

# Some Aspects of Social Media Marketing (Georgian Case)

Nugzar Todua, Charita Jashi

**Abstract**—This paper is focusing on the attitude of Georgian consumers toward social media, influence of social media on consumer buying behavior. The purpose of this paper is to explore the usage of social media marketing for small business companies of Georgia. The result of marketing research has revealed that social webs are mostly used by Georgian consumers, but they have little impact on the buying decision. The research method was exploratory and descriptive. Conclusions summarize the research results and offers insight to provide better understandings of consumers demand and implementation of marketing strategy through social media in Georgia.

**Keywords**—Marketing Research, Purchasing behavior, Social Media Marketing, Small Business, Tourism Industry.

## I. INTRODUCTION

GEORGIA (South Caucasus) is facing new challenges arising from the EU-Georgia Association Agreement (AA) and Deep and Comprehensive Free Trade Area (DCFTA). The EU's 500 million strong consumers' market will be opened for Georgia very soon. The creation and accessibility of internet space has changed the role of consumers in the business industry in the country. New economic and political realities require the inclusion of Georgian consumers in innovative technology processes and facilitate access to social media throughout Georgia. Companies grow their confidence and familiarity with the social web to receive all success full research information on the websites. It is impossible to create effective marketing strategy without investigation of the impact of social media on the consumer behavior. Social media strengthens the power of consumers and allows users to communicate with other users about different brands. Social media marketing has great role for promoting small business. This is the reason why companies are marketing through the Internet e-art chosen as a new direction for fast and guaranteed success. Social media marketing plays an important and significant role in changing the buying behavior of the consumers.

## II. LITERATURE REVIEW

During the last period social media has become one of the strong instruments of Integrated Marketing Communications

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(IMC) and a driver of successful marketing strategy for companies. Increasing interest and motivation of using of social media marketing are well described in many scientific papers and books.

Dann and Dann define Social Media Marketing as the form of marketing which consists of internet based applications such as social networking sites, podcasts, blogs, microblogs, etc and have become part of the marketing strategy in order to promote a product or service, improve efficiency of the organization and to attain new customers [1]. Kotler and Keller identify three main platforms for social media: (1) online communities and forums, (2) bloggers (individuals and networks such as Sugar and Gawker), and (3) social networks (like Facebook, Twitter, and YouTube). Because of their day to-day immediacy, they can also encourage companies to stay innovative and relevant. Increasingly, word of mouth is being driven by social media in the form on line committees and forums [2]. Social media allow marketers to establish a public voice and presence on the Web and reinforce other communication activities.

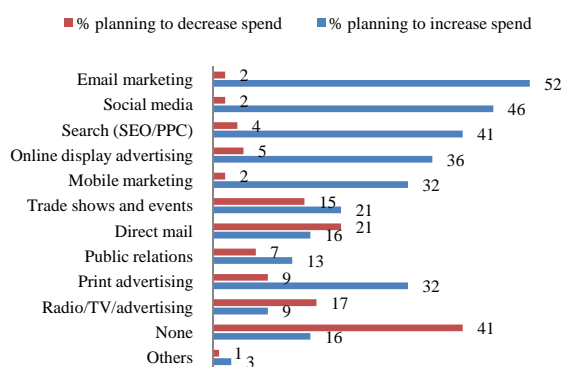


Fig. 1 Marketing Spending Plans for Program (% of respondents, December 2013) [3]

According to Michael Stelzner's survey most marketers are using social media to develop loyal fans (72%) and gain market place intelligence (71%) [4]. This figure clearly demonstrates the increasing dynamics of virtual space, businesses readiness and willing to fund e-mail marketing, social media and search engine marketing. Email marketing, social media and search advertising spearhead the formats which will gain a greater spend, with businesses planning to increase the three by 41%, 46% and 52% respectively (see Fig. 1).

From many research studies it is evident that social media marketing has been adopted by different organization in order

to target wider audiences and to influence consumer behavior [5]. Social media offers marketers a chance to break this gridlock and engage with their customers in a whole new way; it means creating a dialog with customers in which useful information is exchanged so that both parties benefit from the relationship [6].

Social media websites provide an opportunity for companies to engage and interact with potential and current consumers, to encourage an increased sense of intimacy of the customer relationship, and build all important and meaningful relationships with consumers [7]. This is especially true in today's business environment when consumer loyalty can vanish at the smallest mistake, which can additionally have online propagation of their unfortunate encounter with a particular product, service, brand or company. Three reference groups of consumers are identified relating to how a marketer should approach social media engagement, which would be very interesting for buying decision making of consumers.

