International Journal of Engineering & Technology, 7 (2.28) (2017) 211-214

International Journal of Engineering & Technology

Website: www.sciencepubco.com/index.php/IJET

Research paper



Social Media in Enterprises in the Czech Republic

Eva Kasparova

University of Economics in Prague, Czech Republic

Abstract

Social media play an important role in the present business practice. Enterprises increase their usage of social media to accomplish various business objectives. Many companies are not only aware of the importance of social media in the contemporary economic practice but also perceive them as a competitive advantage. Social media expand the space for mutual communication both inside and outside an enterprise. Through social media, businesses can build, expand and consolidate social networks of relationships that are necessary to achieve the set goals. The paper focuses on the importance of social media in business practice and the use of social media by enterprises in the Czech Republic.

Keywords: *Social media, enterprises, ICT, employability, competitiveness.*

1. Introduction

Social media applications in business are the tools of e-communication, which improve cooperation of enterprises with their customers, business partners, and suppliers in new ways as well as improve their internal operations. Social media are an online tool that enables users to create profiles that communicate with other users and share information or multimedia content with them.

Companies that use social media have their own user profiles, accounts or licenses based on one of the types of social media. Social media run through the Internet and communication platforms to enable online creation and exchange of information with customers, suppliers, partners or employees. Organizations that take advantage of the latest social media technologies seem to outperform their competitors and report benefits such as lower costs and improved efficiencies. [1]

Businesses that use social media strategically are more satisfied with the results than ad hoc users, who are more sceptical about the value of social media. Businesses that use social media as a part of a planned corporate approach are 1.5 to 2 times more likely to anticipate revenue growth than ad hoc users. [2]

Social media offers an opportunity to connect and interact with customers, promote brand and drive traffic to a website. Getting involved in social media can also create a more human face to a business and be fun at the same time. [3]

Companies are using social media to increase their agility and to manage organizational complexity. Many executives in companies believe that if organizational barriers to the use of social technologies diminish, they could form the core of entirely new business processes that may radically improve performance [4].

Moreover, social media usage has enhanced information accessibility; organizations can get the information about their potential customers, their tastes, and their wants easily from their conversations on Facebook pages.

By becoming a fan of other organizations' Facebook pages, they can also get information about their competitors, their activities, their tactics, and their brand sentiments. [5]

It is also possible for organizations to gather general information about the market, new trends, and industrial information directly and easily from social media. Thus, organizations can easily deliver the organizational information to the public in a timely manner. [6]

Enterprises have not only progressively embraced this new generation of highly dynamic web applications, but have also adopted new behaviours. They have integrated social media, into the way they run their business, organised forms of internal communication apart from the management chain, most importantly, communicated, and interacted with customers using the new applications. From that point of view, it has been possible for customers to influence business decisions and assist companies in designing and marketing their products. [7]

Overall, we can say, that nowadays the use of social technologies has become a common business practice. Many companies are extensively applying social tools in certain functions and becoming more digital organizations overall. Social technologies are the least integrated into the workflow for operations processes, such as order to cash and demand planning.

They are the most integrated into public relations, customer-relationship-management (CRM), and marketing processes—where these technologies are a natural extension of existing tools. The use and integration of social tools have had the most significant impact on the day-to-day work for many customer-facing activities. [8]

2. Social media in business in CR

2.1. Importance of Social Media Usage in Czech Business

The Czech Republic is one of the EU countries in which companies use social media to communicate with the public the least. Similarly as Romania and Poland, enterprises in the Czech Republic used social media less than the average in the EU in 2015.

Copyright © 2016 Authors. This is an open access article distributed under the Creative Commons Attribution License, which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

The representatives of the selected companies justify the fact, in particular, by the additional cost of managing social networking accounts compared to the difficult to measure benefits. [9]

2.2. Research problem

The aim of the research is to identify the evolution of exploitation of social media in the business sector in the Czech Republic by comparing the state of the usage of social media in 2016 and 2017.

