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The diagnosis of the use of social media in building an enterprise's relationships with customers: Poland and the European Union

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Summary: One of the key priorities of a modern enterprise that ensures a relatively sustainable competitive advantage in the market is building and maintaining stable relationships with its stakeholders, including customers. In this respect, an important role is played by modern information and communication technologies. The paper presents the diagnosis of the use of social media as one of the options that an enterprise has to build and maintain long-term relationships with its customers. The analysis, evaluation and conclusions from the study are based on selected data on the EU enterprises retrieved for the years 2012–2016 from the Eurostat database.

Keywords: customer relationships, social media, Poland, European Union.

Introduction

The modern enterprise is increasingly perceived through the prism of its relations with different groups of stakeholders. One of the customer relationship determinants is the fact that the modern economy requires a cooperative mindset, defined as joint, team-based activity underpinned by the capacity for lowering costs and increasing efficiency [11]. The authors interested in the field emphasize the role of customers (cf. [14], [18], [3]). Enterprises that aim to sustain their competitive position in the market need to differentiate their offer from the competition and propose a specific set of values delivered to customers in their products and services. In practice, this involves a new perspective on the enterprise-customer relationship and the emergence of the management and marketing concept that links an enterprise's market effectiveness to building customer loyalty. According to C.K. Prahalad and M.S. Krishnan, we are heading towards the world where value is defined in terms of the experience created at a given time with the co-participation of an individual customer. The pursuit of the principle that an individual customer is at the heart of value creation requires deeper

understanding of the behaviours, needs and qualifications of individual customers and involves the process of creating customer-specific value [13].

The development of modern enterprises is inseparably connected with the use of information and communication technologies. In their operations, enterprises commonly use broadband and the dynamic growth in the use of the Internet in business is closely linked with its inherent qualities: lack of bureaucratic restrictions, opportunities for international cooperation, a worldwide scope, and flexibility. Hence, the Internet has become a significant business tool used, among others, to conduct sales, exchange information, settle financial transactions, seek suppliers, or build long-term and stable relationships with customers.

It seems that the use of social media by enterprises may be a very effective tool for building and maintaining customer relationships. Their variety, both in terms of the form they can take and the goals they help pursue, causes that they are an ideal tool for enterprises of different sizes and operating in different industries.

The paper aims to diagnose to what extent social media are employed as a tool for building and maintaining long-term and stable relationships between an enterprise and its customers. The analysis of the extent, ways and goals of the use of social media was conducted based on the data on enterprises operating in the EU member states, obtained form the Eurostat database for the years 2012–2016.

A new paradigm: building the enterprise's long-term relationships with the customer

We should be aware of the ongoing transformation of business involving a radical change in the nature of the relationship between consumers and enterprises. The most significant change concerns the replacement of the concept of transaction by the concept of relationship. In the traditional approach, a transaction is a single act of purchase and sale, an exchange of value between a buyer and a seller. The transaction defined in this way is the basis for actions supported with the instruments offered in the 4P model (cf. [17]). An enterprise focuses its efforts on persuading a customer to enter into a transaction and on the transaction itself. Upon its completion, the firm considers the sale concluded, does not gauge the customer's reaction, does not seek an opportunity for a repeat transaction. The customer, on the other hand, attaches the same importance to the sale itself and the after-sale phase – it is the time when he evaluates the product, compares it with his expectations, and decides on subsequent purchases. This leads to the conclusion that the customer needs a relationship. This new perspective on the enterprise-customer link gives rise to the management and marketing concept that sees the firms' market effectiveness in terms of the successfully established partnership with market participants. This approach implies building loyalty bonds with the customer and establishing strategic alliances with busi-

ness partners [6]. The differences between the firm-customer connections based on transaction and relationship are presented in Table 1.

Table 1. Major components of the transactional and relational models

COMPONENT	TRANSACTIONAL MODEL	RELATIONAL MODEL
GOAL	To make a sale.	To attract and retain the customer (a sale is the beginning of relationship building).
CUSTOMER	Anonymous, separate from the seller.	Well-known, there is a mutual dependence between the seller and the buyer.
PRODUCT	The features of a product are the most important.	The benefits (values) from the purchase for the customer are the most important.
VALUE	The customer acquires value in the course of a sale.	Both parties co-define and multiply value.
COMMUNICATION	Monologue targetted at particular segment sof buyers; contact at the moment of a sale.	Individualized dialogue with a single customer; permanent in nature – not just at the moment of a sale.
SALE IN TIME	Sale transactions are one-off events, unconnected with other transactions.	The relationship with the customer is a long-term, planned process, embracing subsequent sale events.
DESIRED BY THE CUSTOMER	Satisfaction from the purchase.	Loyalty, long-term cooperation.
PRIMARY FUNCTION OF MARKETING	Attracting new customers, generating new transactions.	Building up value offered to existing customers, solving the customers' problems.

