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## MIGLĖ BABRAUSKAITĖ

Electronic Business Management

# SOCIAL MEDIA TOOLS FOR SUCCESSFUL E-BUSINESS COMMUNICATION

**Master thesis** 

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#### INTRODUCTION

**Novelty and relevance of the topic.** Recently social media became a very important communication, cooperation and content sharing tool. According to scientists social media is an open, multi-way communication tool which merges the capabilities of personal media (Arnaboldi & Coget, 2016). What is more, social media is accessible for everyone and fast, it increases the speed of information about created events, messages between companies and individual customers. Lastly, social media is affordable memberships of social media platforms because they are mostly free or inexpensive.

According to scientists, social media has been widely used for business purposes, with one of the main goals of stimulating social commerce related activities (Ng & Wang, 2013). The fast growth of social commerce is mainly due to rapid diffusion of social media tools and channels such as Facebook and Twitter (Wamba & Carter, 2014). In accordance with Statistics Portal, the number of social network users in 2015 was 2.04 bn. Facebook's numbers of active users worldwide are 1.59 bn., Twitter's 320 million. These tools can transform traditional company's process by providing qualitative customers shopping experience (sharing opinion with your friends before final item is purchased). Other social media tools can provide improved communication and collaboration between the company and stakeholders it is an innovative way for companies to identify products with high selling potential (Zhou, Zhang, Zimmermann, 2013) and a better channel for retaining and attracting new customers. Business-to-business (B2B) commerce companies can engage with clients, suppliers and distributors also to maintain an instant and constant dialogue (Durkin, Filbey, & McCartan-Quinn, 2014).

Social media tools are rapidly changing communication and interaction between people, therefore business organizations with current and potential clients have to interact completely different. Social media tools are easy to use and mainly free, so this is extremely beneficial to small and medium sized enterprises (SMEs) that may not have enough financial resources to use more traditional technical solutions. Social media tools opened up possibilities for direct transfer of targeted messages and get an instant response, for this reason new communication methods should be explored. Companies are forced to constantly looking for new ways how to effectively cooperate with clients and suppliers in order to have a positive image and successful communication.

**Previous scientific investigation.** Social media is widely discussed and examined in foreign author's publications. Social media in business topic is analyzed from different perspectives, first of all, how to measure social media influence in a company, there are several publications about how to measure social media return of investment (ROI) by using social media tools. Secondly, social media

strategies in a company is also been analyzed by multiple foreign authors. However, social media tools for successful e-business communication is quite new, because different aspects of concrete social media tools are not discussed broadly, especially using Lithuanian company's examples.

**Scientific issue (problem).** Business opportunities are increasing by using social media, however small and medium sized enterprises do not have clear strategic guidelines how to adopt and control new tools for effective e-business communication.

The object of the research. Social media strategy creation and implementation in small and medium sized enterprises for successful and effective e-business communication.

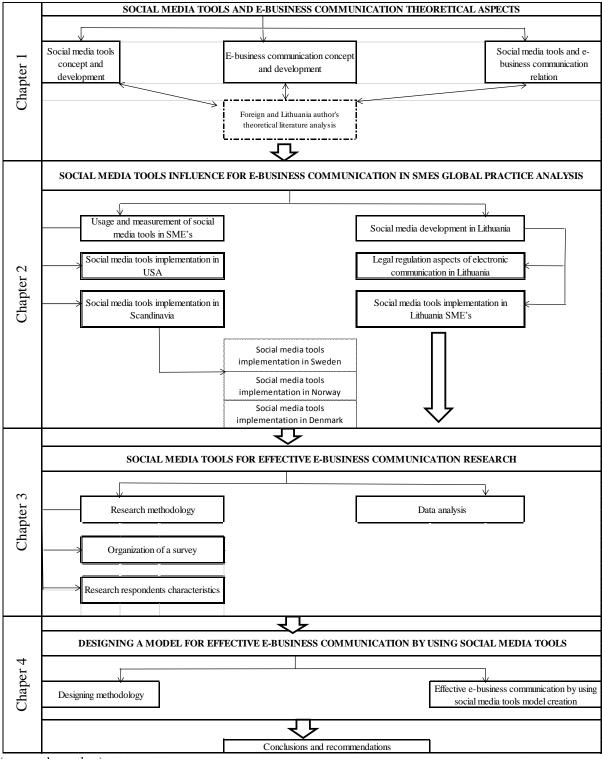
**Goal of the research.** Propose a model for effective e-business communication by using social media tools for SMEs and to provide further recommendations.

#### The tasks of the research:

- 1. To analyse theoretical aspects of social media tools and e-business communication;
- 2. To discuss social media and communication practical relation in foreign countries;
- 3. To perform and experts' opinion interviews which would help to determine e-business communication concept;
- 4. Based on theoretical and qualitative method research offer effective e-business communication model by using social media tools for SMEs.

The resources and research methods. The methodology is based on theoretical foreign author's insights, analytical and comparative methods. Mentioned methods were applied for foreign and Lithuania author's literature review. Moreover Lithuania legal regulations for social media were discussed as well as performed foreign countries case studies comparative analysis. Research was made from three chapters. First chapter consists of analysing foreign and Lithuania author's theoretical aspects about social media tools, business communication and their relation. Second part consists of countries: USA, Scandinavia region and Lithuania SME's case studies which shows practical social media tools examples and main benefits also challenges by using social media. In the third part expert's qualitative research method was performed in order to define e-business communication in enterprises and social media strategy implementation challenges. In order to determine social media tools for effective e-business communication a model was proposed.

**Practical significance of the research.** The qualitative study determines social media tools implementation and development level in SMEs for effective e-business communication. Moreover provided conclusions and recommendations have practical value for SMEs because it will help to facilitate social media establishment.



Source: (prepare by author)

**Figure 1.** Visual structure of the thesis

# 1. SOCIAL MEDIA TOOLS AND E-BUSINESS COMMUNICATION THEORETICAL ASPECTS

The aim of this chapter is to provide a concept of social media tools which are effecting ebusiness communication by conducting theoretical analysis of scientific literature sources targeting integration to various approaches. Important and the most relevant information of the literature studies will be discussed and presented on the meaning of company's value creation and the role of organizations and consumers.

#### 1.1. Social media tools development and concept

Social media tools are an integral part of social media network, in order to understand social media tools concept and development, first of all social media notion should be specified. Social media defined in many different ways. Social media is activities, practices and behavior met in the communities, which gather to share information, knowledge, and opinions by means of conversational environment (Erdogmus & Cicek, 2012). Definition that is more complex provided like this: "social media is a group of Internet-based applications that build on the ideological and technological foundations and that allow the creation and exchange of user generated content" (Kaplan & Haenlein, 2012). To sum up, social media is a platform, which allows its users to exchange knowledge, respond to the newest information and have conversations in created environment.

Social media could identify in the following types: collaborative projects, blogs and microblogs, virtual communities, socializing networks, the virtual world of games (Kaplan & Haenlein, 2012). In order to understand scale of social media networks statistic numbers provided further. According to information there are 1.65 billion monthly active users in Facebook, LinkedIn has 433 million users, Twitter reached 310 million monthly active users, Instagram 400 million users, on Wordpress there are 76.5 million blogs and YouTube has 1 billion users, 4 billion views per day (Smith, 2016). In comparison, how social media is expending some of social media networks statistics provided. In 2015, Facebook had 1.6 billion monthly active users, LinkedIn 380 million users and YouTube approximately had the same user number 1 million. This statistics shows that social media networks are still growing even if reached numbers are already significant. According to scientists, social media revolution is not only "on the way" to the business environment, but it is also have been seen in organizations worldwide due to an incredible speed it enters all the fields of social and economic life (Georgescu & Popescula, 2013).

Social media tool's rapid diffusion provides better customers shopping experience, opportunities to share your opinion and improved collaboration between the firm and its stakeholders.

Social media tools helps for small and medium sized companies to identify high potential selling products as well as attract potential customer using new media channels. Social media tools are not comprehensively staggered in different subgroups by foreign authors, just in one book (Lietsala & Sirkkunen, 2008) there are mentioned main social media publishing tools: blogs, wikis, podcasts and social network sites. Blogs are an online publication where the entries are published with the most recent information. The main blogs features are these: authorial voice (blogs are written in personal, conversational style); links and trackbacks (references for an articles); comments (acts like a message board); subscription (readers can easily be informed about new posts). What is more, it is important to mention micro-blogging. Micro-blogging is a service that allows to users to describe their current status in short posts (Larrsson & Hallvard, 2012). Another social media-publishing tool is wikis which are websites that allow people to contribute or edit content in a collective way. Wikis can disseminate information on a specific field to firm's stakeholders, commercial purposes or practical knowledge. Wikis usually include just text, but technology does not prevent to use sounds, videos or images. Podcast is another publishing tool they are audio and video files that are published on the Internet and which can be subscribed too. Finally, social media networks are the sites which profiles represent virtual reflection of not just individuals, but bands, causes, products, firms, groups of people and even pets. Social media networks give an opportunity to create private or semi-private profile and make connections with your friends, colleagues and opportunity to meet new people.

Authors suggest social media tools like gaming and virtual world, photo sharing, social bookmarking (Eyrich, Padman, Sweetser, 2008). Gaming and virtual world according scientists is an interaction and possibility to provide environment similar to real life (Yilmaz, Baydas, Coban, Goktas, 2016). Virtual world also incorporated online social networks for a possibility for a live communication. Photo sharing is a transfer or publication user's digital photo online. One of the best examples for photo sharing is Instagram, where users share their caught life moments with others. Another social media tool is social bookmarking. Bookmarks are in general saved links to Web pages. Social bookmarking is centralized online services, which allow for user add or edit and share bookmarks or any web documents. This concept helps users to be more organized and also enable to share information with other users. Mentioned social media tools are additional social media instruments, which let to share emotions and moments in different concepts, for example expressing feelings in a photo, or even displace you to virtual world. All these tools have the same purpose to have ability to communicate with others.

Being more specific about social media tools, the most popular social media network according to foreign authors will be discussed. One of the biggest social media platforms Facebook is become a

powerful brand (Linke & Zerfass, 2012). Facebook was launched in 2004 and within 24 hours 1200 users were signed. As mentioned before there are 1.65 billion monthly active users in Facebook. What is more according to TBG Digital (2012) many countries choose Facebook as a niche to promote their brand or business campaign, to communicate with potential clients and stakeholders, because it is a dominant social media site and potentially has a major influence on social commerce. Many well-known companies use Facebook to advertise their services and products. Some of the companies such as Adidas, Dell, and Lacoste etc. increase their customer's online participation, sales revenue and brand recognition using social media. (Devaney & Stein, 2013) explains main Facebook concept, for individuals Facebook is a platform that enables to share personal information with your friends, what is more this platform provide additional tools, which let to create events notifications, upload videos and photos. From business perspective Facebook is an ideal platform to engage with your current customers and advertise to find new customers. Facebook suggest tools like scheduled posts, promoted posts, stock photography that easier promotion activities for companies who administrates their Facebook pages.

LinkedIn is a professional version of Facebook where users create a professional profile and exchange information with other professional contacts (Arnaboldi & Coget, 2016). LinkedIn was founded in December 2002 and launched in May 2003 and after one month it had 4500 members (Carter, 2013). As it mentioned before LinkedIn already has 433 million users. LinkedIn platform and Business premium features allows for companies to promote themselves, find new customers, increase website traffic, build a professional community related with firms activities and interests, getting involved with in professional online networking, advertising and targeting specific. By using LinkedIn's additional tools companies can increase their sales and keep current customers satisfied, for example, getting notifications via "Network Updates" when a customer links with a sales representatives from different company that offers the same products, that might be a perfect time to contact a customer again for additional sales (Vermeiren & Verdonck, 2014). LinkedIn helped to develop a new business promotion tendency how to advertise services or products connect with new consumers and potential stakeholders.

Social media channel, which has different approach for individuals and companies, is Twitter. Twitter was established in 2006 and nowadays this social media channel has about 310 million users and 9100 tweets every second. Twitter is a micro-blogging platform where short messages are sent to public audience and subscribers. Twitter is another marketing channel for promoting business. Twitter for business can be used for many reasons like: as a marketing channel, this platform can be built by company's brand name and leads; to generate sales; to provide customer support and to manage

company's reputation (Prodromou, 2013). By creating an appropriate account for business there should be some aspects to be considered. Twitter account name should be original business or brand name also discussed topic how many employees will have an access for created account and selected promotion materials in order to have fluent communication with consumers.

Social media tools have a substantial influence in social media and it is still increasing. Well-chosen social media publishing instruments can lead business to more proactive business environment Companies are able to increase sales, have closer contacts with customers and have a better visibility in media. Facebook, LinkedIn and Twitter are one of the most popular social media platforms and also well-designed instruments for small and medium sized enterprises to use them as a linkage between a consumer and a firm.

