

Social Media and Their Use by Family Businesses in The Context of Brand Positioning in The Basket of Consumer Needs*

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Abstract

Social media are an integral part of modern society, especially in the context of the use of mobile devices. Family businesses are slowly beginning to perceive the necessity of using social media to promote and further develop their activities. Moreover, social media provide family businesses with information about customers. What is family businesses' brand positioning? It is the creation of a place in consumers' mind which will be a collection of benefits derived by consumers and which will allow for building a lasting and credible brand position in their consciousness. The proper placement of the brand in the basket of consumer needs, which will reflect the efforts of family businesses to gain a market position, can be considered as success. The aim of the paper is to verify the research hypothesis referring to the still low awareness of family businesses concerning the use of social media to build their brand in the framework of the study conducted based on in-depth interviews with a standardised list of required information (n=30).

Keywords: social media, brand creation, applications, web image, brand building

Introduction

Social media is an integral part of today's society, and especially in the context of mobile device usage. Family businesses are slowly recognizing the necessity of using social media to promote and subsequently grow their business. Moreover, social media provides family businesses with information about their customers. What is the brand positioning by family businesses? It is the creation of a place in the consumer's mind that is a set of benefits for the consumer and that allows for a lasting and credible position in the consumer's mind. Success is the appropriate positioning of the brand in the consumer's basket of needs that will reflect the efforts of family businesses to gain a position in the market. The purpose of this paper is to verify the research hypothesis relating to the still low awareness of family businesses in the use of social media for branding, through a study based on in-depth interviews with a standardized list of information sought (n=30).

Brand positioning strategy in the web - basic assumptions

As already indicated, family businesses recognize the need to use social media in the aspect of: (i) brand creation; (ii) changing the company's image, consequently, (iii) increasing profits from product/service sales by gaining new customers through networking activities [Royal, Hall 2016].

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Therefore, how should family businesses effectively manage their online image? Obtaining an answer to this question requires an analysis of the concept of brand positioning of a company including family businesses in the minds of current and potential customers.

Positioning was first analyzed by Trout and Rise [1972]. A company that has an in-depth knowledge and understanding of its customers' needs can properly manage its activities to meet the identified needs of current and potential customers.

According to research, positioning is beneficial because of [Sadowski 2013]:

- the ability to create / direct consumer preferences;
- increase in customer loyalty to the brand;
- increase in the value of the company's brand;
- increase in the desire to "seek" it by new and regular customers (returns).

Therefore, the decision to choose an effective positioning strategy (selection of appropriate tools / methods) is crucial. The wrong choice of strategy can cause irreversible damage to the family business.

One of the key steps in designing an appropriate positioning strategy and then brand strategy online is to make the right choice in terms of tools - social media in which current and future customers are active. Therefore, it is necessary to make a segmentation of the target group. Segmentation that will be helpful to understand the needs of different types of audience. Two major classifications can be pointed out here: (i) the company's near and far environment - current and potential customers, investors, and competitors and (ii) individual customers (in business to customer communication) and business customers (in business-to-business communication) [Kotler, Kartajaya, et al. 2017].

The second step will be to choose the appropriate tools to communicate with the different segments of the target audience. However, due to dynamic changes in the Internet market and new types of tools and applications appearing on an ongoing basis, the classifications made are subject to a high degree of obsolescence [Levinson 2010]. The simplest, and at the same time consistent with the theory of social media richness, is the three-tier division into: (i) blogs - they are a source of information and knowledge, especially for the BB segment in the area of business and technology, and microblogs - they enable the transfer of information and knowledge in the form of short text messages; (ii) social networking sites - these are platforms based on exchange of content, opinions, mutual relations of communities gathered around persons, companies, products (the most popular are currently Facebook and Instagram, but one should remember about numerous social networking sites - industry-specific or gathering communities in a given territory); (iii) video content exchange sites - these make it possible to create a TV channel, the content of which is managed only by the company (the most popular video content channel is currently YouTube, others include e.g. Vimeo). Vimeo).

Discussions taking place on social media are a key source of information. Through social media, not only information but also ideas are distributed, new solutions are created. The intelligent environment resulting from social networks creates a background for customers participating in the company's production, marketing, sales, and even after-sales services [Maciorowski 2013].

Moreover, the transfer of the Internet from computers to mobile devices has further liberated the market. The cell phone is always available. The fact that social networks can be used simultaneously by millions of valuable users has made it more convenient and faster to control the market (evaluation diversified information helps to manage more effectively, but also brings risk - content selection).

Analysing the online activities of companies, including family businesses, we can point to three priority goals that the company sets for itself in terms of using social media. The first of them is the expected increase in sales. It consists most often in using social media as an element supporting sales, first of all in online stores, but also in direct sales [Chmielecki 2013]. The social media tools chosen by the company for the indicated activities then distribute information mainly about promotions, competitions, and loyalty programs. And the assumed goal can be achieved if the information provided to the target group was adequate in terms of content, form and manner of transmission. In conclusion, the larger the group is effectively informed, the greater the chance for sales growth.

