Get to know consumers better	1	I7
Take information from the sector	1	K3
To be up to date	1	I3
To break peoples prejudice	1	K4
Not very actively promoting in SM*	1	I9

*SM means social media

Graph 9 What is Social Media useful for



Graph 9 shows the result of Table 12, it can be seen that companies find social media most useful for reaching high number of people (with light blue) at low cost (red). Social media is useful form SMEs to improve sales and promotions (orange) by reaching the wanted target group (blue). The other reasons are shown by minority of SMEs in the research.

3.4.4 Second research question

Last two questions form the interview answer to the second research question How do SMEs use social media? Questions eight and nine were related with the companies activities in social media, what they do as a firm when they log in the network and how often they use social media for sharing.

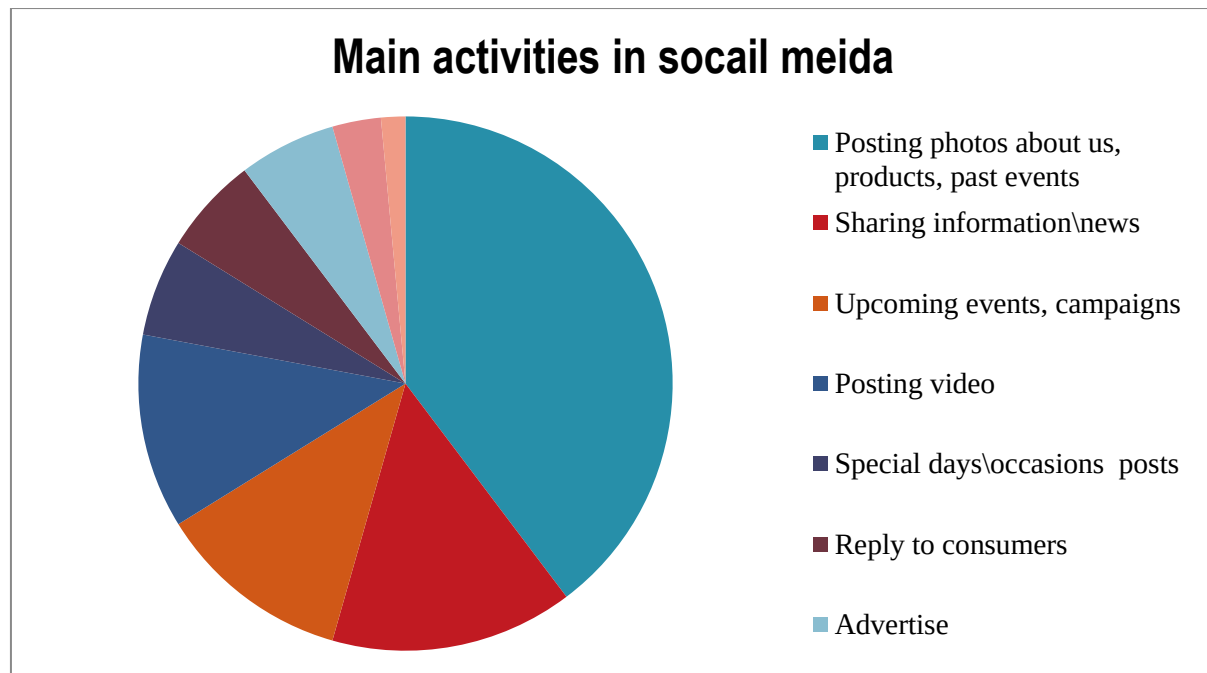
The eight question was about the main activities that companies do in social media. The results are presented below in Table 13and Graph 10. Almost all of the firms, 27 of them answered that they post photos in social media as a main activity. Just three of the companies said that their main activities are: to advertise (I12), to post information and special days posts (K12) and to follow innovations in the sector and advertise (K3). A group of 10 interviewee answered that they mainly share information about themselves, and the sector. Eight of the firms post upcoming events and campaigns. Another 8 companies mainly post videos related with their

business, a groups of four companies reply that in social media they manly make special days posts, replay to consumers, make post on special days or national holidays or just advertise. Three companies said that they follow innovation in the sector in social media and one company (K6) admits that they just follow their customers by the help of social media.