#### 1.2. E-business communication concept and development

In this part, the most important aim is to define e-business communication. First of all, a clear ebusiness description and selected e-business model for business communication will be proposed. Business model in general is a structure where a company defines business processes and how participants contact in further chain of value. Electronic business models are classified in these main categories: business to business (B2B), business to consumer (B2C), consumer to consumer (C2C), government to business (G2B), government to consumer (G2C) and government to government (G2G) (Jovarauskienė, Pilinkienė, 2009). In this work, the main concepts which will be discussed are business to business (B2B) and business to consumer (B2C). Business to business is one of the most popular commercial models. In general, it is a business model, when business processes take place between two companies. Business to consumer model defined as bargains between business organizations and individual consumers, which are made directly or invoking information nets. "The main principle of this business model using is connected with the efforts, which the company makes in order to give complete necessary information about its production or services to present or potential consumers, allowing them to order goods, to pay for them and expect future services" (Jovarauskienė, Pilinkienė, 2009). According to scientists "communication around business organizations changed because of technologies, the demand for intercultural communication skills, the changing person organization relationships and the global nature of organizing" (Waldeck, Durante, Helmuth, Marcia, 2012). As it mentioned before in this chapter the main communication areas will be communication with consumers and business communication. Scientist suggests in the table below these key concepts for corporate communication (Cornellisen, 2014), (see Table 2).

**Table 1.** Key concepts in corporate communication

Concept	Definition		
Mission	Overriding purpose in the line with the values and expectations		
	of stakeholders		
Vision	Desired future state: the aspiration of the organization		
Corporate objectives	Statement of overall aims in line with the overall purpose		
Strategies	The ways or means in which the corporate objectives are to be		
	achieved and put into effect		
Corporate identity	The profile and values communicated by an organization		
Corporate image	The immediate set of associations of an individual in response		
	to one or more signals or messages from or about a particular		
	organization at a single point in time		
Corporate reputation	An individual's collective representation of past images of an		
	organization (included through either communication or past		
	experience) established over time		
Stakeholder	Any group or individuals who can affect or is affected by the		
	achievement of the organization's objectives		
Market	A defined group for whom a product is or may be in demand		
	(and for whom an organization creates and maintains products		
	and services)		
Communication	The tactics and media that are used to communicate with		
	external and internal groups		
Integration	The act of coordinating all communication so that the corporate		
	identity is effectively and consistently communicated to internal		
	and external groups		
C (C			

Source: (Cornellisen, 2014)

Described key concepts for corporate communication not all the time are being used together, so it depends from company's decision which concepts and messages will be introduced with consumers, partners, stakeholders and etc. However, every company should think about these concepts and it doesn't matter if a company communicate with consumer or with another business company, translated messages should be consistent and united.

Important aspect for e-business communication is how communication developed. Nowadays

every company has to think about new communication channels, tools and create concepts that would get a positive feedback from a society, consumers and business partners. Business communication trends development forced companies to think about corporate identity, corporate reputation and corporate branding. These aspects could be named as models for reputation management, in other words, created company's messages could change partners, stakeholders and consumers position in their minds (Cornellisen, 2014), so companies are trying to disseminate messages about environment issues and how they help to solve them also messages about corporate social responsibility and company's good atmosphere in working culture. As a result, internal and external communication can't be separated. What is more, in today's environment organizations have to stand out from their rivers, because every day a person is hit by average 5000 commercial messages on the internet (Johnson, 2014). Intergraded communication strategies for internal and external environment are more likely break communication clutter and make the company name or product to stand out among competitors. Consistent messages can help to be more noticeable by stakeholder, partners and consumers. Organizations therefore have to put considerable effort into managing their corporate image by controlling all communication campaigns and all other information, which is submitted for press release.

Internal and external business communication is an important aspect for every company's image and brand awareness. Successful communication means to have a concrete communication strategy, which should be used in order to stand out from other competitors. Created messages should not just attract new consumers, partners and stakeholders, but also show company's statements, how they want to be seen to mentioned actors and to create a general view what are company's values and believes.

#### 1.3. Social media tools and e-business communication relation

Social media tools as well as e-business communication main aspects have been discussed. In this part, social media and business communication relation will be analyzed. "Businesses are quick to capitalize on the properties of social media by exploiting its prospective multifaceted functions" (Zhang & Lin, 2015). "Some businesses have utilized social media as an advertising medium to promote products and service to a wider consumer base" (Hansson, Wrangmo, & Soilen, 2013). Others are using social media as a communication channel to provide customer support. What is more company's want to keep customers updated about their products and services and publish new releases, thus staying connected with customers in order to have a stronger bond and brand recognition (Mitic &

Kapoulas, 2012). Authors (Floreddu, 2014; Camboa & Goncalves, 2014; Pereira, 2014; Reilly & Hynan, 2014) suggested main social media tools usage aspects for companies:

- 1. to provide information about services, goods and special offers;
- 2. to increase brand awareness;
- 3. to highlight financial performance and to raise investors' interest;
- 4. to advertise vacant job positions;
- 5. to educate stakeholders about social matters and environmental protection;
- 6. to discuss local events on a global scale and to offer a reinterpretation of global;
- 7. facts through the lens of local culture;
- 8. to collect stakeholders' opinions and suggestions;
- 9. to manage stakeholders' consent and corporate reputation.

Social media has extended the capacity of the Internet by enabling instant and constant, unique and personalized conversations more achievable and effective. Interactive and participatory features of social media facilitate business to realize the potential of the Internet to achieve relational outcomes, which include trust, satisfaction, community and control mutuality (Zhang & Lin, 2015).

Before using social media tools, every company should figure out main social media features and strategies, which would be constantly in usage to reach company's goals. Authors suggests this social media strategy framework and key elements for creating social media strategy (Effing & Spil, 2016), (see Table 2).

**Table 2.** Social media's strategy framework key elements

Key elements	Explanation				
Target audience	Organizations should define which target groups to address using social media channels because companies: "must be able to				
	segment their priority populations, that is, be able to identify, isolate, and know the degree to which these populations use and				
	access web 2.0 social media.				
Channel choice	The choice of the channel largely determines the effectiveness and even the appropriateness of communication through a certain social media channel.				
Goals	Social media should have a clear purpose to be effective. The importance of concrete and measurable goals as part of social				

	media plans is necessary.		
Resources	Valuable resources should be allocated to be successful in social		
	media. Some employees should receive training and education to		
	obtain the required skills to work with social media channels.		
Policies	Some basic rules should be set in the organization to both regulate		
	the corporate communication of employees and protect their rights		
	in regard to free speech.		
Monitoring	Companies should carefully monitor and listen to what is		
	happening on social media channels in the public space, especially		
	in times of crisis.		
Content activities The content activities plan makes clear in which time			
	what order campaigns, projects, use and monitoring will take		
	place.		

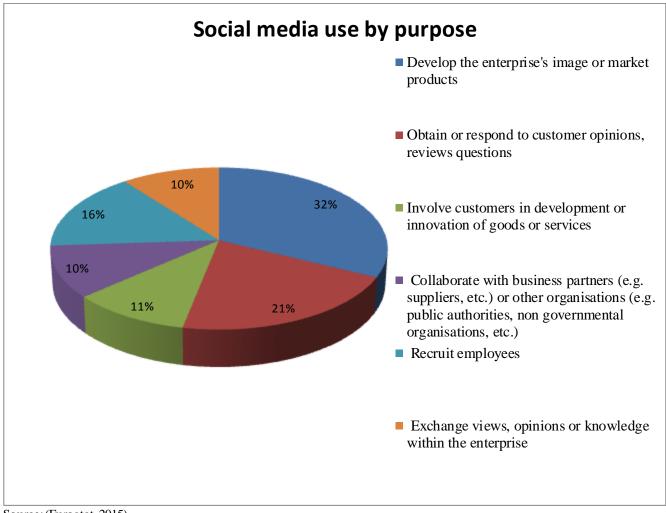
Source: (Effing & Spil, 2016)

Provided elements are important for creating a value for social media strategy and organization. The basic idea for having a social media strategy is to have a clear structure how social media channels should work in a company and who should be responsible for content creation.

#### 1.3.1. Social network and stakeholder's engagement

Being present on social media offers companies the possibilities interact with people of all ages. What is more an organization which intend to differentiate messages for young people and adults can do it in a very low cost by means of separated corporate accounts on social networks containing topics of interest for different groups of ages. "What it is important to notice that social media communication is much quicker and efficient than traditional communication" (Bosseti, 2016). By using social media, large and small companies can have significant advantages, because social media websites works as an amplifier of word of mouth (Patnaik, 2011)

According to Eurostat survey about 36% of EU enterprises used one or more social media profiles in 2015. More particularly 36% of EU enterprises use social media networks (Facebook, LinkedIn, Xing, Viadeo, Yammer and etc). What is more in 2015 about 13% of EU enterprises used its blog or micro-blogs (e.g. Twitter, Present.ly, etc.) and 13% enterprises use multimedia content sharing websites (e.g. YouTube, Flickr, Picasa, SlideShare, etc). According to 2015 data these companies use social media for mentioned reasons below:



Source: (Eurostat, 2015)

Figure 2. Social media use for purpose

From provided information, EU enterprises mostly use social media for marketing purpose to develop market image, products and increase brand awareness. Another important purpose of social media is communication with clients. Online communication helps to quickly react to customer's reviews, questions or suggestions, however customers who are not satisfied with services or products could have a negative influence to company's reputation. Communication with a client using social media should be very professional, quick and also informative. What is more about 10% of enterprises uses social media for e-business communication for example communicate with business partners or other organizations, this shows that companies are still lacking interaction with their partners and do not have social media for e-business culture. However according to scientists, organizations are able to implement five strategies on social networks (Cmeciu & Cmeciu 2014):

"the strategy of informing, through which a company publishes information about its activities and provides beneficial information content to stakeholders;"

- "the strategy of connecting, building a linkage between the organization and its virtual stakeholder community;"
- "the strategy of engaging, to make the internet users active participants on the company's social network profiles;"
- "the strategy of mobilizing, through this strategy stakeholders are encouraged to express their appreciation, share and comment the content posted by the organization on its social network profile;"
- "the strategy of interacting, which aims to promote a bilateral communication between the firm and its stakeholders."

Social networks offer a support for stakeholder's engagement, because they enable organizations to build online relationships and exchange information, which could be transmitted instantly. "Enterprises which have active communication in social networks can develop a constructive dialogue with current and potential stakeholders in order to encourage a beneficial exchange of ideas, innovations, involvement in decision making and general evaluation process" (Driessen, Kok & Hillebrand, 2013).

Effective stakeholder's engagement depends on an organization's ability to communicate in a transparent way. The table below shows two-way communication and stakeholder's engagement example (Bosseti, 2016), (see Table 3).

ORGANIZATION

1) Intent to understand and satisfy stakeholder expectations

2) Transperent external communication

STAKEHOLDER

STAKEHOLDER
information

2) Willingness to provide feedback

**Table 3.** Two-way communication and stakeholder engagement

Source: (Bosseti, 2016)

Traditionally meetings with potential investors, financial analysts, suppliers etc. have developed stakeholder engagement. "Recent years social networks added to traditional tools of interaction between firms and stakeholders. Every message, picture or video posted on social networks by a firm can raise stakeholder's comments and replies, providing relevant feedback to a company" (Bosseti, 2016).

Furthermore, companies can reach and involve broader communities on the Internet. When a company on its account posts something, it becomes visible to all the people connected with it. Posted

information expands the possibility for the company to build a conversation with audience and helps to explore, emphasize the main corporate success factors, strategies and results for different groups of stakeholders (Bosseti, 2016).

#### 1.4. Social media challenges and negative influence in e-business communication

Social media is a very active and fast-moving domain (Kaplan, Haenlein, 2010). What is interesting for a consumer today in social media could be disappear from virtual landscape tomorrow. For this reason companies must have a set up guidelines in order to avoid a negative influence of e-business communication. In this paragraph, the main challenges of social media impact to a company will be discussed.

According to scientists, the negative perspective of social media could emerge if a company is not choosing right applications for e-business communication (Kaplan & Haenlein, 2010). There is no possibility to be present in all social media networks at one time and have qualitative content. It is a very crucial aspect for a company to choose a right medium for reaching defined target groups and communicate the most important messages about business, otherwise company's stakeholders and target groups will be lost among provided information in social media which will show unprofessional communication strategy.

Another important challenge in social media is to stay active in order to develop a relationship with your consumers, partners or stakeholders. Social media networks are very dynamic, because of constantly changing information, so company's profile should always stay fresh, updated and ready to engage in discussions with interested groups. Every organization should be also aware that involvement should extend beyond responding to negative comments and defending product offerings (Kaplan, Haenlein, 2010). Social media one of the main purposes is not to explain why company's product or service is better than others, but to engage others into open and interactive discussion. However, discussions can be hard to control, so responsible employees for communication should always have in consideration time limit for responses and prepare concrete information for answers.