Source: compilation based on [12] and [8].

According to the relational model, the core function of management is the capacity for attracting, maintaining and developing relationships with the customer, offering and communicating value that is of significance to the customer [12]. Maintaining and developing the bonds that form between the firm and its customers bring benefits to both sides, although the benefits are not identical. This depends on, among other things, the closeness of the relationships (cf. [16]). As a result, long-term relationships with customers that enterprises pursue have two prime goals: first – building customer loyalty, which stabilizes the conditions in which the enterprise operates and the value of the firm, and second – including the customer in the process of identifying, creating and delivering value [4].

Nowadays, the process of building relationships between customers and the enterprise needs to account for four basic elements. These are: dialogue, access, risk assessment, transparency (DART). Dialogue means mutual, deep commitment and readiness to act on the side of both the firm and the customer. Dia-

logue results in the need for the understanding, based on empathy, of the customer experience and the ability to recognize the varied (social, cultural, emotional) context of experiences. Dialogue involves shared knowledge and the communication between two equal entities solving problems. Defined like this, dialogue leads to the emergence and existence of a loyal community. Access means that consumers can use value without the obligation of ownership. Increasingly, consumers want to achieve access to desired experiences instead of holding the ownership of a product. The element of risk concerns the assumption that if consumers are to co-create value with firms, they need to have better access to information on potential threats involved in the use of products and services. More and more often, consumers demand full information not only about the benefits of a product, but relevant threats and methods to assess private and social risks connected with products. The attribute of transparency is related with the diminishing informational asymmetry between the consumer and the firm, as information on the firm's products, technologies, and operation systems is becoming more easily accessible. The transparency of information is indispensible while building trust between institutions and individuals.

Although it might seem that the inclusion of the DART elements brings benefits, many firms are unable to accept them and perceive them as a source of tension and conflict in the firm-consumer relationship.

The role of the social media in building the enterprise's long-term relationship with the customer

The term social media is a concept used equally often by individual and business users. Despite the fact that the term used in a number of milieus (e.g. research firms, daily, press, etc.) on a daily basis, it is difficult to find one universally accepted definition. All social media, in popular belief, are part of the Web 2.0 trend [2]. They constitute a new form of activity on the Internet, which is based on virtual communities [9].

One of the definitions proposes that social media are „any activities, practices and behaviours in a community of people who connect online in order to share information, knowledge and opinions. Online dialogue is facilitated by a variety of applications and places for exchanging and conveying information as text, photos, video, and sound". Social media are also defined as the media under social control, which can be used on any scale. They carry both content and points of view on this content [7].

From the perspective of enterprises, the features of social media that are of particular significance are these that contribute to the process of building long-term relationships with customers. The reasons why social media are important for enterprises are the following [5]:

— Social media play a significant role in the everyday life of consumers, who often use them on a daily basis. Social media have become part of their life.
— Social media users generate so-called meta-information (information containing other data), which constitutes substantial value.
— They contain the social component and are viral in nature. This means that content posted on the Internet is made accessible to all its users in a way that is totally devoid of self-interest. This content is then disseminated on the internet by its other users in a fast and spontaneous way, spreading almost like a virus.
— Social media are user-friendly and allow users to develop and post content . Web 2.0 technologies do not require specialist knowledge and advanced skills from users, also when it comes to developing and posting content online.
— Compared to traditional media, social media are relatively cheap and accessible to everyone who wishes to obtain or post information.

They can be used in the process of firm value generation through crowdsourcing.

These attributes cause that enterprises that want to strengthen their position in today's markets cannot ignore social media. On the contrary, social media presence should be clearly reflected in strategies of modern enterprises.

The compilation of different types of social media used by enterprises to develop relationships with customers is presented in Table 2.