Table 13 Main activities in social media

	Frequency	Company
Posting photos about us, products, past events	27	K13, K14,K7, I11, I7, I8, I13, K15, I1, I9, K1, K10, K8, I4, I15, I14, K2, K11, I6, K4, I2, I5, I3, I10, K5, K6, K9
Sharing information\news	10	K14, K12, K7, I8, I13, I1, K1, K8, I2, I10
Upcoming events, campaigns	8	K13, K7, I11, K9, I9, K10, K11, K4
Posting video	8	K13, I11, I13, I15, K11, I6, I3, K9
Special days\occasions posts	4	K14, K12, I4, I3
Reply to consumers	4	I1, K9, K1, I2
Advertise	4	I12, K3, I8, K15
Follow innovations in the sector	3	I8, K2,K3
Follow consumers	1	K6

Graph 10 Main activities in social media



Graph 10 shows that majority of the SMEs post photos related with their business, they also often share information related with the company, some upcoming events or campaigns. Very popular these days is to post videos on social media and some of the companies use these advantages and mainly post videos related with their business.

The last question was about the frequency of posting, the results are presented below in Table14.

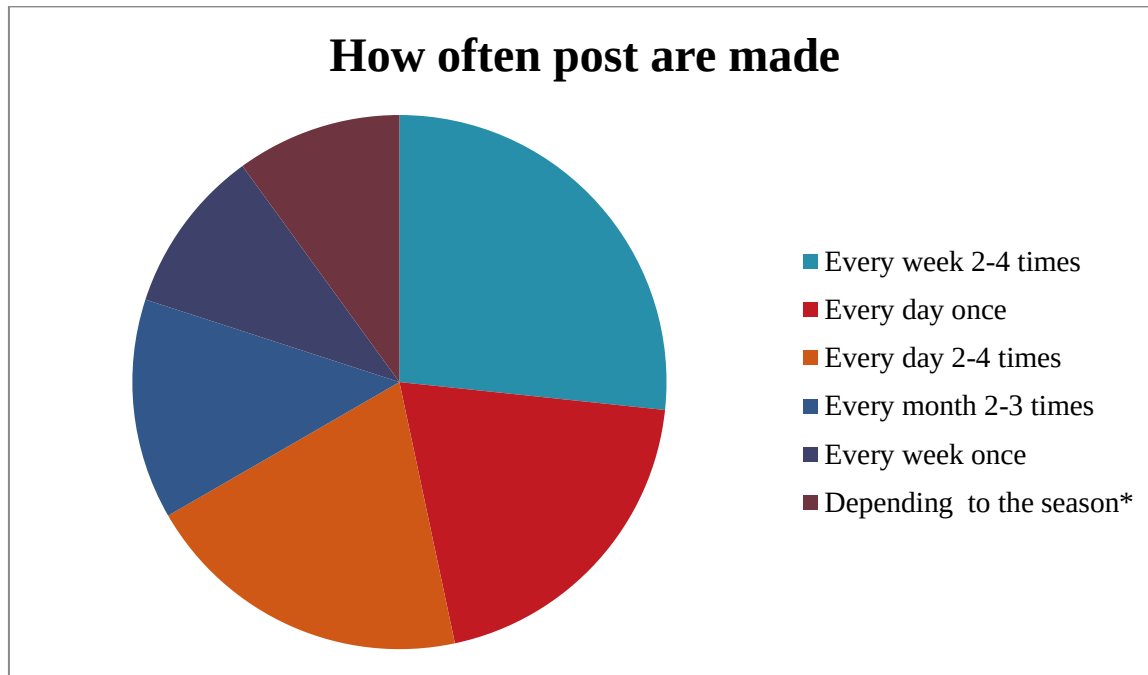
Table 14 How often post are made

	Frequency	Company
Every week 2-4 times	8	K12, I 12, I 7, K 15, I 1, I 10, K 5, K 10
Every day once	6	K14, I 13, I 2, K 9, K 1, K 8
Every day 2-4 times	6	K13, I 11, I 3, I 6, K 11, I 4
Every month 2-3 times	4	I8, I 9, I 14, I 5
Every week once	3	K 2, K 4, K 6
Depending to the season*	3	K7, K3, I 15