Further challenge in social media is overflowing information and not concrete content. Mentioned aspects could have serious consequences to company's reputation, because social media activities should be always aligned together in different channels. Responsible employees for social media information should assure interesting, useful and comprehensive company's content. The first step is to clarify what stakeholders and customers would like to hear, read or discuss about and then prepare content that fits everyone's expectations. What is more, every company should not forget to post qualitative videos, pictures and blogs to show a high – quality content (Baxter, 2015).

First of all, using social media tools is not an easy task and requires time, effort, new ideas and human resources in order to ensure qualitative, informative and interesting content for consumers, stakeholders, partners and suppliers. Secondly, social media tools usage should be controlled otherwise it could have s serious consequences for company's reputation among clients and competitors. Even though social media helps to easily reach target groups and establish a discussion is should be always under a control of responsible company's employees.

# 2. SOCIAL MEDIA TOOLS INFLUENCE FOR E-BUSINESS COMMUNICATION IN SMEs GLOBAL PRACTICE ANALYSIS

Small and medium sized enterprises play an important role in national economies, both employers and by collectively contributing (Wielicki & Arendt 2010). "Smaller businesses are as keys in encouraging country's enterprise development culture and promoting business growth. This important role demands ability for SMEs to effectively use information technology, which has been identified as a main driver for increasing productivity gains" (Wielicki & Arendt 2010). However, there is a lack of defined benefits for using social media in SME's and lack of understanding how to use or measure social media tools influence (Stockdale, Ahmed, Scheepers, 2012).

The aim of this chapter is to discuss practical social media tools usage in SMEs and determine measurement tools. What is more, according to other countries social media usage examples define the main benefits that companies gain by using social media tools and compare how social media has been differently treated in various countries. Definitions of small and medium sized enterprises in Europe and in USA will be provided in Annexes (see Annex 1 and Annex 2).

#### 2.1. Usage and measurement of social media tools in SMEs

Social media usage is especially beneficial for small and medium-sized enterprises because it is mainly free and easy to use. What is more usually SME's do not have financial backing or technical expertise required for more traditional technical solutions (Stockdale, Achmed, Scheepers, 2012). However, to ensure that social media is used effectively, business should have a clear plan and strategy how it will be used and what it will be used for. Without social media communication strategy and measurement tools businesses can not define its usefulness and effectiveness. In this part, social media measurement tools will be discussed in order to have a clear view how to measure e-business communication effectiveness.

Understanding social media value is a complex task because there are a lot of analytical tools and a lot of ways how to measure it. However, for SMEs it could be confusing which analytical tools to choose and track them, especially if a company is establishing a new social media tool. Table 4 indicates some main social media objectives and examples of metrics. Objectives shows what kind of implementation outcome could a company gain and metrics shows what kind of measures could be established (McCann & Barlow 2015).

Table 4. Social media objectives and metrics

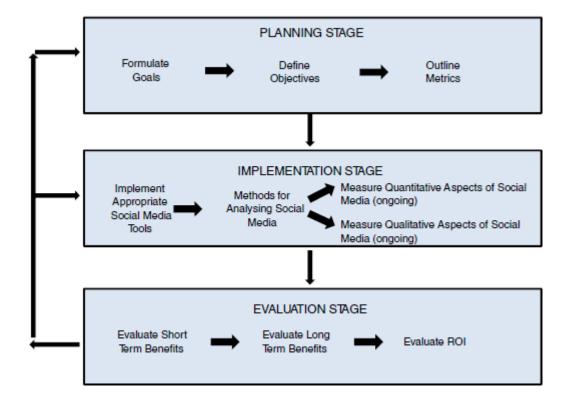
Objectives	Examples of metrics	
Improve customer service	<ul> <li>Track level of positive/negative comments</li> <li>Analyze sentiment of customer comments</li> <li>Measure time taken to resolve a customer service request</li> </ul>	
Increase sales	<ul> <li>Analyze sales volume by product, categories, location</li> <li>Monitor landing pages/click-throughs that lead to purchase, from specific social media platforms</li> </ul>	
Improve brand awareness	<ul> <li>Analyze volume of mentions across channels, e.g. count the number of likes, visitors, followers, brand mentions</li> <li>Track level of positive/negative comments</li> <li>Analyze sentiment of comments</li> <li>Analyze sources of comments</li> <li>Ranking in search engines</li> </ul>	
Reduce costs	<ul> <li>Track change in costs</li> <li>Benchmark number of customers reached through specific social media campaigns compared to other campaigns</li> </ul>	
Improve promotion of company products/services	<ul> <li>Assess customer feedback via social media channels</li> <li>Number of page views</li> <li>Number of RSS feeds</li> <li>Number of comments</li> <li>Track level of positive/negative comments</li> <li>Analyze sentiment of comments</li> </ul>	
Building relationships with business contacts/customers	<ul> <li>Amount of user-generated content</li> <li>Track number of followers/subscribers</li> <li>Track number of unique visitors/regular visitors</li> <li>Analyze sentiment of comments</li> <li>Analyze source/quality of authors</li> </ul>	
Increasing volume of traffic to web site	<ul> <li>Number of incoming links</li> <li>Number of visitors</li> <li>Monitor landing pages/click-throughs from specific social media platforms</li> <li>Ranking in search engines</li> </ul>	

Source: (McCann & Barlow, 2015)

Mentioned social media objectives and examples of metrics shows that there are many qualitative and quantitative aspects by which social media impact could be measured. Equally hard financial metrics such us cost per lead, cost per engagement should be included to fully measure activity worth. To sum up, companies must to coordinate data, tools, technology and talent across multiple functions (Divol, Edelman & Sarrazin 2012).

Previously mentioned examples of metrics are hard to track by small or medium sized companies because there are a lot of indicators that could be observed but not all are necessary. Businesses have a possibility to use analytical tools in order to gather data and measure the impact of social media. Social media platforms are now suggesting their analytical tools like Facebook Analytics, Twitter Analyser or YouTube Analytics, which provide concrete information about followers, likes, comments etc. Another possibility is to choose provided tools from search engines like Google Analytics or Google Alerts. These tools can help to collect data about how many times a company, brand or product name were mentioned in search engine (McCann & Barlow 2015). Moreover companies that are interested in their competitor's activities can use analytical tools like Alexa which helps to track web traffics of your competitors, Monitor Backlinks, SpyFu which provide information about competitors used keywords and etc. Analytical tools can represent comprehensive information about various social media aspects and help to analyze gained data. However analytical tools are usually too expensive for SMEs. What is more a responsible employee for social media communication should also have a sufficient amount of knowledge how to adapt gained information from analytical tools in a company's activities.

Eventually authors McCann and Barlow suggest a simplified model for companies in order to measure their ROI (see Figure 3). In this model, there are three main stages: Planning stage which helps to formulate concrete information what businesses should want from social media by defining goals, objectives and metrics. Implementation stage is actions steps, which should be implemented in a company such as social media tools, their usage and possible measurements. Finally evaluation stage suggests evaluating short and long term benefits which would lead to counting ROI. This model could be applied in different size and field companies because it is easy to understand and to use it however it still not really concrete, so every company should clearly define what measurement they will take into consideration. Overall this proposed model could be used as main guidelines for not just counting ROI but also for creating a social media e-business communication strategy.



Source: (McCann & Barlow, 2015)

Figure 3. Measurement of ROI in social media

Even though there a lot of determine social media metrics, data and analytical tools it is still complicated for SMEs to have a clear guidelines how to measure social media impact in their company. Although social media is free and for SMEss it is the cheapest way to promote their businesses. Analytical tools require additional human and financial resources. For mentioned reasons businesses should clearly define in their social media communication strategy what tools will be used and who will be responsible for tracking gained information.

#### 2.1.1. Social media tools implementation in USA

Social media tools benefits for businesses is a very relevant topic. However, there is a lack of research how social media is effecting SMEs for this reasons there is not a lot of information how to create a social media communication strategy. "When considering the adoption of social media tools, it is very important that SMEs determine what they plan to achieve through their use" (Chua, Deans, & Parker, 2009). This requires a concrete plan and identification of final social media influence goals. For this chapter will be analyzed social media tools implementation in USA, because this country has 296 million Internet users as well as the largest online market worldwide with 87.36% online penetration.

The chosen case studies of three SMEs in USA that use social media tools will provide more concrete view how businesses are using social media in practice. First chosen company is River Pools and Spas, second company is Bushwick Kitchen (originally Mix Made) which makes and sells spicy honey and West Café restaurant. Detailed information about companies is provided in Table 5.

**Table 5.** Selected companies overview

Company name	Employee number	Business	Applications	
River Pools and Spas	(<20)	Pools and Spas	YouTube, Blogs,	
			Facebook, Twitter, Website.	
Bushwick Kitchen	(<15)	Food products	Facebook, Twitter, Blog,	
			Instagram, Website.	
West Café	(<20)	Restaurant	Blogs, Twitter, Facebook,	
			Website.	

Source: (prepare by author)

As we can see from Table 5 all companies are using social media tools for better communication with clients. Every company has different difficulties in their business, so main problems would be provided in order to understand company's needs. West Café and River Pools and Spas business problems are identified according authors research (Stockdale & Ahmed, 2012).

Bushwick Kitchen business problems:

- Finding suppliers and partners
- Creating product awareness because of a new product in a market

West Café business problems:

- Price sensitivity
- Low search engine optimization
- Poor results with traditional marketing

River Pools and Spas problems:

- Customers low reach of main company's website
- Competitors
- Low search engine optimization

From provided businesses difficulties companies are also facing general problems like lack of engine optimization and social media visibility. For these case studies the most important thing was to use social media initiatives in order to increase they online visibility. "The main feature for company's success was improving traffic to their websites" (Lacho & Marinello, 2010). This driver is well acknowledged in the literature Website traffic could be improved by search engine optimization which means a better visibility is search engines like Yahoo, Bing or Google. Companies first of all should critically evaluate their current websites and keep in mind the main search engine optimization aspects: keywords at the website, titles, links, words in links and reputation. What is more companies could use additional tools like Google AdWords which helps to prioritize your company website in a top of a Google search by paying attention to a certain budget to keywords and quality to your extensions or additional information. Bushwick Kitchen boosts their sales by using social media, blogs and emails. Company was persistent by contacting partners and suppliers and asking customers feedback by using their Facebook page. What is more small blogs helped a lot they made increased customers number. River Pools and Spa decide to publish interesting and relevant content in their website and other social media tools. Company made videos about swimming pools and spa and that made bigger traffic to their website and greater awareness about company's services. West Café started a blog which helped to increase amount of likes, comments and shares in Facebook and that also helped to grade higher position of search engines because search engine's algorithm scan written contact. All three companies become more active in social media and were using selected applications (see Table 6), this helped to boost visitors traffic to their websites and increased customers number.

Authors Stockdale and Ahmed detected and provided comprehensive information how business values from the use of social media for Rivers Pools and Spas and for West Café, Bushwick Kitchen results will be presented as well in Table 6.

**Table 6.** Business values resulting from social media usage

Organizations	Business values resulting		
Rivers Pools and	Expenditures for advertising reduced by 70%		
Spas	Website traffic increased by 300-400% on average		
	Installed more in ground swimming pools than any other company in the		
	United States in the past year (compared to 2011 year).		
West Café	• Web site traffic increased 500% in six months, page views increased 300% in		
	six months, traffic from search engines increased from 42% to 70%		
	(compared to 2011 year results)		

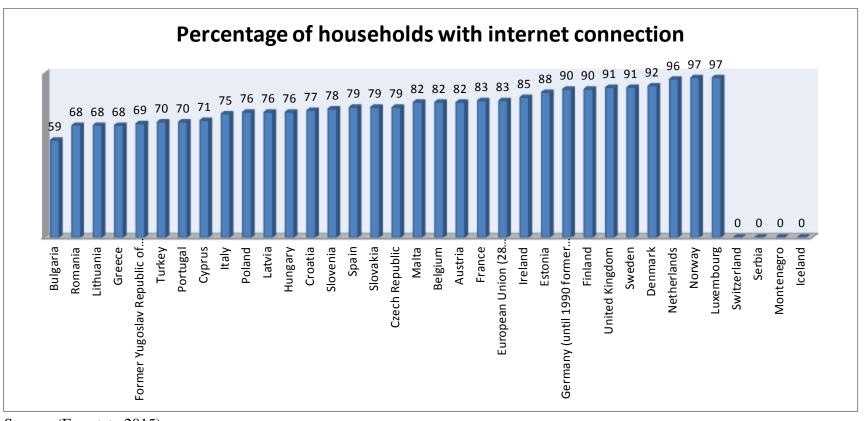
	By using social media, the organization achieved rankings within the top 10			
	search results in Google			
Bushwick Kitchen	• The press that was built led to 2200% growth in sales over previous months			
	averages in 2014			
	• 100 000\$ revenue came in the holiday month while previously one year			
	revenue was 170 000\$			
	Between March and December in 2014 direct (customers reached company			
	by going to main website directly) traffic increased 41% compared to			
	previous year same months			
	Between March and December in 2014 search engines traffic increased 26%			
	compared to previous year same months			
	Between March and December in 2014 traffic by referrals increased 33%			
	compared to previous year same months			

Source: (prepare by author)

From provided information, all three companies improved their web traffic results and increased search engines traffic results. Boost number in traffic results determine increased sales and bigger revenue or business. These examples show that for SMEs it is very convenient to invest time and effort to social media and possible tools, which can increase visibility and attract more consumers. Social media investments pays off, but companies should be constantly working and improving social media messages and create strategies how to be efficient and effective.