3. The survey on the use of ICT in the business sector in the Czech republic

3.1. Research method

The paper works with the data contained in the results of Czech Statistical Office's annual statistical survey of the use of ICT in the business sector in the Czech Republic in 2016 and 2017. The survey, conducted in the Czech Republic since 2003 and since 2006, has been fully comparable with similar surveys carried out in other EU Member States in the framework of the Regulation (EC) No 808/2004 of the European Parliament and of the Council concerning Community statistics on the information society. The sample included 7812 units consisting of enterprises of 10-49 employees 79%, 50-249 employees 17% and more than 250 employees 4%.[10]
The author did a secondary analysis of the data from this statistical survey and used the findings for a comparative analysis of the current state of the social media usage in the business sector in the Czech Republic in 2016 and 2017.

3.2. Comparative analysis of the annual survey findings in 2016 and 2017 in the Czech Business Sector

The surveys Information society in figures in 2016 and 2017 which were performed by the Czech Statistical Office show a continued expansion and development of the social media usage in the business sector [CSO,2016,17] (Czech Statistical Office, 2016, 2017).
A 34% of companies with more than ten employees in the Czech Republic signed up for actively using social media, in January 2016. Although there is an apparent increase of 36.5% in 2017, the Czech Republic remains behind the other EU countries.
However, a relatively wide gap in social media usage still exists between the largest size category of enterprises and the small firms. Almost 60% of large and 31% of small firms used social media actively in January 2016. In the following year, the two enterprise size categories monitored showed a slight increase, large enterprises to 65.5% and small enterprises to 33%.
The large companies are continuously more progressive than the small ones. However, in the past, studies of social media indicated that SME used social media technologies like Facebook as a way to communicate with their customers effectively and deeply support internal communication and collaboration. [11]. And finally in SME Master Plan 2012-2020, SME's are chosen as the population of study as they contribute 32 percent of gross domestic product, 59 percent of employment and 19 percent of exports. [12].
The reasons for the still relatively low usage of social media by SMEs could be probably the financial capabilities of small businesses and the uncertain legal conditions in the area of SMEs.
A quarter of all enterprises in the Czech Republic have a link to their profile on social media on their websites. That means more than 70% of companies in the Czech Republic using some of the social media in 2016 and 75% in 2017.
Companies providing accommodation and publishing or retail activities as well as travel agencies and offices have links to social media profiles most often. On the other hand, subjects from transport and storage or construction have the smallest number of links to a company profile on any of the social media.
Among Czech social networking companies, the most widely used type of social media was Facebook and LinkedIn where 30% of all businesses (i.e. almost 90% of companies using social media) had their own accounts, in January 2016.
Here again, the number of companies using social media, namely social networks Facebook and LinkedIn, on which their own account, increased in the following year 2017 when it accounted for 34% of all subjects (i.e. more than 93% of companies using social media).
A third of the companies had a web presentation as well as a social networking profile in January 2017, with the share of these companies growing slightly each year. Large companies that have dominated social networks while running websites are even more than 60%.
For small and medium-sized businesses, the trend is still that a company has only websites and social networks are not used.
The companies, whose main economic activity is providing accommodation, operating travel agencies and offices in the field of publishing or retail actively use social networks most often.
On the other hand, social networks are the least used by construction industry, transport and storage, energy, gas, water and heat production or distribution industries.

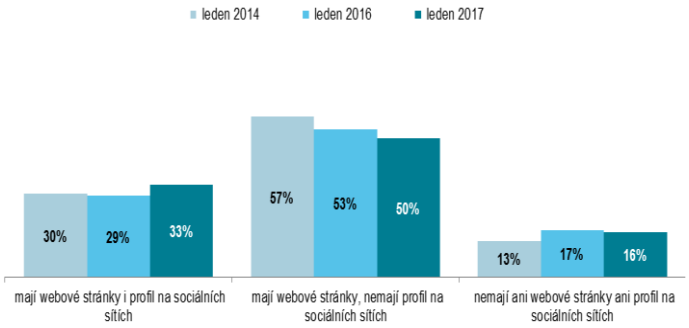


Fig. 2: The use of websites and social networks by companies in the Czech Republic

Note: The 100% in the given years account for a large share of companies that have a profile on social networks and do not have a website.
Share in the total number of companies in the given years
Source: Czech Statistical Office, 2017