*depending on season 2times in a week in high season or 2times in month in low season

Eight of the firms post not every day but from 2 to 4 times a week. Another majority (6 comanies) answered that they post everyday once and another 6 firms post 2-4 times a day. Three of the firms from the sample are posting according to the season (K7, K3, I15). Two of them are operating in Kusadasi (K7, K3), a touristic place with high and low seasons, one is hotel (K7), and the other one is hair dresser (K3) bought of them post more active in the summer which is the high season. One of the three companies is a construction company form Izmir (I 15) and they make sharings according to the stage of the project they are working on.

Graph 11 How often post are made



The graph above shows that companies post online with a different frequency, they all have different purpose of business and different targets. Most of them use social media actively and post very often at last twice a week.

3.4.5 Research Limitations

The first limitation of the study was that all 30 firms were operating only in two cities in Aegean region - Kusadasi and Izmir. In order to provide more rich and enhanced information regarding Aegean Region in Turkey, the number of companies in the research should be increased and also other cities from this region should be included. Another limitation is all firms were private firms. In order to provide more rich and enhanced information regarding Aegean Region in Turkey, firms from other sectors may be included to the research. Third limitation of this study was that most of the companies operate in the service industry. Only 2 of them manufactured industrial products.

CONCLUSION

Social media is fast developing platform, it is emerging as a very important marketing tool used for companies. A great opportunity for small companies is to promote in social media because this is the cheapest and fastest way to talk to millions of people. SMEs adopt this tool very fast and use it actively for their businesses. This study aimed to answer the questions “*How do SMEs use social media?*” and “*Why do SMEs use social media?*”.

In the study was used qualitative research method and data was collected by conducting interviews with 30 small and medium sized enterprises in Turkey from the cities Izmir and Kusadasi. The sample was chosen by convenience sampling method. Collected data was analyzed using content analyzing and results were presented in frequency tables and figures, different for each question.

The majority of companies included in the research were new (less than 10 years of operation), people interviewed from the companies were also young, twenty of them were between 30 and 40 years old. Young people and companies adopt very fast innovations, social media as a new trend is actively used for their businesses.

As a result of this research conducted in December 2017 including 30 companies mostly used media channel among SMEs is social media. In a survey from 2013 conducted with 182 SMEs Mark Verheyden and Katie Goeman concluded that social networks sites (social media) is the most popular platform used by SMEs and small companies do not defer significantly from large enterprises. Five years later social media is still the first choice for Small businesses when it is about promotions. Research showed that all the SMEs use social media for their business promotional activities. Traditional media tools cannot offer same opportunities to reach millions of people very fast on very low price that is why companies prefer on a first place modern digital media. Firms in Kusadasi use also advertising in local magazines, more often than the companies in Izmir. From 16 companies (out of 30) that use local magazine as one of their main promotional channels 11 are from Kusadasi and only 5 from Izmir. Kusadasi is smaller city and local magazines can reach many consumers from their target groups. It is more difficult to have same result from Izmir due to the fact that it is bigger city.

Based on the research data, SMEs in Kusadasi and Izmir use mostly Facebook, Insagram and Tweeter. LinkedIn (professional social network) is used form 5 companies included in the research and all of them are from Izmir. In bigger cities there are more opportunities for career growth and people there are more likely to relay on professional networks. It is an advantage to have a business account in a professional site like LinkedIn in a big city because it is easier to find other professionals. In small cities most people know each other and people or companies generally do not look for work or employees in this kind of professional networks. According to a research from 2013 (Verheyden and Goeman) companies mostly focus their efforts on a few popular platforms like Linkedin, Twitter and Facebook to reach out external stakeholders.