Secondly, companies, including family businesses, decide to appear in the network by using social media to create their image. Social media provides an opportunity to present a company in a form and context that is appropriate for it. Traditional media usually report on a company's activities - either positively or negatively - the social media can be used to create and distribute messages that are often not directly related to the company's core business. Using social media, a company, including a family business, has a chance to create and distribute messages, which are often not directly related to its core business (e.g., information about actions taken in the field of corporate social responsibility or charity) and to appear as an expert in a given field. What is more, through the use of social media by the company, including the family business, the image of a modern company is created, following the current trends in both marketing and technology.

The most rarely chosen goal but gaining in importance is the goal connected with warming up the image of the company, including the family business, by using social media for communication with customers. Image warming is often achieved by changing the way of communication. If a company communicates mainly through substantive messages, using official

language, it turns out that changing the form and style of communication is often effective in warming up the image. The change may concern, among other things, the publication of graphic or video content, competitions, etc. However, it should be remembered that it is important to maintain the right proportion, so as not to cause the opposite effect to the intended one [Miotk 2017].

Therefore, the brand created based on social media is considered more modern, and therefore more reputable. On the other hand, a market-oriented company is better able to identify the needs and requirements of the target market. Therefore, compared to its competitors, it achieves higher customer satisfaction in terms of efficiency and effectiveness. And a market-oriented firm is more likely to have a larger market share and more profit than other firms with less marketing (traditional) activities.

The dangers, mentioned at the beginning of inadequately carrying out the work of developing a strategy, and then implementing it, can cause the opposite of the intended effects and generate only additional costs for the company. Thus, a company, including a family business positioning a brand on the web, must apply the following principles:

- deepen the knowledge of diversified social media tools;
- Apply a mass media market approach;
- consistently build online status;
- manage the symptoms of a crisis.

Activity of companies, including family businesses with social media

According to the Bank of Local Data (BDL) data, the number of companies in Poland that use computers and have access to the Internet for operational activities is approaching 100%. As indicated by the data over the last 3 years, the percentage of companies has increased from 94.7% to 96.2% in the first case and from 93.7% to 95.6% in the second case, respectively [BDL, 2019].

The results for websites are different. However, these statistics are reactively consistent and reflect current trends and concern the decline of interest in websites due to the growing importance of social media on the web. Thus, in the last three years, we observe a slight decline in both the number of companies with their own websites and a decline in the number of companies for which the website served the function of presenting catalogues, products or price lists. The percentage of firms in the former case dropped from 67% to 66.8%, and in the latter case from 63.6% to 61.2%. However, the percentage of companies having a website and using it to contact customers is still relatively low. Moreover, public statistics do not include data on the degree of social media use by companies [BDL, 2019].

Positive trends are shown by companies in: receiving orders through computer networks (website, EDI type systems) and placing orders through computer networks (website, EDI type systems). The data are for 2016 and 2017, and so in 2016 the number of firms receiving orders through the network was 11.8% and in 2017 it was 14%. The number of companies placing orders was significantly higher, 32.5% in 2016 and 33.6% in 2017 [BDL, 2019].

The number of companies: using the Internet in contact with public administration and using the Internet in contact with public administration to send back completed forms in electronic form are also approaching the 100% level. In the first case, the number of companies in 2016 was 94.6%, and in 2017 it was 95.1%. In the second, the level was practically analogous with a micro difference for 2016 of 94.3% [BDL, 2019].

The number of companies equipping their employees with mobile devices (e.g., laptops, smartphones) that allow mobile Internet access and having broadband Internet access is also growing. In terms of retrofitting employees with mobile devices, the number of companies increased from 65.3% in 2016 to 67.7% in 2018. And in broadband, from 86.9% of firms in 2016 to 95% of firms in 2017 [BDL, 2019].

Given that the BDL does not have access to information on family firms' behaviours regarding the use of the Internet for firm operations, it can be presumed that these behaviours are reactively similar. As indicated by a report by the consulting firm Deloitte [2018]. The report's data shows that increasingly family businesses are adapting to operate in the digital world in a very fast time. Thus, about 26% of family businesses have developed and implemented a strategy for using digital technologies, and 36% have indicated the strategy, but reactively short. The rest of the respondents either do not have such a strategy or are just working on it. Given the benefits of digital technology, most family businesses use it for operational activities in terms of process improvement or cost reduction. To a lesser extent, family businesses perceive digitalization in terms of acquiring new customers, employees, or opportunities to establish strategic partnerships. The analysis of the results of the conducted research indicates that family companies are distance about the transformation in the area of digitalization of business activities. The generation of successors - young leaders - are also cautious, assessing their ability to use digital technologies much higher than their predecessors, what has been more, subjecting the operational activities of managed companies to a gradual but consistent transformation.

Changing the strategy of family businesses is crucial as recent years show that the key role is not so much the Internet, but social media in the private and public sphere, and thus in the economy. Data from Digital's "We are Social 2019" report

[2019] indicate that the number of social media users continues to grow. Thus, the number has increased by as much as 9% over the past year, what has more it covered more than 45% of the population. Moreover, the time of online activity is also increasing, which is now more than 2 hours and 16 minutes per day.