#### 2.1.2. Social media tools implementation in Scandinavia

Scandinavia countries (Sweden, Norway and Denmark) share a common culture, history and similar approach towards business. According Eurostat data, these three countries have one of the biggest percentages of household using Internet connection (see Figure 4). Moreover selected countries internet use for selling goods and services online contains about 28% of Sweden, Norway and Denmark online users while whole Europe average is 19%. Scandinavia countries are leaders in many more Internet usage activities so for these reasons mentioned countries were selected for further social media tools implementation discussion.



Source: (Eurostat, 2015)

Figure 4. Percentage of households with internet connection in 2015

#### 2.1.2.1 Social media tools implementation in Sweden

Sweden is one of the leading countries according to Internet usage and adoption. Eurostat data from 2015 represents that 62% of internet use is dedicated for participating in social media activities like creating user profile or posting messages in Facebook, Twitter etc. Even bigger amount of internet users about 66% use Internet access for participating in social or professional networks. These numbers represents that Sweden have active social media tools users, so for SMEs is crucial to adopt the most convenient strategy how to attract new customers by using social media. In this part, several case studies from Swedish firms Odd Moly and Haglofs will be provided.

Case studies were selected according to small and medium size enterprises definition in Europe. For better understanding, about companies and their activities basic information will be provided in Table 7.

**Table 7.** Selected Sweden company's overview

Company name	Employees	Business	Applications	
Odd Moly	80	Apparel and Fashion	Website,	Instagram,
			LinkedIn,	Facebook,
			Pinterest, Sp	otify.
Haglöfs	51-200	Outdoor equipment	Website,	Facebook,
			Pinterest,	YouTube,
			Twitter,	Blog,
			LinkedIn.	

Source: (prepare by author)

Odd Molly is a Sweden company founded in 2002. This company's main goals not just create clothes but also spread positive messages to woman (Fredriksson, Senator & Tall, 2009). Old Molly brand is well known not just in Scandinavia countries, but also in whole Europe because this brand can be found in 41 countries. Swedish brand quickly succeeded and become one of the fastest growing businesses in Sweden, however quick success determine that a company need new ways how to advertise their production as well as keep current customers, so the main factors of social media tools usage will be distinguished:

Odd Molly development strategy goal is to standardize communication (Fredriksson, Senator & Tall, 2009). This means that Odd Moly brand spread messages should be consistent in all countries using the same social media channels. What is more from the beginning company spread a clear

brand foundation (love, courage, integrity) which over the years made a company easily recognized among competitors;

- Blog from 2010 till 2011 active blog about events, fashion trends and new clothes. From 2011
   June blog was closed and all communication till now is on Facebook;
- Innovative way of attracting and keeping customers loyalty is to use Spotify, which is not usual
  social media communication network, but company share music from their fashion shows in order
  to attract consumers, which are interested in fashion and in music.

Another Swedish company that main social media aspects will be discussed is Haglöfs which was established in 1914. Company specializes in making outdoor equipment and now company become one of the largest suppliers for outdoor clothes and shoes in Europe, Asia and Nordic region (Haglöfs, 2016). As well as Odd Molly outdoor equipment, company Haglöfs from the beginning of their businesses focused on creating a sustainable brand (Peltola, 2014) by communicating same values and messages to their audience. Haglöfs company wants to be seen as a professional, responsible, active and authentic firm in a market (Peltola, 2014). The main aspects of company's social media tools usage and e-business communication will be discussed below:

- YouTube channel as an active outdoor company Haglöfs has a YouTube channel were they post videos every week in order to keep their channel updated and have a consistency. Moreover company's strategy to create videos not just about clothes, but about people and their stories and keep brand clothes just a small part of a video.
- Blog in a main website company keeps tab called "Friends & stories" which is a mix of articles
  about people and their stories as well as information about events. This is a great way how to
  communicate with customers and to show possible partners, suppliers what are company's
  activities about.
- Social networks number Haglöß compared to other discussed case study companies has a
  biggest amount of social networks. It gives a possibility to communicate with clients in a fastest
  way however it is a big responsibility to manage all the social media tools for a qualitative
  communication.

To sum up, Sweden companies have a strong brand identity, which is created by a consistent communication and targeted messages using social media channels. What is more companies create new ways how to attract new customers by using not traditional tools like Spotify or by making videos and telling real people stories in order to create brand awareness.

#### 2.1.2.2. Social media tools implementation in Norway

Norway is really active Internet user in Europe. According to Eurostat 2015 data 73% of Internet use is related with participating in social media networks (creating profiles, writing posts and comments) using social media tools such as Facebook and Twitter. Internet use for finding information about goods and services reach 82%, which is a very high and mostly very important number for SMEs in order to attract new customers for their businesses. Norway is a modern country and quickly adopts new technologies, so for this reason Norway companies must have effective social media communication.

Selected Norway company is Blivakker.no according to company's website is one of the largest online shop for hair, makeup and skin products. Company was founded in 2007 and has a successful growth the main details about sustainable company growth will be reviewed. More detailed information about a company provided in Table 8.

**Table 8.** Selected Norway company's overview

Company name	Employees	Business	Applications
Blivakker.no	10	Cosmetics	LinkedIn, Facebook,
			Instagram

Source: (prepare by author)

- As many other online shops Blivakker.no have Facebook page were company actively publish
  articles, information about sales and tutorials. This helps to reach and attract new consumers
  with the most relevant information.
- Blivakker Mobile implementation. Even though mobile implementation is related with technical usage of webpage, but it is worth to mention that a company adopts their consumers' needs to shop more quickly and easier from mobile device.
- Blivakker has a lot of positive feedback in social media networks for fast, simple and save services in their website.

Overall Norway is a high technology country, so for this reason companies should think about changing consumers' needs and adopt new features in their websites. What is more with social media tools help SMEs can easily reach their consumers. Positive feedback from customers helps to create a reliable image in social media and attracts even more new consumers.

#### 2.1.2.3. Social media tools implementation in Denmark

Denmark as well as Sweden and Norway have a high percentage of Internet users. According to Eurostat 2015 data it is 92% of households. Main activities on the Internet are participating in social networks about 65% users are doing it and about 77% of users are searching for goods and services to buy. Denmark pays attention to social media so for this reason if a company wants to establish a business it has to make connections with social media.

Given Danish company example will be a little different, because company is specific and has very narrow niche, so it is important to discuss how these SMEs are able to attract consumers or partners. More detailed information about a company will be provided in Table 9.

Table 9. Selected Denmark company's overview

Company name	Employees	Business	Applications
Blueprinter	11-50	Mechanical or Industrial	LinkedIn, Facebook,
		Engineering	Instagram, Twitter,
			Pinterest, YouTube

Source: (prepare by author)

Blueprint company was founded in 2009 and its main product is 3d printer. Blueprint is not orientated to attract single customers they are more focused to find partners, which will use printers for a specific areas for this reason in company's website there is a tab "Partner Login", so interested stakeholders could become a Blueprint partners. Moreover, company is using a lot of different social media networks. One of the most effective tool would be YouTube channel because company can show their work examples and technique of 3d printer however the last video was uploaded 4 months ago (information checked 15<sup>th</sup> of November), so there is lack of consistent content in mentioned channel. Facebook is the most updated social media network because company publishes articles receives customer's reviews and comments so it is interactive communication with stakeholders. Company uses Twitter as micro blogging and publishes articles interviews with CEO upload latest printed works photos.

Blueprint company is an active social media participant which was quite unexpected, because company has business in small niche. However, it is a good example how company tries to establish and find new collaborations with partners through social media tools. This collaboration with stakeholders could be named as B2B business communication model. Even though social media is

usually used for B2C communication model more and more businesses decides to use it as well in B2B.

#### 2.2. Social media development in Lithuania

Lithuania is one of the smallest European countries, however even a small country can reach significant results by measuring ICT development Index. ICT development Index reflects country's information and communication technology indicators (Measuring the Information society 2015 report). According to 2015 data Lithuania is in 40<sup>th</sup> place at global rank which is a quite high position for a small country. Even though percentage of households with Internet is reaching 68% Lithuanians have high adult literacy rate 99.82, compared to the first position country Korea (Rep.) 99.00 it is even higher (ICT development Index 2015). Previously disused Scandinavia countries (Sweden, Denmark and Norway) are ranked in top 10 results. High results shows that Lithuanians are paying attention to developing and adopting information and communication technologies in their daily life or businesses.

Previously discussed Scandinavia countries Internet users activities showed that consumers are active social network participants and searching information about goods and services. Lithuania Internet users activities are slightly different. Above is provided (see Figure 5) the most common activities between individuals.

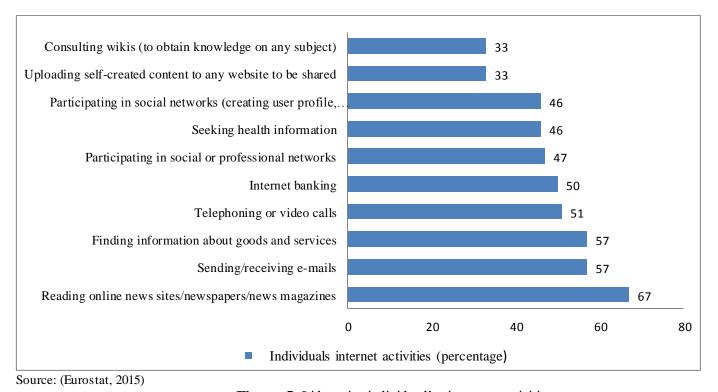


Figure 5. Lithuania individual's internet activities

According to Eurostat 2015 data 67% Lithuanians are reading newspapers and magazines, 57% are searching information about goods and services and sending or receiving emails. Individuals who are participating in social media networks activities reach 46%. Even though provided data represents that individuals are using Internet for more practical reasons social media networks are taking a big part of daily users activities. Lithuania Facebook user base has 1,3 million unique users and it became the most usable source for entertainment, news and communication. What is more Lithuania has 230 000 active Instagram community (Iprospect, 2015) however Twitter is not really popular is has possible couple of thousand users.

All provided information reveal several important aspects that Lithuania is willingly adopting and developing new information and communication technologies which means that is a good perspective to establish new innovative businesses. Internet user activities shows that individuals are paying attention to practical Internet usage and the last thing that Lithuanians are more loyal to one or couple social networks and more concentrating to have all needed information in one place. This information is relevant for SMEs, which are planning or already established businesses in Lithuania to decide what social media tools to use for effective-business communication.

#### 2.2.1. Legal regulation aspects of electronic communication in Lithuania

Before discussing social media tools implementation for SME's in Lithuania, it is important to review legal aspects of electronic communication. Social media tools are used for attracting new audience and increase services or products sales, so it is important to know legal aspects of relationship between businesses and a client in e-commerce. In order to understand main regulations of legislation Lithuania law act and European Parliament and Council Directives will be discussed.

EU Directive on electronic commerce 2000/31/EC (of 8 Jun, 2000) is designed to ensure electronic commerce legal entities expectations and increase consumer confidence in transactions using electronic instruments. E-commerce directive intends to establish internal market guidelines for e-commerce, which will provide legal stability for business and for consumers. Directive sets norms for commercial communications, electronic contracts, service providers and information requirements. Moreover directive regulates the relations between B2C, B2B and it sets just minimum requirements however Member States can impose if it is necessary for more strict provisions. E-commerce Directive includes information about online trade in goods and services, online information, online advertising, entertainment services and etc. (Maseviciute, 2009). "The objective of this Directive is to create a legal framework to ensure the free movement of information society services between Member States and not to harmonise the field of criminal law as such" (Directive 2000/31/EC).

In Lithuania Directive provisions were implemented by the Law of Information society services of 25 May, 2006, No. X-614. Lithuania has the *Electronic* Communications Law of the Republic of Lithuania of 15 April, 2004, No. IX-2135. "This law regulates social relations pertaining to electronic communications services and networks, associated facilities and services, use of electronic communications resources as well as social relations pertaining to radio equipment, terminal equipment and electromagnetic compatibility". Electronic Communication Law gives definitions for electronic communication, electronic communication network, electronic communication service etc., it is important to mention this because for SME's it could be helpful to define their business process and help to consumers had better understand electronic communication aspects. However this law describes more about relationships between telecommunication service recipient and service provider.