Table 2. The compilation of selected social media in enterprise-customer relationships

Type of medium	Characteristics
Social networking services	They bring together Internet users and enable them to stay in touch, share entertainment and information, group around certain topics and issues. Their primary role is in image creation and customer interaction development. They contribute to building a committed community – brand proponents for a product or a service.
Microblogs	They enable the publication of short messages in real time addressed to a group of people following a particular profile. They facilitate two-way communication with the customer, fats response, exchange of opinions and observations.
Video services	They allow the publication of video content by private and corporate users and create the platform for commenting and evaluating posts. They enable the building of a firm's image, they help reach out to customers through video, which give a chance to present products in a more comprehensive and thorough way. It supplements traditional text-based communication.
Social shopping services	They allow the posting of product opinions and brand recommendations by Internet users. They contribute to increasing sales and brand awareness. They are a tool to build relationships with clients and they allow compare company's offer to competitor's offer.

Table 2. The compilation of selected social media… (cont.)

Type of medium	Characteristics
Social bookmarking services	Internet users recommend content they encounter on the Internet and they evaluate it. They contribute to customer relationship building, image creation brand value generation and promotion, and an increased number of visits to the firm's website.
Social crowdsourcing services	The allow the exchange of information between the firm and its Internet user customers, for example, the evaluation of the firm's projects by customer communities. They enable knowledge acquisition and stimulate new ideas and market research. They contribute to the development of new products or services, the acquisition of knowledge from the market, image building.
Social expert services	They bring together a community of people with knowledge or competences from a particular field of science or are of activity. Their prime goal is to acquire expertise and win the approval of opinion formers. They contribute to building the image of a firm founded on knowledge.
Social geolocation services	Based on GPS functions in mobile devices, they allow the exchange of information between acquaintances on their current location and interesting places and offers. Their function is to deliver discounts and promotions to customers. They contribute to customer relationship building, creating a connection with a particular location.

Source: compilation based on [10].

The most popular social networking service – Facebook (FB) – was created over 10 years ago. Its position is reflected by the still growing number of users – over 20 million in Poland in 2015. The strength of its position draws on the widest reach and relatively low costs involved in reaching out to customers. Moreover, it is, in practice, the only social media channel that allows e-commerce campaigns on the Polish market. Other services have neither a comparable user database nor comparable capabilities. Limited numbers of active users on Twitter, Google+, or LinkedIn cause that these services are not frequent elements of customer briefs or the strategies of agencies. They do, however, have potential, which may, in the future, lead to changes of several percent in expenses allocated to social media.

The analysis and evaluation of the use of the social media in building a firm's long-term relationships with customers

In the era of universal access to the Internet, enterprises turn to its tools to build customer relationships more and more frequently. In addition to comprehensive websites and newsletters, social media play an increasingly important role. Apporximately one in four enterprises in Poland used at least one social networking service in 2016 (Figure 1), but this is still far behind the EU average (45%) and the country ranks last among the EU member states.

When enterprises are analyzed by size, in Poland it was large firms that used social media more often – slightly more than 35% in 2013 and more than 54% in 2016. Small businesses make use of social media less frequently – their percentage grew to 22% in 2016 (Table 3). Considering the dynamics of change, large enterprises had the highest rate of increase in the use of social media – a growth of 53% in 2016 compared to 2013. Medium-sized enterprises reported a growth of 40%, while small businesses – only 28%. Also in this respect, Poland performs worse than the EU average. In 2016, in Europe social media were used by 42% small businesses, 53% medium-sized enterprises, and 68% large enterprises.

Table 3. The use of social media in Polish enterprises by size in the years 2013–2016 (%)

Specification	Year							
	2013		2014		2015		2016	
	Poland	EU	Poland	EU	Poland	EU	Poland	EU
Small businesses	17.6	n.d	19.6	33.0	19.7	37.0	22.5	42.0
– change dynamics (previous year=100)			111	—	101	112	114	114
Medium-sized emterprises	24	n.d.	29.1	45.0	31.1	48.0	33.6	53.0
– change dynamics (previous year=100)			121	—	107	107	108	104
Large enetrprises	35.6	n.d.	46.0	59.0	49.4	63.0	54.4	68.0
– change dynamics (previous year=100)			128	—	108	107	110	108

Source: elaboration based on [19].