Strategic plan of family firms in terms of the use of social media for operations - survey results

The research was carried out as part of two projects which received funding from the Education, Knowledge and Development Operational Programme, i.e., the project entitled: "Efficient management in health care" POWR.02.02.00-00-0005/16 and the project entitled: "Strategic analysis of enterprises". The project supported over 60 companies in the Łódź Province, of which approximately 50% were family businesses. In terms of industry, these were companies from the medical services, construction, catering, and creative sectors. The support was aimed at identifying the development barriers of the researched companies and, on the basis of the research results, elaborating development strategies that could contribute to gaining a competitive advantage of these companies.

The analysis of two key areas in the scope of IT resources owned by companies and their role in the operational activity and in achieving the competitive advantage of the companies, showed that the IT resources owned by companies refer primarily to specialized software. The companies did not possess databases or mobile applications designed for the needs of their clients. On the other hand, they pointed out on resources such as tools for contacting clients as having a high potential and being key to the company's success in the future.

Table 1: Characteristics of resources of the surveyed companies (n=30)

<p>Characteristics of your specialized software</p>	<p>Workstations in the surveyed companies were retrofitted on an ongoing basis. The company had IT systems. However, these were mainly standard programs such as Ms Office or equivalent and a program for accounting. Moreover, 70% of the software needed updating. However, there was a lack of systems for customer service or support for sales departments and procurement of specialized software. The general conclusion of the conducted inventory of IT resources indicates the need to develop and implement IT systems, which would systematize and combine the activities of individual company departments. What is more, the surveyed companies need an intranet, which would improve the communication of employees in different departments and between departments. Due to the fact that companies in their development paths have clearly indicated their willingness to enter new markets, the implementation of such systems is a boundary condition for starting operations in other markets. Contractors need coherent offers delivered in a "just in time" system, they need current communication, and any downtime in response can result in breaking or not extending contracts.</p>
<p>Characteristics of owned databases</p>	<p>The surveyed companies did not have databases. The possible databases were Excel sheets with contact data to suppliers, contractors, and to a lesser extent customer. What is more, the companies were not aware of the fact that, e.g., Business Environment Institutions provide information services in the field of accessing and using databases.</p>
<p>Characteristics of existing applications</p>	<p>The surveyed companies did not have applications designed for their individual needs. Moreover, they practically did not use available applications, including those available through social media to contact customers, suppliers, or contractors. The main source of contact was still the e-mail form.</p>

Source: Own elaboration based on interviews with family business owners (n=30).

The Ward and Peppard matrix was used to indicate the role of individual resources in company development and building competitive advantage. The surveyed company representatives were asked to complete the matrix to indicate which IT resources are: key for the continuation of business activity (strategic), determine the success of the company (operational), may be crucial for achieving success in the future (high potential), which are important but not critical for achieving success (supportive). The overall results are provided in Table number 2.

Table 2: Ward and Peppard matrix of resources of the surveyed companies (n=30)

Strategic: Equipment for customer service systems and systems integrating individual company departments. Including systems for company employee communication (internal intranet communication system)	High potential: Implementation of integrated communication and customer service systems, including those based on individually developed mobile applications.
Operational: Continuous improvement of existing equipment in the form of computers, hardware, and software, including ongoing upgrades.	Supportive: Utilize available applications within diversified social media tools to engage with customers, suppliers/contractors, and competitors.

Source: Own elaboration based on interviews with family business owners (n=30).

In the context of the conducted strategic analysis of the surveyed companies, the objectives of the developed and implemented development plans were:

1. In terms of the MARKET/CLIENT perspective:

- Acquire new customers and business clients by leveraging applications under development and available applications within diversified social media tools

- Diversification of services to the customer due to new IT resources

2. INFRASTRUCTURE - SCIENCE AND DEVELOPMENT perspective:

- Modernize IT infrastructure and bring it up to modern standards

The delivery of services proposed within the framework of the developed and implemented development plans should result in a comprehensive professionalization of customer acquisition, which in the long run should determine the increase in sales of products / services and an increase in profitability of the surveyed companies.

Conclusions

Diversified social media tools are increasingly implemented in companies, including family businesses, to improve various communication, collaboration, and co-creation activities. Companies using social media as a tool to market their products/services are seen as innovative and creative. The online presence of companies with the help of social media makes it possible to start conversations about developing new business partnerships and expanding online communities to gain new followers and potential customers.

Polish companies, including family businesses, are trying to build and implement a communication strategy through social media, however, the traditional approach to marketing still dominates in this area. Moreover, most companies outsource their social media activities to external company - agencies. What is more, most of the companies outsource their social media activities to external agencies, which in the long-term perspective may result in the decrease of the effectiveness of this communication path with the clients due to the low level of engagement of the company's employees, who have no competence (no need to train employees in this area).

Some positive indications of effective communication with the use of social media are indicated by young successors of family companies, who subject the operational activities of managed companies to a gradual but consistent transformation towards their digitalization.

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