First research question was “*Why do SMEs use social media?*” based on the results of Tables 8, 9, 10, 11, and 12 for this research question can be concluded:

Finding # 1 According to the findings SMEs use social media because it is the most common way of communication today and many current and potential consumers can be ruched. It is the best way of informing consumers and promotes the company. In Izmir and in Kusadasi small companies try to rich as much as possible from their targeted consumers, often to keep already existing customers is more difficult than to get new once, that’s why they focus on current consumers too, not only on future once when they advertise. Companies in both cities pay very much attention on where people they want to rich go and how they communicate. That is the reason why social media is the most often used promotional tool from interviewed SMEs.

Finding # 2 Social media is seen more as an advantage than as a disadvantage based on collected data in the research. It is easy, fast and cheap to advertise, people can rich the company anytime – to see pictures or connect with the firm. It is seen as a disadvantage from very less firms. The data shows that some companies are afraid that competitors may steel ideas or consumers may post unpleasant comment but out of that social media has no disadvantages for SMEs. Nine companies from thirty, think that negative comments online are disadvantages of social media. Seven of these companies are from Kusadasi and just two are from Izmir. In the smaller city is easier to lose firms reputation that’s why more SMEs in Kusadasi see negative comments as a disadvantage, compared to SMEs from Izmir.

Finding # 3 Collected data showed that companies aim to reach easier, faster and cheap many consumers in order to promote their company and create high awareness. Social media is that best way to do this according to the majority of SMEs included in the survey. Total 11 companies said that creating awareness is one of the main aims of the company while using social media, 8 are from Kusadasi and only 3 are from Izmir. For the companies in the smaller city it is more important their name to become well known, word of mouth has stronger effect and news spread faster. Businesses in smaller cities don't have big range of target groups, creating good experience and awareness is key factor for their success.

Finding # 4 Research data revealed that Social media is useful for the companies because it is cheap, fast, and easy to reach wanted target group and also many other people. To reach easy many consumers is the reason why ten of thirty companies find social media useful for. Most of these companies (seven) are from Kusadasi. Businesses in smaller cities give more attention on reaching many people, in smaller cities word of mouth gives a faster result and it is important to be well known. Companies from Izmir find SM more useful because of its low cost (five out of eight companies that gave this answer are from Izmir) and because social media helps the company for better sales rate and promotion activities (four of six companies that give this answer are from Izmir). In a bigger city companies must do more advertising in order to create awareness because the population number and competition is higher, that's why price is a leading factor when they plan promotional activities.

Second research question was about *"How do SMEs use social media?"* the results of the research in Tables 13 and 14 showed that:

Finding # 5 Respondents were asked *"what are the main activities they do in social media as a company"*. The results showed that posting photos is the most common activity in social media. Companies often share information about themselves, post news, events or campaigns. They sometimes post videos and special days posts. According to the findings in both cities SMEs use actively social media because they aim to give more information to the consumer about what their company is exactly doing by sharing photos of their work. In Izmir and in Kusadasi companies do mainly same activities in social media. Small difference is seen of posting videos. Companies from Izmir give more attention to videos in social media. From 8 companies that actively share videos 5 are from Izmir and only 3 are from Kusadasi.

Finding # 6 Respondents in both cities companies make sharing very often. Companies post photos in social media almost every day. Majority of them (20 companies) post at least twice a week. They want to be recognized and to make difference. The city or the size of the enterprises does not affect the frequency of posting. It depends on the sector where companies operate. Companies that work in a construction or tourism sector post seasonally, restaurant and schools post more often at least once in a day.

In both cities social media is preferred way of promoting from SMEs, the size of the company is not important all micro, small and medium enterprises post in social media actively to reach many and targeted consumers. Small enterprises from both cities prefer social media because it is faster and on reasonable price if any. In both cities social media bring more advantages than disadvantage. Without many efforts and much money SMEs can reach their desired target group. SMEs use social media actively because it is the place to meet consumers. Many of the interviewees use professional social media support other are planning to use it in the future. The research showed that companies use mix of tools when they promote, but because it is the most reasonable one social media is the most often used one.

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