In the years 2013–2016, social networking services were the most popular social media tool used by Polish enterprises, irrespective of their size and core activity. Multimedia content-sharing websites and blogs were used to a much lesser degree, while wiki tools lost in popularity (Figure 2).

Compared to the EU average and the EU leaders, Polish enterprises rank low. In 2016, social networking services were used by 42% of the EU enterprises on average, blogs and microblogs were run by 14% of the EU enterprises, multimedia content-sharing websites were used by 15% of the EU enterprises, while wiki tools – by 5% of the EU enterprises.

Based on the Eurostat data, in 2015 social media were used, both in the EU (31%) and in POland (21%), mainly to create a firm's image and to market a firm's products. The other, less prominent, goals comprised: receiving and responding to customer feedback (both in the EU and in Poland – 20%), liaising with business partners (e.g. suppliers) and other organizations (e.g. public administration, non-governmental organizations) – 10% and 9% respectively, and involving customers in product development and innovation – 10% and 7% respectively (Figure 3).

According to available data, less than 3% of enterprises in Poland had a formally adopted strategy on how to use social media, which ranks the country last in the EU, together with Hungary and Latvia (Figure 4).

In Poland, this applied mosty to large enterprises (10%), whereas in the case of small businesses the figure stood at only 1%. The EU average was 4% for small businesses, 10% for medium-sized enterprises, and 21% for large enterprises.

Conclusion

The modern enterprise can choose to build close relationships with its customers and acquire knowledge about them so that they can form more accurate assessment about the problems experienced by customers and the goals they want to pursue. In consequence, forms can determine what they should offer to their customers and how they should allocate resources.

The purposeful use of social media offers enterprises a variety of opportunities and opens up new paths to reach out to customers and engage them in dialogue. This is becoming possible due to the individualized process of enterprise-customer communication. As a result of discussions conducted in the social media, enterprises can learn more about their customers' needs and make suitable adjustments. The dialogue participants exchange not only dry fats concerning the offer, but, most of all, experiences involved in the development of the offer in the first place, and then its practical application. This way the offer may be made fitter for purpose [15]. Moreover, customer needs evolve – and social media allow firms to spot and adjust to these changes more adeptly.

According the index proposed by the European Commission, Poland ranks only 23rd in terms of the development of the digital society, lagging far behind the leaders: Denmark, the Netherlands, and Finland. The data and calculations presented confirm that, in the times of dynamic developments Polish enterprises need to make a greater effort to make better use of the Internet and tools such as social media to build long-term relationships with customers. It is estimated that in 2014 enterprises in Poland allocated an average of 6% of advertising expenses to social media, while in 2016 it was as much as 10%.

It appears that the primary barriers to digitization and, as a result, the use of social media by Polish enterprises to develop their customer relationships are: poor basic digital skills of citizens and enterprises, the persistently traditional model of the economy despite the fact that many industries are undergoing digital change (e.g. agriculture), still insufficient investment in broadband infrastructure aiming to provide universal, high-quality Internet access, and the lack of the consistent policy on tax incentives for enterprises to acquire innovative technological solutions [1].