In 2016, more than a tenth of companies (i.e. a third of active social media users) actively used media to share multimedia content. Companies engaged in publishing, film and television programing, as well as wholesale or travel agencies and offices often used the YouTube Channel and similar web pages.
The status of the companies using media to share multimedia content remained roughly the same in 2017.
In 2016, only a small number of companies, about 7% (a fifth of all companies using social media), contributed to business blogs such as Twitter, and this trend persisted in 2017.
Large corporations, such as companies engaged in publishing, film and television programing use ICT activities such as business blogs more often than the others do.
The situation is similar in the usage of "wiki" websites, used especially by ICT companies. Only 4% of all companies (12% of companies actively using social media) use wikis. [10]

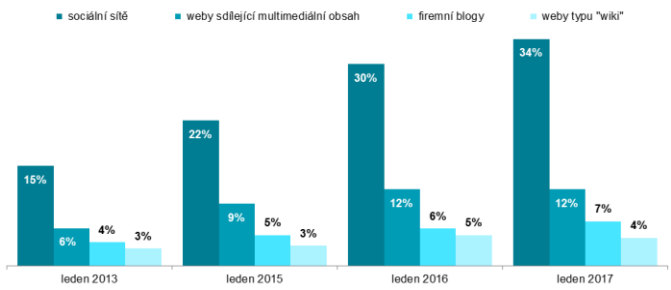


Fig. 2: Enterprises using social media, by the type of social media in the Czech Republic, 2013 and 2017 (percentage of enterprises)
Share in the total number of companies in the given years
Source: Czech Statistical Office, 2017.

Aggregate data showing the reasons for the use of social media by businesses is only available in 2017. However, the inclusion of this category in the statistical survey shows the importance of using social media and their benefits in the economic area. The research findings provide a clear picture of what potential companies see in social media.
Almost 90% of companies with social media profiles use them to improve their image or when marketing their products. There is an increasing trend in engaging customers to improve the offered goods and services. Almost 60% of companies with an active social media profile create space for their customers to ask them and 22% of companies used social media for customer participation in improving the offered goods and services. In 2017, about 28% of companies worked with their business partners or other organization through social media.
The least represented reason for the use of social media by companies is the internal environment of a company, which means mainly communication within the company. A relatively large room for improvement is visible here. Expanding the use of social media in the company's internal environment can significantly influence the necessary information, make the information flow more visible and provide flexibility in the transmission of important messages.

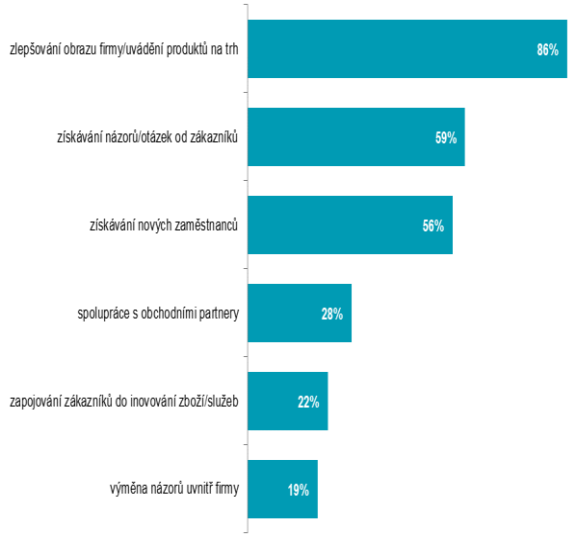


Fig. 3: Reasons for Using Social Media by Companies in the Czech Republic, January 2017
Share in the total number of companies using at least one type of social media.
Source: Czech Statistical Office, 2017.

4. Perspectives of Social Media Use in Business in the Czech Republic

The graph below shows the types of social media actively used by companies in the EU 28. In comparison to the situation in the Czech Republic, there is still quite a big gap between the findings. The main difference is in using social networks as a whole.
45 % of EU enterprises used at least one type of social media (e.g. social networks, blogs, content-sharing sites and wikis) in 2017, with more than eight out of ten of these businesses (84 %) using such applications to build their image and to market products.