- **Primary Group:** A reference group that an individual has frequent contact with and which they turn to as a key influencer during a decision making process.
- **Secondary Group:** A reference group that an individual has limited contact with, but will turn to as a reference during certain decision making processes.
- **Aspiration Group:** A reference group that an individual has no contact with, but has a positive attraction to and often will make a purchase decision based on what they believe the aspiration group would recommend [8].

Social media is integrated into marketing mix for two purposes: first it leads visitors and customers to the right information; and second, companies providing individual messages and content directly interest segments of customers. Most of the experts on social media highlight the tremendous influence of social media on consumer's behavior. According to a study by the digital marketing agency ODM Group, a strategic communications agency, 74% of consumers rely on social networks to guide purchase decisions [9]. According the Nielson survey, it clearly shows that, for brands to reach consumers in the current reality, they need the help of influencers [10]. These are key people with significant networks who can speak about a broad range of products and services with the ability to sway opinions in their favor.

However, at the same time, there exists a contradictory attitude, that social media has little influence on the purchasing decision of the consumers. In this regard, despite significant numbers of Americans using social media institutions such as Facebook, Google+, LinkedIn, and Twitter, only 5% say social media have "a great deal of influence" on their purchasing decisions, while another 30% say these channels have "some influence." 62% say they have no influence at all. These data, from Gallup's new State of the American Consumer report, are based on Americans' self-reported estimates of how much social media campaigns affect their purchasing decisions [11]. The dominant view is that most of people use social media to be in contacted with friends and family and they have less confidence in the messages from brands and businesses on social media to affect their

buying decision. According to Transparency International Georgia 25% of Georgians are social media users. Nowadays 38% of Georgia's adult population has a Facebook account and the absolute majority (87%) uses it at least 6 times a week. Over the last 3 years, daily Facebook usage rose from 59% to 68% [12]. Facebook is the most popular social network in Georgia [13]. Table I illustrates Top 10 Facebook brands in Georgia by number of local fun [14].

TABLE I  
TOP 10 FACEBOOK BRANDS IN GEORGIA BY NUMBER OF LOCAL FANS

Companies	Fans	Local Fans
Bank of Georgia	408 518	368 898 /90.3 %
TBC BANK	264 633	252 606/90.1 %
ALTA	361 240	325 987 /90.2 %
Bank Constanta	211 648	197 456 /93.3 %
Geocell	206 275	195 267 /94.7 %
MagtiFun	180 013	171 683 /95.4 %
Liberty Bank	121 504	116 475 /95.9 %
Aldagi	119 149	114 438 /96.0 %
TBC Smart Club	121 504	116 475 / 95.9 %
Georgian Avia Service Agency	113 114	106 177 / 93.7 %

It should be noted that in 2012 there was provided investigation about social media development in Georgia, which was sociological survey based in the depth interviews held with the only media-experts (editors, journalists, bloggers, lawyers, etc.) The complex academic research about social media marketing have not been conducted yet in the country, despite the fact social media is effective component of Integrated Marketing Communications.

According the opinion of media experts from 2012 Georgian survey social media, especially the Facebook, is gradually becoming a strong venue for marketing and PR. There are many companies today that employ the social media to market their products. ``From one side it is very suitable to obtain information on almost any product within a single space, and on the other side producers find it profitable to market their products this way`` written in the report of the survey [15]. However, it should be noted that it is the common approach of the respondent, but not professional view of marketer.

As it known small business is based on various forms of property and acknowledged to be effective instrument for introducing dynamic changes into production structure according the consumer demand. Small business is recognized by the Georgian authority as one of the main priorities in country's development, which encourages mobilization of human and material resources in creating of jobs, meets market needs and facilitate increasing incomes of population [16].

One of the challenges of starting small business for entrepreneurs is to find effective advertising method to attract the potential customer. Due to scarcity of financial resources small business owners can't afford paying traditional media for advertising of their products, they prefer to use social media and word mouth marketing. For them social media is not a simple source of information, but a service working to

satisfy the customers. The customers who use social media marketing could receive a more informal relationship with the company, and their views and attitudes should be considered by the representatives of the company [17].

### III.METHODOLOGY

The research method was exploratory in nature in the sense that there is no previous scientific research about consumer's attitude towards Social media marketing in Georgia.