From consumer's side it is worth to mention Click-wrap agreement which means that consumer by clicking button "Accept" while buying product or service agrees with all the terms and conditions which are given on a screen. However a lot of consumers do not read terms and conditions and accept it without any further concerns (Maseviciute, 2009) which in the future can cause conflicts between a company and a consumer. In order to avoid misunderstandings by having a click-wrap agreement on a company's website there are some basic tips what it is necessary to pay attention for a company (Barnett, 2015):

- Agreement should be fully display on a screen for a consumer, not just "I agree/I disagree" buttons. What is more in the end of terms and conditions it is a good idea to have a tick box which should be marked by consumer and then pressed acceptance button
- Paper-trial could be very helpful in case of a consumer complaint. Paper-trial would reflect
  information when agreement was submitted and at what time also what kind of terms and
  conditions were presented and etc.
- Lastly a possibility to discard a process should be provided for a consumer in any time of his purchasing process (Kunkel, 2002).

Consumer's protection is regulated by the main legal act in Lithuania is Law on Consumer protection of 10 November 1994, No. I-657.

In conclusion mentioned legal acts are just a small part of Lithuania and even a smaller part of European Union legal acts. Laws are created with reference of European Union Directives and every Member State use provided guidelines for creating their own legal acts. From consumers and businesses side it is important to have a common understanding about laws and who are responsible of

regulating laws, what are main rights and responsibilities and etc. in order to avoid misunderstandings and conflict situations.

#### 2.2.2. Social media tools implementation in Lithuania SMEs

Analyzed social media usage in USA and in Scandinavia SMEs showed how companies can adopt social media tools and what positive outcomes it can bring to companies businesses. It is important to analyze how Lithuania companies are using social media tools and how they are succeeding. Even though Lithuania is implementing information and communication technologies quickly according to ICT development Index it is essential to compare how SME's are adopting changes.

This time two Lithuania companies will be analyzed in order to understand social media tools usage in SMEs. More detailed information about companies will be provided in Table 10.

Table 10. Selected Lithuania companies' overview

Company name	Employees	Business	Applications
Uoga Uoga	44	Natural cosmetics	Pinterest, Instagram,
(direct translation:			Facebook, blog, website.
Berry Berry)			
Lėkštė.lt (direct	19	Food and Beverages	Facebook, LinkedIn,
translation: plate.lt)			website.

Source: (prepared by author)

Company Uoga uoga was established in 2011 with an innovative concept of making natural cosmetic products. Brand became successful quite fast and was recognized among different audience. Social media for this brand popularity did not take a big influence however company is using social media tools like Facebook and Instagram. These social media channels help to present new products into a market also consumers can express their opinion and write reviews. In a main website there is also combined blog with articles which are published every month. Overall social media part of this brand is not significant because it is an innovative business idea, so company uses social media more or less for user convenience to show new products, reply to comments and share ideas.

Lėkštė.lt is a company, which was founded in 2012. Currently, company is the biggest in the market and offers to order food from 100 different restaurants in Vilnius. Significant Results Company reached in 2014 when lėkštė.lt has been recognized as the best e-commerce service providing company

at "Login" awards. Company social media success story started from YouTube channel TV series "serialas" were actors promoted lèkštė. It services, so it was an innovative way to use social media channel. What is more company made a cooperation with one of the biggest Lithuania news portal Delfi. It to have a banner and this is a convenient way to reach audience as previous results of Eurostat data showed that Lithuanians mostly use Internet for reading news sites and papers (see Figure 5). Company use social media tools like Facebook and Twitter, but Twitter account last time updated in 2014. Facebook page is used for updates and games also for customers reviews, however last update was on September (checked on November 18<sup>th</sup>). In addition, company uses Google AdWords to be visible in search engine first page (Marciee, 2014). Even though company has social media channels, they are not active social media participants and updates information just time to time.

To sum up, analyzed different countries social media aspects and Lithuania example it can be said that Lithuanian SMEs tendency is to use social media as a marketing tool in order to increase exposure, without having a clear formed social media policy. Companies are trying to take advantage of the great potential using social media in reaching their customers. As analyzed before Scandinavia countries see, to have a more sophisticated view of the way social media tools can be used in companies. The most important thing Scandinavia countries have social media policy targeted to the needs of their businesses, social media is also a tool for creating partnerships. (Aaltonen, Kakderi, Hausmann, Heinze, 2013).

# 3. SOCIAL MEDIA TOOLS FOR EFFECTIVE E-BUSINESS COMMUNICATION RESEARCH

# 3.1. Research methodology

Issue of the research. Social media tools are widely used for daily communication with customers. Social media networks helps to sell services and products, expand brand awareness and gather feedback. However not a lot of SMEs are taking care of social media tools strategy creation. What is more effective e-business communication is not determine in scientific literature or explained in practice which makes difficult for small and medium enterprises to fully implement social media strategies for e-business communication.

The object of the research. Social media tools usage and implementation in small and medium sized enterprises for effective e-business communication.

Goal of the research. Evaluate experts provided information and insights about e-business communication strategy and its influence to small and medium sized enterprises. Determine what social media tools organizations are using in order to improve communication with suppliers, partners or stakeholders. What is more to mark what kind of difficulties organizations faces with e-business communication development establishment.

#### The tasks of the research:

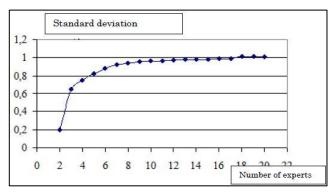
- To perform and experts' opinion survey which would help to determine e-business communication strategies and social media tools in small and medium sized enterprises;
- To offer e-business communication main strategies aspects and actions for development.

The qualitative research method. Qualitative method was chosen because it represents individuals' actual practice subjective aspects and adjusts personal relation field (Tidikis, 2003). For qualitative research method was chosen experts' opinion survey by structured questionnaire form. Expert evaluation method was chosen in order to assess separate expert's opinions and combine common decisions. This qualitative research method applies for a concrete problem, process or phenomenon investigation, which requires a special skills and knowledge (Bitinas, Rupšienė & Žydžiūnaitė, 2008). The questionnaire was made from open and multiple-choice questions. Respondents were familiar with the main issue of a research. What is more a questionnaire aim was to gather experts' opinion about social media tools and strategies for e-business communication, which

are used in practice. Experts' insights and answers were submitted as the personal experience, opinion and knowledge. Questionnaire also indicates explanations how to fill in certain parts.

# 3.1.1. Organization of a research

Before performing a survey, it is important to determine the right number of experts. On one hand a small number of experts reduce, the cost of the expertise on the other hand a very large number of experts complicates consensus formation. For this research nine respondents were chosen. According to scientists, accuracy of decision and evaluation is sufficient when the number of experts reach nine (Baležentis and Žalimaitė, 2011), (see Figure 6).



Source: (Baležentis & Žalimaitė, 2011)

Figure 6. Expert evaluation standard deviation dependence on the number of experts

The graph illustrates that the aggregated expert assessment modules with equal weights of small expert group decisions and evaluation accuracy does not yield a large group of expert's decision and evaluation accuracy. Further increase of the number of experts to obtain estimates of the accuracy slightly increases, reaching a maximum group of five to nine experts (Baležentis & Žalimaitė, 2011).

For social media tools usage and implementation in SMEs, research method was chosen an expert's opinion survey, which was held by a questionnaire. Research was held from October 24 th till November 14 th. The experts have been chosen according to their activity areas and what was important is that experts would have been working in SMEs for a longer period and company would have been related with social media. Information about potential experts was been looking on the Internet and then after selecting candidates they were contacted personally. The main research goal was presented to the experts: to define social media tools usage in SMEs for effective e-business communication.

Overall research was composed from questions related with e-business communication, social media tools and strategy creation. Experts specified their working areas but most of them wanted to

stay in anonymity, so for this reason experts were named, such as Expert A, Expert B etc.

The questionnaire consists of 8 questions: 4 of them are open questions and 3 of them are questions with multiple choices and in one question experts were asked to evaluate the formulated statements by the assessment scale from -2 to 2 (2 means "totally agree", 1 - "agree", 0 - "I am not sure", -1 - "disagree", -2 - "totally disagree").

In the first open question experts were asked to answer: How could you describe e-business communication in your organization?

**In the second** closed question experts were asked to choose the most suitable answer for a question: What forms of social media tools your company is using for e-business communication?

**In the third** closed question experts were asked to choose the most suitable answer for question: Who is responsible in your organization for social media usage?

**In the fourth** formulated closed question experts were asked to answer: Do you have a defined e-business communication strategy in your organization?

In the fifth question experts were asked to evaluate the formulated statement: What are the challenges that business enterprises faces by using social media. Table 11 shows statement evaluation aspects.

**Table 11**. Fifth survey question evaluation table

Statements	-2	-1	0	1	2
1. Unfavorable organizational culture					
1. Ollavorable Organizational Culture					
2. Insufficient priority					
3. Additional costs					
4. The lack of return on investment					
5. Technical complexity					
6. Fear of losing control					
7. Lack of information					
8. Lack of human resources					

9. Not facing any challenges			

**In the sixth** open question experts were asked to answer: Please, distinguish the main problems for e-business communication development?

**In the seventh** open question experts were asked to answer: What actions should be taken in order to increase e-business communication with partners, suppliers and stakeholders?

The last eight open question was formulated: What social media benefits you can identify for e-business communication?

Questions were sent by email and one survey was held by phone.

# 3.1.2. Research respondents characteristics

Twelve surveys were received, but just nine respondents answered all the questions. Three respondents did not answer all open questions, so their answers were not taken into consideration.

- Expert A communication manager. Field of activity logistic services and consultation.
- Expert B marketing project manager. Field of activity transport and logistics services.
- Expert C e-marketing manager. Field of activity wholesale suppliers for building materials.
- Expert D employee. Field of activity clothes internet shops, wholesale and retail trade.
- Expert E manager. Field of activity technical advisory services
- Expert F manager. Field of activity wholesale and retail trade.
- Expert G brand manager. Field of activity trade and service company.
- Expert H communication manager. Field of activity financial service consultation
- Expert I social networking expert. Field of activity financial service consultation.

The goal of a research was to determine social media tools for effective e-business communication, so it was important to find experts from different fields who are working in SMEs in order to have a possibility to compare results. However, all companies are using social media tools, so answered question goal is to find out how experts are managing social media tools and how they understand the importance of having social media strategy for different communication channels.

#### 3.2. Data analysis

Research is based on qualitative method, so every expert's opinion and insights are really important and needed to be analysed. The first question was presented for expert's to determine how

they understand and describe e-business communication in a company, so every answer will be analysed separately.

Expert A determines how she/he understands e-business communication in company "We have three FB accounts that are focused on: the future and current employees, drivers and customers. For each account, communication is different, but I can describe as friendly and warm, happy to speak what is true for people who are interested in our company and we try to provide your company's strengths."

Expert B claims e-business communication is: "Communication with clients is mainly by e-channels, except direct calls."

Expert C claims that: "Our business is based on internet selling, so for us e-business communication it's everything which connected with communication online: e-shop, emails, googleAd etc." Expert D describes e-business commutation: "Selling clothes online, writing articles and posts about new fashion trends and sending newsletters."

Expert E, F, G, H just replied that they have a good e-business communication in a company and Expert I defines that": "E-business communication is really necessary in a company, because it is important to maintain a good reputation in social media by using e-channels, emails and other social media networks".

In summary, from provided expert's insights it is clear that e-business communication consists from social media tools as well as strategy how to communicate with customers or partners. Companies are using e-channels for faster and more convenient communication, but do not forget to keep emotional connection with clients. However companies who describe e-business communication as *good* do not pay attention to analyze what part of daily activities takes communication.

For the second question experts were asked to name social media tools which are used in their companies, so results are presented in the diagram below (see Figure 7)

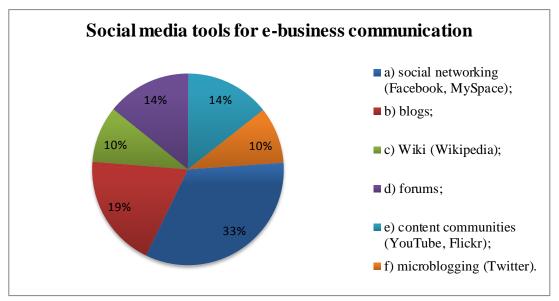
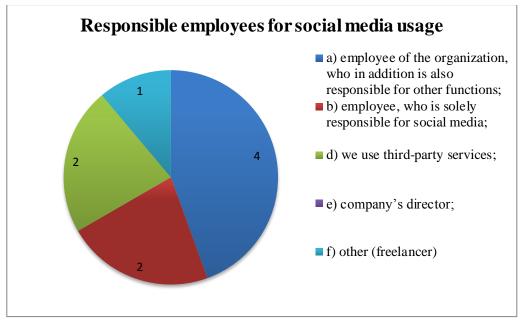


Figure 7. Social media tools for e-business communication

The most popular social media tools are social networking sites mostly because by using social media tool like Facebook a company can share photos, videos and comments also can communicate with customers. From previous different countries social media usage habits examples 19% of companies are using blogs as their social media tool which shows that companies are interested into sharing more detailed information about a work they do or just give useful information and tips for consumers.