Despite a variety of challenges, the numerous benefits stemming from the use of social media by enterprises are likely to cause that the coming years will see their increased role in building and maintaining firms' relationships with customers.
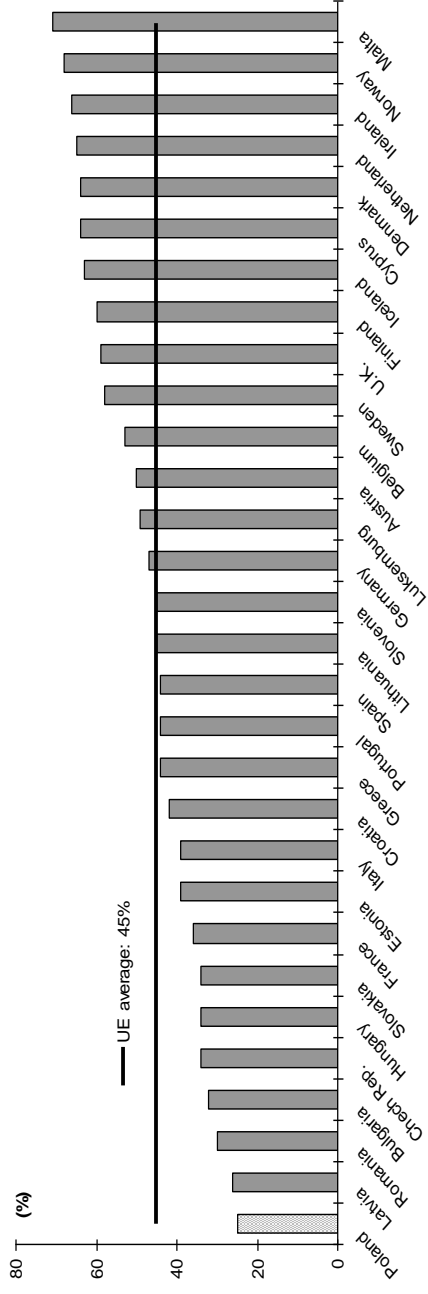
Figure 1. The use of social media in enterprises in the EU countries, 2016
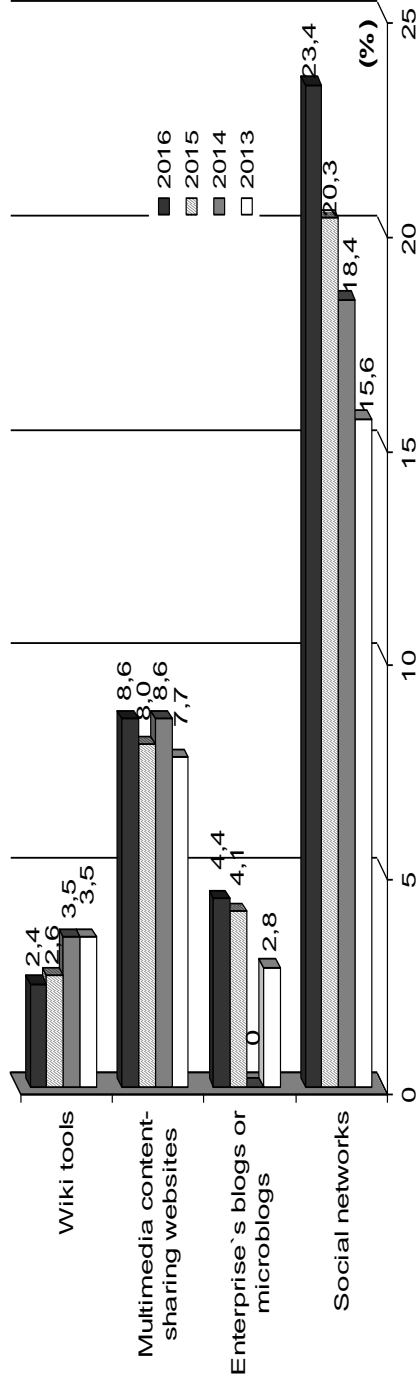
Source: elaboration based on [19].

Figure 2. The type of social media used in Polish enterprises, 2013–2016
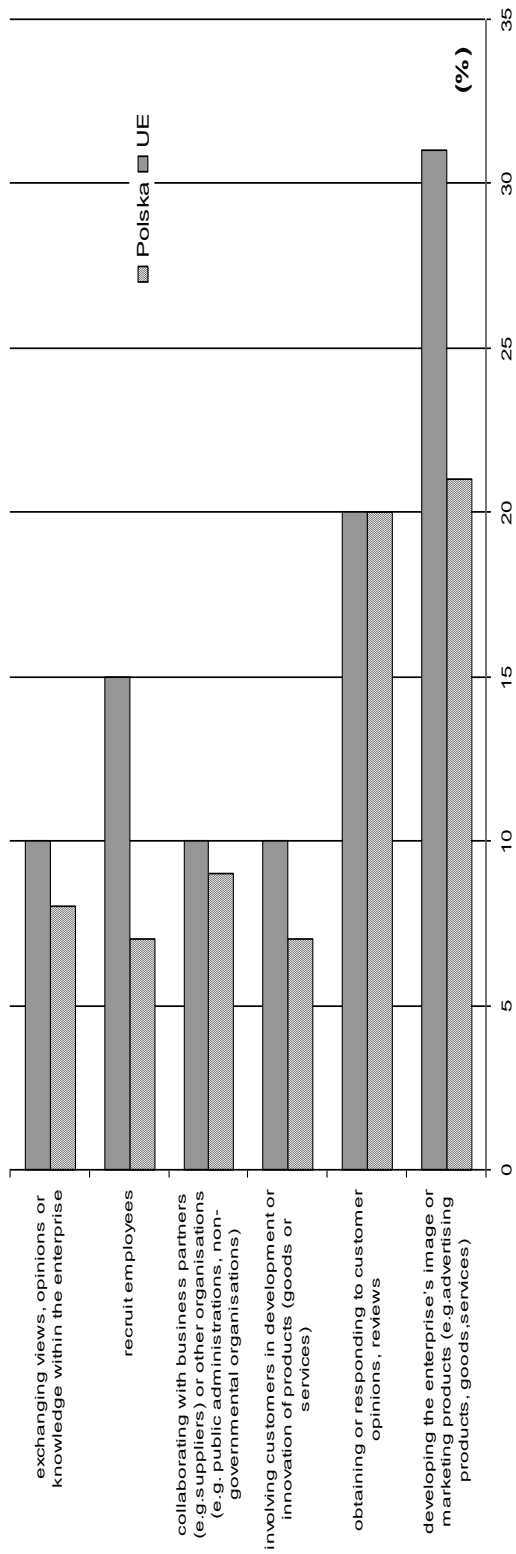
Source: elaboration based on [19].