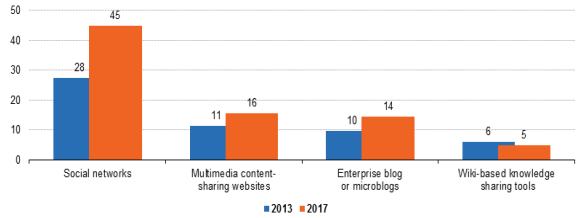


Fig. 4: Enterprises using social media, by the type of social media, EU-28, 2013 and 2017 (percentage of enterprises)
Source: Eurostat

Czech companies recorded a slight increase between 2016 and 2017, but compared to the EU28 average, the difference is still relatively high, 45% EU 34% CR. [7]

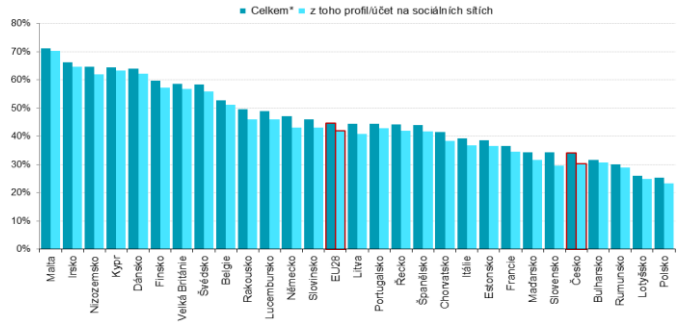


Fig. 5: Enterprises using social media in 2016
Source: Eurostat, December 2016

The figure above shows clearly the big difference among EU countries in using social media as well as in their profiles/accounts on social networks.
The still insufficient awareness of the benefits of social networking, as well as inflexibility in forming relationships with company's external environment could be the reasons. Another important reason could be the additional costs associated with updating and securing traffic including the content of a professional profile on social networks.
Companies in the Czech Republic use social media similarly as the websites of company profiles. They predominantly use them to promote themselves and to inform the public about the news about their activities. Most companies with social media profiles are using them to improve their image or for marketing their products. Enterprises create space for communication with customers i.e. synchronous by a chat as well as asynchronous by a forum etc. for questions and requests at first or social gaming, social television and social shopping later. Companies likewise started to increase the opportunities of active participation of their customers in improving the offered goods or services. However, this area still offers a whole range of untapped opportunities in the sphere of gaming, TV and shopping.
This corresponds with the trend of the most successful companies having significantly expanded their efforts to engage their customers at every step of what we call the "customer corridor," touch points that start when a potential customer first learns about a product and extend through the moment they opt to make repeated purchases. [13]
However, relatively large room for improvement still exists in the field of internal communication in companies. Managers could increase the usage of different communication channels within companies for better instruction and information of employees as well as for better exchanging and/or sharing of knowledge. The

area of external communication, namely communication among businesses and their clients also deserves greater attention. Communication strategies for specific target groups such as suppliers, distributors, pressure groups etc. could benefit more from social media as well.

The survey findings show that a still larger number of companies communicate with the labour market through social media especially in the process of recruitment of new employees. However, this trend is not only a domain of the Czech Republic it is also evident in the developments across the EU.

It might be to reach the 'outside world' — customers, business partners, other organizations—, or it might be for communication inside enterprises or for specific purposes such as to recruiting employees. [Eurostat] Therefore, a professionally managed social media profile is just one route to securing top talent. Employers should ensure that all information displayed on corporate social media profiles they present in a format that is informative, concise and easy to follow. [14]

Businesses in the Czech Republic have paved the way for wider use of social media and social networks. Although in fact, in all the monitored categories, the Czech Republic still lags behind the European average, many companies are increasingly aware of the importance of using social media and their benefits appreciates.

5. Conclusion

The present digital era offers quite a lot of new opportunities for human cooperation and increases the ways of mutual social communication.

Social media as the form of electronic communication such as websites for social networking or microblogging through which users create online communities to share information, ideas, requests, news etc. improve and of course increase these ways of social communication if the companies use them effectively.

Companies that use social media are far more successful than those that do not. As social media continue to dominate the Internet, businesses that overlook this opportunity, whether for financial and personal reasons or the reason of non-interest also overlook the contemporary reality in which social media are no longer optional for business.