Experts were also asked to answer how they allocate human resources for social media usage in a company. This question was important because it shows SMEs approach towards social media implementation in a company if they have a separate person for these tasks, or they allocate responsibilities to other people (see Figure 8)



**Figure 8.** Responsible employees for social media usage in a company

From collected results, it is seen that mostly companies do not hire additional employees, but instead use an employee who has already different tasks (Experts A, B, C E). Majority of companies make this decision mostly because of financial reasons, but 5 respondents have answered that they have human resources particularly just for work with social media. Experts F and G have employees particularly for social media tasks, Experts D and I use third-party services and Expert H hires an additional person who was named as a freelancer.

Another important aspect of social media usage in SME's is strategy creation and implementation. Every company who is using social media tools should have a clear strategy for it. Results from expert's answers could be seen in Figure 9.

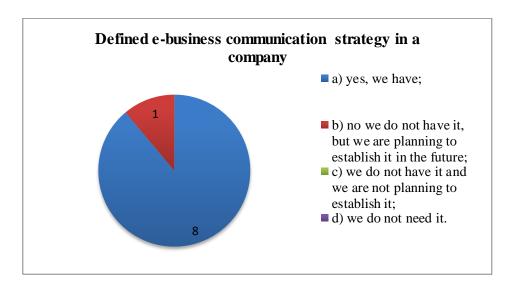


Figure 9. Defined e-business communication strategy in a company

Results are satisfying because almost all companies have social media strategy just Expert C answered that they are planning to have it in a future.

In the fifth question, experts were asked to evaluate a statement about challenges in social media, so assessment criteria's are presented separately in order to identify the biggest obstacles. Unfavorable organization culture results are presented below (see Figure 10).



Source: (prepare by author)

Figure 10. Unfavorable organizational culture

Experts C, H and G totally agree with this statement that one of the biggest obstacles in their company is unfavorable organizational culture this could define that responsible company's employees are not willing to contribute while creating social media strategy or company's board of executives are not paying enough attention to social media usage improvements. What is more in company's which are working for a long time it could be hard to establish innovations, because employees are less willing to change their daily routines. Experts A, B, E also agrees with this statement and Experts D, H, I disagree with it.

Second part of a question is consist of a statement that companies can have difficulties with social media establishments because of insufficient priority in company (see Figure 11).

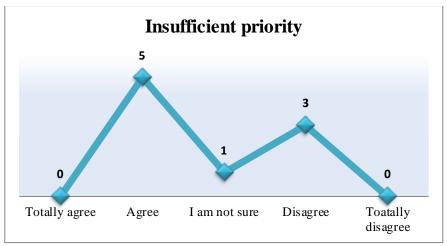
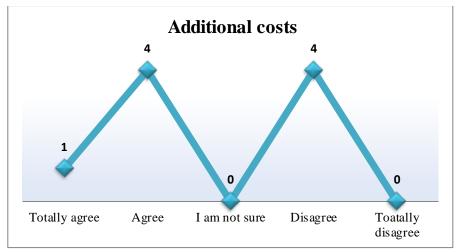


Figure 11. Insufficient priority

Experts A, B, E, F, and G agree that this statement is important and they do not have enough attention to social media or do not consider it as a priority in a company. Expert C is not sure about this statement and Experts D, I, H disagree with it. Overall, 5 of 9 experts think that social media is not a priority in their company and this is quite a high number.

Third part statement related with financial resources, so it was important to find out if cost of social media can be challenging for a company.

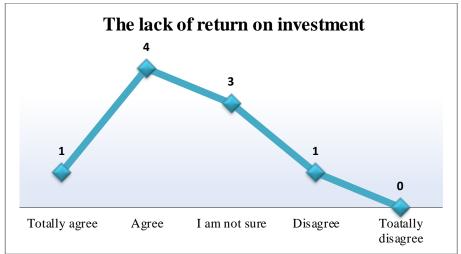


Source: (prepare by author)

Figure 12. Additional costs

Five of nine expert totally agree (Expert C) and agree (Experts D, E, H, I) that financial resources or additional costs for social media is challenging aspect for a company. Even if social media and tools are a cheap alternative for attracting customers and promoting products and services it still a sensitive area for companies to additionally allocate their expenses. However four Experts A, B, F, G disagree with this statement.

The fourth statement is related with ROI. It is important to figure out if the lack of return on investment is challenging a company while using social media (see Figure 13)



Source: (prepare by author)

Figure 13. The lack of return on investment

Expert C totally agree and Experts A, E, G, I agree that the lack of ROI is a challenging aspect. Three Experts B, D, F are not sure about this probably because measuring social media ROI is a complex task and not all companies are measuring it and Expert H disagree with this statement. Overall, five out of nine experts are seeing a problem with the lack of ROI and that also shows that companies have social media measurements which are important in order to evaluate social media strategy.

The fifth statement Technical complexity was included in order to figure out if companies have difficulties while establishing new technologies or using new social media tools. Results can be seen in Figure 14.

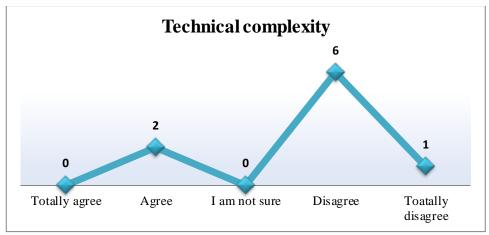


Figure 14. Technical complexity

It is good to see that seven out of nine experts do not see a challenge in technical complexity. This could mean that employees who work with social media have a high competency in their working are or they easily adopt new technologies. With this statement, totally disagree Expert G and disagree Experts A, B, C, D, H, I however, Experts E, F answered that it is one of the reasons why social media is challenging.

The sixth statement is a fear of losing control in social media. Results spread quite differently (see Figure 15).



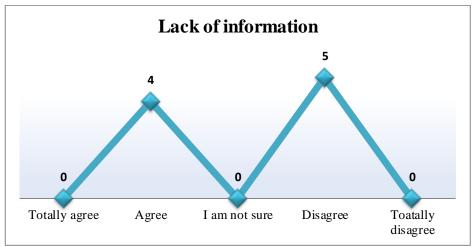
Source: (prepare by author)

**Figure 15.** Fear of losing control

Experts C, F, I totally agree with this statement. As discussed previously social media is very sensitive, so it is easy to lose control. Experts D, E also agree with this statement. Social media is helpful for attracting new consumers and partner, however one bad review, article or comment can harm business irretrievably and if company not reacting to those things and not giving a proper answer

control can be easily lost and controlled by others. However, Experts A, H disagree with this statement and Experts B, G are not sure about it.

Lack of information is the seventh statement and results how experts answered to it can see below (see Figure 16).

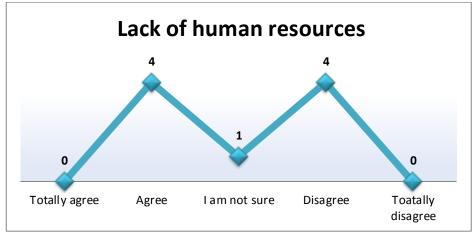


Source: (prepare by author)

Figure 16. Lack of information

Results turned out controversial because four of nine experts (Experts D, E, F,G) agree with this statement and 5 experts (Experts A, B, C, H, I) disagree. However, information is a very brood term, so it is hard to analyze what one or another expert had in mind while evaluating this statement.

The eighth statement is related with human resources. Lack of human resources could really affect social media tools implementation in a company as well as it is a challenging to have any social media usage in a company. Results can be seen in a Figure 17.



Source: (prepare by author)

Figure 17. Lack of human resources

Surprisingly results distributed quite differently while one expert (Expert A) is not sure about this statement other experts agree (Experts B, C, E, F) and others (Experts D, G, H, I) disagree. This could be explained by the facts that companies who do not hire additional employees (Experts A, B, C, E) feel that it is challenging to distribute workload for social media tasks and other activities and companies who hire additional human resources do not see any inconveniences.

Finally, experts were asked to evaluate if they are not facing any challenges in their companies while working with social media. Results were obvious, because all experts disagree or totally disagree with this statement (see Figure 18).



Source: (prepare by author)

**Figure 18.** Not facing any challenges

In conclusion, the biggest challenges by using social media according to experts in SMEs are unfavorable organizational culture, insufficient priority to social media, the lack of return on investment and additional costs. These results show that for some companies it is even hard to establish or improve social media strategy. What is more insufficient priority shows that companies do not see social media tools advantages or are not able to measure an impact to companies activities. The lack of ROI and additional costs could mean that companies do not know how to measure social media tools benefits or ineffective social media strategy cause additional expenses.

Sixth question is related with e-business communication development. Expert's answers will be presented separately.

Expert A submitted answer is: Formulized negative company's image in social media which is really hard to change, however we are moving to the right direction in order to change it.

Expert B: "Generating interesting and different materials, engagement of employees to support the page, share posts, attraction of "right" audience etc."

Expert C answer is: "For SME's is to create plan and strategy and strictly follow it. There is always risk that developed strategy will be illogical changed while implementing it. In most of the cases communication in small companies is forwarded to a person who has more time to deal with it or to the youngest person, so the quality of implementation is poor because of lack of the skills and professional knowledge"

Expert D shares his/her insights: "Hiring freelancers for additional work which is related with technical complexity (establishing some changes into website and etc). It is hard to control their job."

Expert E: "Small knowledge"

Expert F answer is: "Not enough information about e-business communication."

Expert G shares opinion: "How to attract customers, how to find proper design, how to catch people's eye."

Expert H: "The content is not interesting to get attention."

Expert I submitted answer is: "To create new ways hot to attract consumers in an innovative way." To sum up, mainly e-business communication development problems are related with social media content because companies do not know how to attract new consumers, partners and they are lack of innovative ideas. Nowadays consumers are reached with a lot of different social media information, so to distinguish from this messages overload is a very complex task. Companies should be always aware of constantly changing social media environment trends and consumers behavior.

Seventh question gives an opportunity for experts to express their opinion about what actions should be taken in order to increase communication with e-business partners, suppliers and stakeholders. Expert's opinions are presented below:

Expert A: "It is hard to answer this question because company's e-business communication is more orientated to attract new employees and improve company's reputation"

Expert B: "Show the benefits of e-communication and initiate the communication."

Expert C: "There should be professionals working on development and supporting communication. There should be strict plan to follow."

Expert D: "To try new innovations, not just for B2C but also B2B communication, using the same social media tools."

Expert E: "To gain more knowledge about communication with partners and suppliers by using social media"

Expert F: "You should be more patient with partners, supplies, stakeholders."

Expert G: "Try to make a contact with new consumers and suppliers and try to maintain it".

Expert H: "More interesting and consistent content."

Expert I: "A proper content should be created and tried to implement it, because communication to potential partners should be different and more official."

Overall, to improve e-business communication with suppliers, partners and stakeholders according to expert's opinion a proper as well as interesting content should be prepared (Experts H, I). Lack of knowledge about how to communicate and establish B2B relationship sometimes stops companies for initiating these kinds of relationships according Experts D and E. What is more for SMEs it could be hard to build up new relationships with business representatives because of poor preparation. Lastly Experts B and G highlights that it is important to initiate communication with potential partners, suppliers this could be understood that some companies do not use social media at all for start business relationship with other companies.

The last question was to identify benefits for e-business communication, so all experts' answers presented above.

Expert A: "By communicating in social media we get more young people attention they have enough courage to write in FB or call or send emails. Another advantage is that communication takes place much faster. People do not hesitate to ask and inquire with various company-related topics."

Expert B: "Increased interaction, own media channel with full control."

Expert C: "With wide and planned strategy quite cheap way to reach target audience Possibility to understand the dynamic of brand community development through analytical tools."

Expert D: "Easy communication with customers."

Expert E: "Wider social network."

Expert F: "Increased communication"

Expert G: "Cheap advertisement, a lot of people can find us."

Expert H: "Reduced expenses for advertisements."

Expert I: "Easier communication with clients, easier to reach younger people, possibility to show new initiatives and make discussions."

In conclusion, companies are using social media for e-business communication because it is an easy way to reach target audience and find new customers, partners, and suppliers and also maintain relationship with already build community (Experts C, D, F, I). Results show that mutual communication between SME's and the audience is needed. What is more it is a cheaper way to advertise your business (Experts C, G).