Figure 3. Enterprises using social media by purposes, UE and Poland, 2015
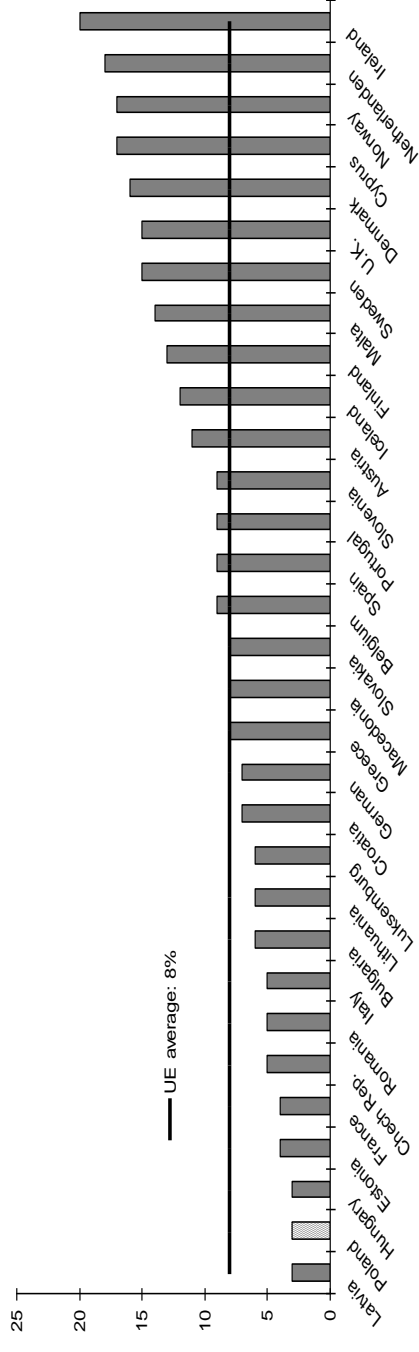
Source: elaboration based on [19].

Figure 4. EU enterprises that have a formally adopted policy concerning the use of social media, 2013

Source: elaboration based on [19].

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Diagnoza wykorzystania mediów społecznościowych w kreowaniu relacji przedsiębiorstwa z klientami: Polska na tle Unii Europejskiej

Synopsis: Jednym z zasadniczych priorytetów współczesnego przedsiębiorstwa, który umożliwia osiąganie wględnie trwałej przewagi konkurencyjnej na rynku, jest budowanie i utrzymywanie trwałych relacji z jego interesariuszami, w tym z klientami. Istotną rolę w osiąganiu tego celu odgrywają nowoczesne technologie informacyjno-komunikacyjne. W artykule przedstawiono diagnozę stopnia wykorzystania mediów społecznościowych jako jednej z możliwości budowania i podtrzymywania trwałych relacji przedsiębiorstwa z jego klientami. Analizę i ocenę oraz wnioski z przeprowadzonych badań oparto na wybranych danych charakteryzujących przedsiębiorstwa państw Unii Europejskiej, pozyskanych z bazy statystycznej Eurostatu w latach 2012–2016.

Słowa kluczowe: relacje z klientem, media społecznościowe, Polska, Unia Europejska.