What seems to be the key is the fact that social media are a two-way channel where there is the opportunity to enrich relationships with different target groups.

The social media scene is so turbulent and frothy that many others have poured good money after bad in their attempts to engage customers as well as new potential employees. The leaders typically employ the same tried-and-true business principles—refined through traditional marketing, services and operations— applied in new ways. [13]

Czech enterprises similarly as enterprises in EU28 have not only progressively embraced this new generation of highly dynamic web applications, but now have also adopted new behaviours. They have integrated social media into the way they run their business, organised forms of internal communication apart from the management chain, most importantly, communicated and interacted with customers using the new applications. From that point of view, it has been possible for customers to influence business decisions and assist companies in designing and marketing their products. [7]

References

[1] Harris, A.L. and Rea, A. [2009], „Web 2.0 and virtual world technologies ", Journal of IS Education, Vol. 20 No. 2, pp. 137 - 144.

[2] Social media - statistics on the use by enterprises, Eurostat, [online]. Eurostat, 2016, [accessed 2017-12-10].in:http://ec.europa.eu/eurostat/statistics-explained/index.php/Social_media_-_statistics_on_the_use_by_enterprises

[3] How can social media impact my business. [online], PayPal, 2016, [accessed. 2017-12-15]. https://www.paypalobjects.com/webstatic/mktg/Latam/08_howcansocialmediaimpactmybusiness.pdf

[4] Bughin, J., Byers, A.H., Chui, M.: How social technologies are extending the organization. The McKinsey Quarterly, http://www.mckinseyquarterly.com/How_social_technologies_are_extending the_organization_2888, [accessed 2017-28-12] [2011]

[5] Social media importance in Businesses: ESF, [online] 2014, [accessed 2017-12-15] in. http://www.business2community.com/social-media/socialmedia-important-business-2014-0773321#1wejfjuCvkuHAH2x.99

[6] [6] F. Parveen, N. I. Jaafar, a S. Ainin, „Social media's impact organizational performance and entrepreneurial orientation in organizations", *Manag. Decis. Lond.*, roč. 54, č. 9, s. 2208–2234, 2016.

[7] Social media - statistics on the use by enterprises, Eurostat, [online]. Eurostat, 2016, [accessed 2017-12-10].in:http://ec.europa.eu/eurostat/statistics-explained/index.php/Social_media_-_statistics_on_the_use_by_enterprises

[8] Bughin, J., Byers, A.H., Chui, M.: Transforming the business through social tools. The McKinsey Quarterly, [2016] http://www.mckinseyquarterly.com/How_social_technologies_are_extending the_organization_2888, [accessed 2017-15-12]

[9] Česká internetová ekonomika: Sdružení pro internetový rozvoj, 2016, in http://www.studiespir.cz/download/Ceska_internetova_ekonomika_2016.pdf

[10] [online], [accessed 2017-12-15]

[11] Czech Statistical Office, Enterprises in the Czech Republic using a company network and related technologies. Prague: Czech Statistical Office. Available from: https://www.czso.cz/csu/czso/vyuzivani-informacnich-a-komunikacnich-technologii-v-podnikatelskem-sektoru-2016-2017

[12] Meske, C. and Stieglitz, S. [2013 , " Adoption and use of social media in small and medium-sized enterprises ", in Harmsen, F. and Proper, H. [Eds), *Practice-Driven Research on Enterprise Transformation* , Springer Berlin Heidelberg, Berlin, pp. 61 - 75 .

[13] SME Corporation [2013], "SME Master Plan 2012-2020", available at:www.smecorp.gov.my/vn2/sites/default/files/chapter%202_0.pdf [online], [accessed 29. 12. 2017].

[14] Barry Ch., Markey R., Almquist E., Brahm Ch. Putting Social Media to Work, Bain Brief, [12. 9. 2011] in http://www.bain.com/publications/articles/putting-social-media-to-work.aspx [online], [accessed 2017-12-15].

[15] Using social media in the recruitment process, Robert Walters whitepaper in https://www.robertwalters.com/content/dam/robert-walters/corporate/news-and-pr/files/whitepapers/using-social-media-in-the-recruitment-process.pdf [online], [accessed 2017-12-15]