Summarizing the study results the first question asks to identify e-business communication in

SMEs so mainly all experts answered that e-business communication related with e-channels communication and social media tools like social networks. However four experts identify e-business communication in their company as very good or good without any further explanation, so it creates an impression that e-business communication is not clearly defined in their companies which could affect social media effectiveness for their businesses.

The second question asked in order to figure out what social media tools have been already used in SMEs and without any surprise, the most popular social media tools are social networks like Facebook. Results showed that 33% of SMEs use social network, which is convenient because it is a platform where various content could be presented also it is easy to communicate with consumers or partners.

The third question was important because it is needed to know how workload which is related with social media tools is divided in organization. Results showed that five out of nine companies are using additional human resources and four companies have their own employees who are responsible for e-business communication as well as have other duties. From analyzed literature, it is more convenient when companies have qualitative employees just for particular social media tasks, but usually because of lack of human resources or additional costs, companies choose assign tasks to the employee who they already have. This could lead that there is not enough attention to social media daily tasks and social media content is not constant and just necessary work is done.

The fourth question shows a very positive result because eight companies already have their social media strategy and one company is planning to establish it. This shows that SMEs have basis for social media usage.

The fifth question was concluded from nine different statements. Experts evaluated them and the biggest challenges that business faces are: *unfavorable organizational culture* (agreed 6 experts), *insufficient priority to social media* (agreed 5 experts), *the lack of return on investment* (agreed 5 experts) *and additional costs* (agreed 5 experts). These statements show that challenges are more related with organization culture itself, because it is possible that company do not see value from social media or it is hard to measure it. Mentioned challenges related with finance also reveal that it is hard to measure social media tools impact and companies do not have needed instruments for evaluating it.

The sixth and seventh questions answers insights are combined together because experts were asked what problems they are facing by developing e-business communication and what actions should be taken in order to make better relationships with stakeholders by using e-business communication management. Experts shared their opinion that they lack of knowledge about e-business

communication so struggles to prepare and provide interesting content for consumers and possible partners. What is more sometimes it is hard to start communication related with B2B model, because in Lithuania it is still not very common to have businesses relationships maintain by using social media tools.

Finally, experts shared the biggest benefits from social media, so as it have been discussed before the advantages are that it is a cheaper way to advertise your company and it is easier way to reach target audience and build a relationship with consumers.

Overall, SMEs still are struggling with their social media strategy, because expert's answers show that there is no clear framework how to have an effective e-business communication by using social media tools. Companies are still lack of knowledge about social media tools or e-business communication also there is no clear guidelines how to measure social media impact and benefits.

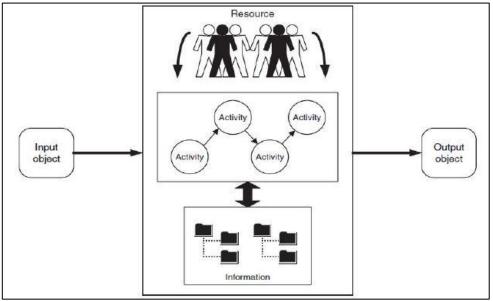
# 4. DESIGNING A MODEL FOR EFFECTIVE E-BUSINESS COMMUNICATION BY USING SOCIAL MEDIA TOOLS

Small and medium sized enterprises number in Lithuania increased 12% in 2015 to 76 077 enterprises according to Lithuanian Department of Statistics. New companies are establishing their business because of country's economic growth, increasing consumer confidence and improving business conditions and simplified companies registration procedures. As analyzed before companies are willingly using social media tools like Facebook, Instagram, and blogs to attract new consumers. However as previous analyzed examples of small and medium sized USA, Scandinavia and Lithuania enterprises have different reasons to use social media tools. Moreover, it is important to control company's social media tools, because one mistake in social media can cause decreased sales, customer's dissatisfaction and even damage companies share cost (Kietzmann, Hermkens, McCarthy, Silvestre, 2011). Social media is really powerful these days it can help to develop business and reach targeted audience, but it also can destroy company's reputation with one reckless comment or clients review. Clear information how to use social media tools for effective e-business communication is not provided in foreign or Lithuanian authors articles, so for this reason in this part a comprehensive model for effective social media tools usage will be proposed.

#### 4.1. Designing methodology

Creating a model is a complex and responsible assignment for this reason a suitable model should be chosen. Scientific models could be divided in three main groups: qualitative, mathematical and scientific models (Sidekerskienė, 2007). For this work a qualitative model was chosen. Each model's performance is independent, but each model parts can collaborate with other processes. Every process consists of resources, activities and information. One of the most important parts while creating a model is to determine model's input and output. Activities start with input while the output shows the results of a model (Aytulun &Güner, 2008), (see Figure 19).

According to provided information, a model for social media tools for effective e-business communicating will be formulated.



Source: (Aytulun&Guneri, 2008, P. 2745)

Figure 19. The model structure and interaction

#### 4.2. Effective e-business communication by using social media tools model creation

Proposed model for effective e-business communication will be concluded from previously analyzed authors scientific insights. Social media usage from Kaplan and Haenlein, (2012), social media management and tracking tools from Kietzmann, Hermkens, McCarthy, Silvestre, (2011), social media strategy framework from Effing and Spil, (2016) and social media tools from Lietsala and Sirkkunen, (2008). Foreign author's insights will be supplemented with practical knowledge from analyzed different SMEs case studies examples and from conducted research. What it is important to mention that model will be considered being applied mainly for SMEs.

Model for effective e-business communication by using social media tools for SMEs is developed based on:

- Analysis of social media tools and e-business communication relation (see section 1.3.);
- Analysis of usage and measurements of social media tools in SMEs (see section 2.1.);
- Analysis of social media tools implementation in SM's (see sections 2.1.1., 2.1.2., 2.2.3.);
- Qualitative data analysis of the research (see section 3).

Model will be concluded from main 4 parts (initial actions, changing actions, continuously performed actions and final actions) and each part will have important aspects which in the end will help to formalize social media strategy and choose the most suitable social media tools.

Social media strategy creation. Every company which is using social media tools should have created a clear social media strategy. This strategy should consist from goals and objectives that company wants to reach by using social media. From previous examples of different countries analyzed case studies was clear that some companies do not have a concrete social media strategy or marketing strategy at all. Usually social media tools purpose is to attract audience but there is no clear steps how to keep that audience or who will be responsible for taking care of social media content. In social media strategy creation, it is included human and financial resources in order to have a clear view who will be responsible for social media strategy and what size budget will be needed. What is more it is important to discuss if responsible employees for strategy implementation have required skills or it is suggested to have additional trainings. Overall, social media strategy creation must have written policies that will describe discussed goals, objectives, target audience and etc. Policies are necessary to have a clear procedures and capture already made decisions. To sum up, social media strategy creation is one of the most important steps in order to implement effective social media tools usage in a company.

Social media tools framework. One of the most important model parts is deciding what kind of main features of social media tools should be chosen. Suggested framework will consist from 7 parts that will help to decide what the priorities of social media tools are: presence, sharing, identity, relationship, conversation, groups, and reputation. *Identity* – a company should take care of customer's privacy policy while selecting what kind of social media tools to use because the lack of accountability among users can lead to cyber bullying. Presence - every company who is using social media tools should think about page availability. Availability means that a responsible person will answer customer's questions on a spot for some period of time or will have a decided time limit for answering questions and requests. Relationships - companies are willing to engage to their consumers, so companies must understand how users build or maintain relationships. Groups - membership rules and protocols. These are important factors to implement in order to have audience respect. Sharing content management and user's evaluation should be done to clarify what kind of content is shared among users to have identified common interests. Conversations - companies should think if they would have a need to have discussions and pick tools that will have a possibility to fulfill this requirement. Companies can give a topic in social media tool in order to raise user's interests and let them join conversation or express their opinion however discussions are hard to control, so it should be taken in consideration as well. Reputation – appropriate metrics should be implemented (likes, followers, subscribers and etc.) to be able measure company's development in social media. Overall,

social media framework should help to company decide what social media tool will be the most convenient to a company and what they expect to reach by using it.

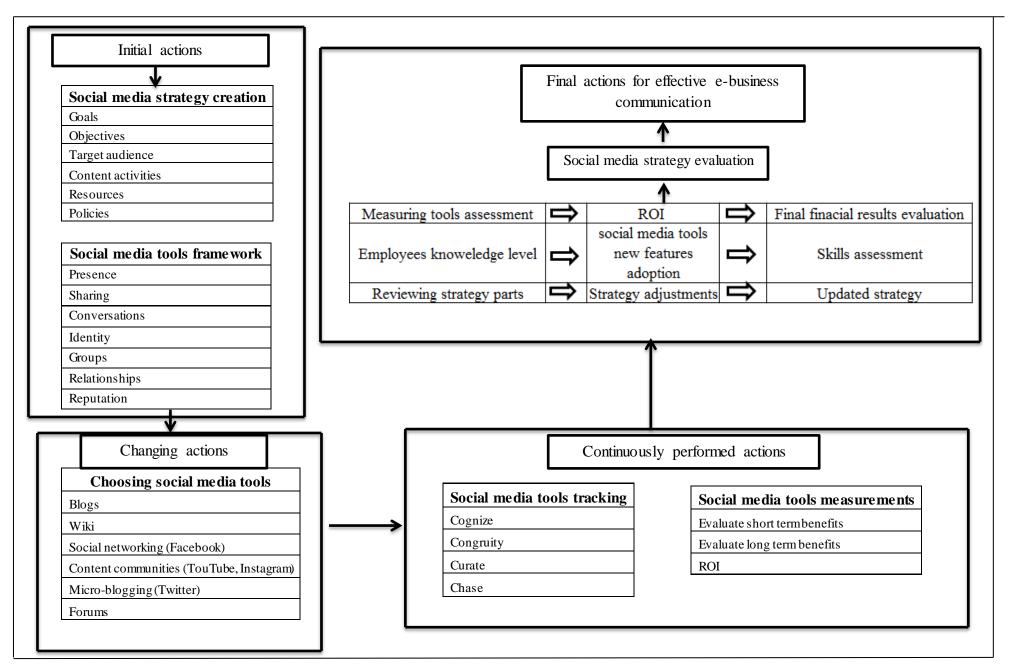
Choosing social media tools. After creating social media strategy and describing what kind of social media tool would be the best to represent company's needs it is necessary to choose a concrete social media tool. Of course companies can implement few social media tools as in previous different countries examples firms' implemented content sharing tools like YouTube, Instagram and blogs on their websites. As mentioned before social media networks like Facebook and micro-blogging network Twitter are the most attractive tools for companies because one tool can have many features like publish photos and videos, make discussions, have a conversation, reply to comments and etc. However, social media tools framework should help to understand if a company is having smaller audience but segmented customers and partners or reaching for the biggest attention in a market by using the most popular social media tools.

Social media tools tracking. After choosing social media, tools that will be used for company's social media strategy it is important to keep tracking provided information and improve process. Social media tracking could have 4 main parts. First of all, cognize — employees who will be responsible for social media tracking should monitor user's conversations about a company. What is more track if competitors are active and using the same social media tools and who are the main influencers in the market. Secondly, congruity is gaining trust during conversations with customers also increasing customer's inputs and happiness. This could be reach by replying to clients on time and be active in discussions, showing interest by answering to comments and suggestions. Thirdly, curate means there should be a schedule when company should have discussions, games or new updates. In addition, it involves employees policies how to communicate with clients, so a clear policies should be determined. Important to mention that in case of a conflict situation a customer's issues should be resolved with discretion. Lastly, chase means that a company should monitor social media and scan social environment in order to be prepared for unexpected situations like a negative review or article. Special programs like Google Alerts or Social Mention can track information more easily.

Social media measurements. Every company should know what they want to achieve by using social media tools. Social media benefits can also be measured, but every company should set goals, objectives and metrics while creating social media strategy. After strategy implementation and having results (follower number, likes, comments, views etc. detailed information provided in Table 4) every company could choose individually which metrics should be tracked. Finally, measurements can be divided to short and long term metrics and evaluated ROI.

Social media strategy evaluation. For final actions there are free main areas that should be reviewed after a certain period (quarter, half of the year, year). Financial results are related with already mentioned ROI and other measuring tools assessment. Every company should decide if chosen social media tools are financially relevant for a company or maybe resources should be reallocated differently. Skills assessment evaluation is needed in order to track people abilities to cope with new social media tools features, innovations and the amount of knowledge. Finally, companies should review their social media strategy and make improvements or adjustments in order to have updated strategy version for the most effective results.

To sum up, social media tools can help to attract new customers, increase sales and earn higher profits. Media tools are easy to use, accessible and inexpensive. However it takes additional planning steps and additional human resources in order to implement the most effective social media tools in a company. Using and implementing social media tools for company's daily tasks is a responsible action, which needs to be supervised and tracked every day. Social media tools can earn a quick customers interest and awareness of a brand, but to maintain customers and partner's attention a constant observation is needed.