In the research have been used descriptive and quantitative methods. The study was conducted in Tbilisi, capital city of Georgia and in different cities too. A selection of the number of social network users in a particular case was 600 persons. The confidence interval is 95% and respectively, standard deviation is 1,96%. The study consisted of two steps-objective of the first phase of the research was to identify target group. The appropriateness of this approach can be explained by the peculiarities of the general method of stratified layers, it is necessary to identify the group of people, who are interested social network services. These forms were spread via the internet, as well as individually. The final section of the questionnaire gathered demographic information of the respondents including gender, age, education, income level, occupation, and social category. A five-point Likert scale, a ten-point Stapel scale, and a seven-point semantic differential scale were used in the questionnaire. The research results were analyzed using statistical software SPSS for Windows [18].

### IV.FINDINGS

The research survey revealed the growing interest of Georgian consumers regarding social media in the country. All the respondents agree that it is important for companies to have the right social media marketing strategy in order to win the loyalties of the new consumers. Social media is effective tool to provide professional collaboration between business suppliers and customers.

According to the results of the survey we can identify some important points of the consumers. It should be considered that consumers differ not only in their motivation, but also their ability to take advantage of social media.

The social network environment requires technical skills as well as computer literacy and internet usage. The last point is crucial for the country, because there is a problem of internet access in rural areas. E-commerce sector and small number online suppliers might be one of the reasons for low development the online advertising market in the country. The research showed that consumers with different demographic background have different purchasing behavior.

The consumers with age between 20-35 years mostly trust social media, while making purchasing, than other demography segments, consumers age of above 40-45 making the buying decisions twice in year, 65% of them are employed.

- According to the survey 35% of respondents identified themselves as inactive consumers, 22% of respondents

consider that they are only observers and sharing the idea; 32% are actively involved and making buying decision; only 8% consumers never use social media for consumption.

- More than 35% consumers trust online reviews, as much as personal recommendations.
- 65% of respondents are spending 3 hours in every day surfing social networks.
- 72% agree that their expectation is that the online price will be lower than in-store, which is significant motivation for them.
- 75% of respondents agree that social media increase awareness of brand, generate leads, build its customer base, improve sales and market share.
- 52% of respondents considerers that Social media not only make consumers' aware about brands, but customers also prefer the brands advertised through social media and changing behavior of consumer .
- 80% of respondents believe that one of the reasons that the Internet and social media in particular are so effective for consumers is that it's fast.

The representatives of small business in Georgia recognize the importance of social media networks for increasing partnership relationship with consumers. Tourism industry is the best example in this regard. Tourism market is changing shape dramatically in recent years, successful steps have made in tourism business, promotion of Georgian historical places, folk traditions, fantastic resorts and cuisine is fostering Georgia's tourism development. Short survey provided among of 100 Travel Agencies and Tour Operators showed the importance of social media, as efficient instrument for small entrepreneurs of tourism industry. Tourist agencies actively involved in social media and using wide spectrum of social networks as Facebook, Twitter, LinkedIn, YouTube and Tripadvisor. Increased websites and blogs on tourism, prepared Trip advisors - effective analytical articles about Georgia in the virtual space. All the activities support of popularization of Georgian tourism potentials in the world.

Other types of small business such as restaurants, café and bars, beauty salons, cosmetic clinics, transportation services, trade shops, handcrafting and manufacturing and etc. gradually increase usage of social media networks, which give good perspectives to promote small business capabilities. 85% respondents of small entrepreneurs in Tbilisi agree that social media is simple way to demonstrate unique qualities and capabilities of their brand and products.

There are very few numbers of small entrepreneurs in rural areas ignore the role of social media and don't see feedback of social media activities.

### V.CONCLUSIONS

In Georgian consumers' view, the majority of internet users are aware about social media. The more fresh content posted daily, the better chance a business has of getting on the first page of a search. Accordingly, marketers have the possibility to use social media to stimulate and encourage interaction of consumers. From the view of the respondents that social

media can be the best tool for brand promotion, if used frequently.

Most of the consumers have a positive perception towards social media marketing practices. It was highlighted that social media is more innovative and interactive, compared the traditional media price is really attractive. The research shows the significance of social media and the impact of its marketing tools on consumer behavior. From the findings of the research we can conclude that Georgians consumer are actively utilizing social media platforms, as efficient tool in validating the buying decision. Social media is a great at it is turning strangers into loyal consumers [19].

Social media will be effective instrument for development of small business. It is particular crucial in accessing EU markets through business to business networking, cluster cooperation and so on. The ability to interact with more customers, to monitor dialogues about the brands and products is the best way to build loyal relationships, customer engagement in the new market inside and outside of Georgia.

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