Source: (prepare by author according to the foreign authors literature mentioned in section 4.2)

Table 13. Effective e-business communication model by using social media tools

# CONCLUSIONS AND RECOMMENDATIONS

- 1. Theoretical aspects of foreign and Lithuanian author's literature highlight the development of social media and business communication. It is important to mention that e-business communication concept is not clearly defined, but relation between social media tools and companies communication activities is obvious. Overall, social media tools are a part of e-business communication and can be measured from customers or businesses perspective. The main challenges for using social media tools in order to have effective e-business communication is to choose the right applications, stay active and have a concrete content, which would distinguish from overflowing information in social media.
- 2. Analyzing social media tools influence for e-business communication in global market these countries have been chosen: USA, Scandinavia countries and Lithuania. Analyzed SMEs case studies and success stories showed that social media is perceived differently in mentioned countries. USA given examples showed that SMEs in this country have been really focused to boost web and search engine traffics, mainly because USA has the largest online market worldwide, so it is hard to stand out from other company's services or products. Scandinavia countries have more sophisticated view of the way social media tools could be used in a company and their social media policy is targeted to the needs of their businesses for partnerships creation. Lithuanian SMEs tendency is to use social media as a marketing tool in order to increase exposure, without having a clear social media strategy and policy.
- 3. Qualitative expert's survey researched SMEs in Lithuania and analyzed how e-business communication concept has been comprehended in different business areas. Research showed that companies are still struggling with their social media strategy creation and implementation. Expert's answers highlighted that they are still lack of knowledge how to create effective e-business communication in their company and to have comprehensive and interesting social media content. What is more the biggest concerns are related with financial aspects, SMEs are facing challenges by measuring social media impact in a company and counting ROI which is a complex task to do. However all companies understand that the main social media benefits are fast and easier communication with consumers, partners and cheaper advertisement opportunities.
- 4. According to the most important theoretical aspects, global market case studies and experts survey results model for effective e-business communication by using social media tools was created. Model was created from the main four parts. The first part of model is input called initial actions. In

this part social media strategy and social media tools framework is presented. It should help to create a concrete social media strategy and help to decide what kind of social media tools and features needed for a company. Second part consist from choosing the right social media tools. The third part of a model consists from continuously performed actions, which are related with social media tools tracking and measuring social media impact. The last part or output is evaluating social media strategy by reviewing financial results and deciding if social media strategy improvements are needed.

#### **Recommendations:**

- To use the concept of effective e-business communication. Effective e-business communication consists of social media and company's internal and external communication activities. This concept describes that for effective e-business communication companies should have precise social media strategy and defined concrete social media tools.
- In order to evaluate social media impact to company's results a concrete measurement tools should be implemented and used.
- By creating social media strategy and choosing social media, tools a company should pay attention to other countries examples like: USA, Norway, Sweden and Denmark.
- In order to have a qualitative social media content a company should follow social media strategy, have competent employees who are completely responsible just for social media activities and constantly update content.
- To adapt purposed model for effective e-business communication by using social media tools.
   Model could be adapted while creating new social media strategy as well as improving already used social media strategy in small or medium sized enterprises.

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# **ANNOTATION**

Master thesis analyses social media tools for successful e-business communication, discusses social media strategy implementation and social media tools development problems, provides model for effective e-business communication by using social media tools model. The first section analyses social media tools and e-business communication concept and development. What is more analyses the relation and challenges between social media tools and e-business communication. The second section analyses social media tools influence for e-business communication in global market: USA, Scandinavia countries and Lithuania. Moreover, Lithuania legal acts related with social media usage is discussed in this section. The third section gives expert's view analysis how social media tools effect e-business communication in SMEs and what are the main challenges and benefits by using it. Lastly, in the fourth section after analyzing theoretical aspects and qualitative research results a social media tools for effective e-business communication model was proposed.

**Key words**: social media tools, e-business communication, social media strategy, creation of effective e-business communication in SMEs.

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## **ANOTACIJA**

Magistro baigiamajame darbe yra analizuojamas socialinės žiniasklaidos priemonės sėkmingai e-verslo komunikacijai, aptariama socialinės žiniasklaidos strategija ir socialinės žiniasklaidos priemonių kūrimo problemos, taip pat sukuriamas modelis efektyviai e-verslo komunikacijai naudojant socialinės žiniasklaidos priemones mažose ir vidutinėse įmonėse. Pirmajame skyriuje analizuojama socialinės žiniasklaidos priemonių ir e-verslo komunikacijos samprata ir plėtra. Taip pat analizuojamas santykis galimi iššūkiai naudojant socialinės žiniasklaidos priemones efektyviai e-verslo komunikacijai. Antrajame skyriuje analizuojamos socialinės žiniasklaidos priemonių įtaka e-verslo komunikacijai pasaulinėje rinkoje: JAV, Skandinavijos šalyse ir Lietuvoje. Lietuvos teisės aktai susiję su socialinės žiniasklaidos naudojimu irgi aptariami šiame skyriuje. Trečioje dalyje analizuojama ekspertų nuomonė, kaip socialinės žiniasklaidos priemonės veikia elektroninio verslo komunikacija mažose ir vidutinėse įmonėse ir kokie yra pagrindiniai iššūkiai ir nauda naudojant ją. Galiausiai ketvirtajame skyriuje išnagrinėjus teorinius aspektus ir kokybinius tyrimų rezultatus buvo pasiūlytas efektyvus e-verslo komunikacijos modelis naudojant socialinės žiniasklaidos priemones.

**Raktiniai žodžiai:** socialinės žiniasklaidos priemonės, elektroninio verslo komunikacija, socialinės žiniasklaidos strategija, efektyvus e-verslo komunikacijos modelis mažoms ir vidutinėms įmonėms.

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#### **SUMMARY**

Master's thesis aim was to create and propose a model for effective e-business communication by using social media tools. What is more it was important to analyze theoretical aspects of social media tools and e-business communication concept and development. The case studies have been selected from USA, Scandinavia countries and Lithuania. Also, scientific literature, document and statistical analysis were used in this paper work.

The aim of empirical study was according to expert's insights and opinion to figure out how ebusiness communication is described, what are the main social media tools that companies use these days. What is more to find out if companies are creating and implementing social media strategy and what kind of challenges and benefits could be named by using it. The object of a research was social media strategy creation and implementation in small and medium sized enterprises for successful and effective e-business communication.

After the analysis of theoretical aspects, global market examples and empirical study results, the concept of social media tools for effective e-business communication has been proposed. What is more for the distinguished problems for social media tools usage and e-business communication development, solutions were presented. Global market and Lithuania SMEs examples for successful e-business communication management have been highlighted.

Master's thesis consists of four parts. The first section analyses theoretical aspects of social media tools and e-business communication concept and development. The second section analyses the examples of social media tools usage is global market. The third section gives an expert's view analysis about social media strategy and tools usage in SMEs as well as the e-business communication concept, challenges and benefits. After analysing theoretical aspects, good case practice from global market and expert's view analysis a model for effective e-business communication by using social media tools was proposed.

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## SANTRAUKA

Magistro darbo tikslas buvo sukurti ir pasiūlyti efektyvų e-verslo komunikacijos modelį, naudojant socialinės žiniasklaidos priemones. Buvo svarbu išanalizuoti teorinius socialinės žiniasklaidos priemonių aspektus ir e-verslo komunikacijos sampratą ir vystymąsi. Buvo analizuojamos pasirinktų šalių JAV, Skandinavijos ir Lietuvos pavyzdžiai susiję su mažų ir vidutinių įmonių socialinės žiniasklaidos naudojimu. Taip pat buvo analizuojama mokslinė literatūra, dokumentai ir statistiniai duomenys.

Empirinio tyrimo tikslas buvo pagal pateiktas ekspertų įžvalgas išsiaiškinti, kaip elektroninio verslo komunikacija yra suvokiama įmonėse, kokie yra naudojami pagrindiniai socialinės žiniasklaidos įrankiai. Svarbu buvo išsiaiškinti, ar įmonės kuria ir naudoja socialinės žiniasklaidos strategiją ir ar patiria sunkumų ją taikant. Tyrimo objektas - socialinės žiniasklaidos strategijos kūrimas ir įgyvendinimas siekiant efektyvios e-verslo komunikacijos, mažose ir vidutinėse įmonėse.

Išnagrinėjus teorinius aspektus, pasaulinės rinkos pavyzdžius ir empirinio tyrimo rezultatus buvo sukurtas modelis, kuris skirtas efektyviai e-verslo komunikacijai naudojant socialinės žiniasklaidos priemones. Taip pat buvo pasiūlyti sprendimo būdai, kurie padėtų išspręsti išskirtas problemas susijusias su socialinių žiniasklaidos priemonių naudojimu ir elektroninio verslo komunikacijos plėtra. Analizuoti sėkmingi efektyvios e-verslo komunikacijos pavyzdžiai pasaulinėje rinkoje ir Lietuvos mažose ir vidutinėse įmonėse.

Magistro baigiamasis darbas susideda iš keturių skyrių. Pirmajame skyriuje analizuojami socialinės žiniasklaidos priemonių bei e-verslo komunikacijos sampratos ir vystymosi teoriniai aspektai. Antrajame skyriuje analizuojamos socialinės žiniasklaidos priemonių pavyzdžiai pasaulinėje rinkoje. Trečiajame skyriuje pateikiama ekspertų nuomonė apie socialinės žiniasklaidos strategijas ir įrankius naudojamus mažose ir vidutinėse įmonės, taip pat elektroninio verslo komunikacijos koncepcija, nauda ir įžvalgos. Išanalizavus teorinius aspektus, pasaulinės rinkos pavyzdžius bei eksperto nuomones buvo pasiūlytas efektyvus e-verslo komunikacijos modelis, naudojant socialinės žiniasklaidos priemones.

# LIST OF ANNEXES

Annex 1. Definitions of SMEs in USA

Table A2: Definitions of SMEs: US

Sector	Definition
Manufacturing firms	<= 500 employees
Wholesale trade firms	<= 100 employees
Agriculture	Maximum \$750,000 in average annual receipts
Retail trade and most service firms	Maximum \$6.5 million in average annual receipts
General and heavy construction (except dredging)	Average annual receipts of maximum \$31 million.

Source: Senderovitz 2009

Annex 2. Definition of SMEs in European Union

Company category	Staff headcount	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 m	<u> </u>	⊊€ 43 m
Small	< 50	≤ € 10 m	<u> </u>	≨€ 10 m
Micro	< 10	≤ € 2 m	<u> </u>	

Source: Eurostat

**Annex 3.** The questionnaire of a survey

Good afternoon. I am Migle Babrauskaite, Mykolas Romeris together with Middlesex University student. I conduct the survey of "Social media strategy creation for successful electronic business communication".

The aim of the survey is according to the expert's knowledge, to determine the main social media tools which are used for electronic business communication. The survey is anonymous and surveys' information will not be provided publically. Please, provide the generalized experience from the experts' point of view. Thank you in advance for your time and provided answers.

# 1. How could you describe e-business communication in your organization?

2.	What forms of social media tools your company is using for e-business communication?
	(Note: You can noted several acceptable options)
	a) social networking (Facebook, MySpace);
	b) blogs;
	c) Wiki (Wikipedia);
	d) forums;
	e) content communities (YouTube, Flickr);

- f) microblogging (Twitter).3. Who is responsible in your organization for social media usage?
  - a) Employee of the organization, who in addition is also responsible for other functions;
  - b) Employee, who is solely responsible for social media;
  - c) Department which is responsible for communication;
  - d) We use third-party services.
  - e) Company's director
  - f) Other (please insert an answer).....
- 4. Do you have a defined e-business communication strategy in your organization?
  - a) Yes, we have;
  - b) No we do not have it, but we are planning to establish it in the future;
  - c) We do not have it and we are not planning to establish it;
  - d) We do not need it;
  - e) Other (please insert an answer).....
- 5. What are the challenges that business enterprises faces by using social media? Please, evaluate the formulated statements according to the evaluation assessment scale from -2 to 2 (2 means "totally agree", 1 "agree", 0 "I am not sure", -1 "disagree", -2 "totally disagree").

Statements	-2	-1	0	1	2
	(totally	(agree)	(I am	(disagree)	(totally
	agree)		not		disagree)

		sure)	
1. Unfavorable organizational culture			
2. Insufficient priority			
3. Additional costs			
4. The lack of return on investment			
5. Technical complexity			
6. Fear of losing control			
7. Lack of information			
8. Lack of human resources			
9. Not facing any challenges			

- 6. Please, distinguish the main problems for e-business communication development.
- 7. What actions should be taken in order to increase e-business communication with partners, suppliers and stakeholders?
- 8. What social media benefits you can identify for e-business communication?