

# *The Role of Online Communication in the Start and Growth of a Micro-enterprise. Case study: Dumblegift S.R.L.*

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**Abstract:** *People's preference for the online environment has become more and more pronounced lately. Companies have adapted to this tendency by embracing new online communication channels. This paper presents both the organic and the paid results of the research conducted on the Facebook page and the Instagram profile of a micro-enterprise. The research aims at highlighting the role of online communication (through social media) as well as at arguing about the importance of its strategic management, by showing how the business's promotion can be improved if certain factors are taken into consideration. The study outlines that the best organic results are obtained on Sundays, in the time frame 12<sup>00</sup>-13<sup>00</sup> or 18<sup>00</sup>-21<sup>00</sup>, during weekdays, or simply by using hashtags and other features (location, tags, etc.). Paid results are always influenced by the ad spend, but targeting also plays an important part. This paper is meant to serve as a starting point for the future strategy of the micro-enterprise, but it might also be useful to other small business owners and/or*

*organisations that target a similar audience and want to find a more effective social media approach.*

**Keywords:** *online communication; social media; micro-enterprise; strategic communication; organic reach; paid reach.*

## **1. Introduction**

The new technologies have facilitated the rapid development of the online environment, bringing significant changes in communication. Both individual users and organisations have learnt to adapt to the high-speed digital world. From websites (which are meant for content sharing) to social media (interactive technologies that allow instantaneous communication), it was only a step. But now it seems like there is more to come. These new platforms are constantly evolving, making it hard to think about what they will look like after each upgrade.

The digital revolution has radically changed the rules of the game in the business world. Until recently, a company's external communication used to be focused on media relations. Nowadays, social media allow you to get your message to reach the audience directly. This way, companies can avoid message distortion, gaining full control over the shape, the content, and the direction of transmission (Cismaru, 2015, p. 29). But that is not all. Companies must also keep an eye on the immediate reactions of their customers, since social media contributed to a shift towards the two-way dialogue. The new technologies, based on interaction, opened the door for a two-way communication, in which feedback and instantaneity play a big part (Săvulescu, 2016, p. 64).

With this freedom of communication in the online space, there comes a need for continuous monitoring. The consequences are hard or impossible to prevent. Even though messages are no longer shaped by the media, people have become so sensitive that everything might offend someone. It is therefore very important to pay close attention to

any distortion of organisational messages that may occur at an individual level. Companies must learn how to handle (and to address) negative comments and complaints on social media. Simply deleting them will not do the work. Quite the contrary, it will make people even more furious, damaging the company's reputation and pushing customers away. A social media response strategy is very much needed for both preventing and overcoming a scandal.

The rapid evolution of technology has affected the entire business environment, but micro-enterprises benefit most from the changes. There are a lot of new opportunities for small businesses and some entrepreneurs have started to notice it. In the last couple of years, micro-enterprises in Romania have recorded a positive business growth (Forbes România, 2019). In a country that encourages entrepreneurship, without allocating substantial funding for people who want to start a business, the number of these enterprises will increase due to their size. Micro-enterprises (also known as micro-businesses) are the smallest businesses by number of employees, turnover and share capital (Clasificarea întreprinderilor, 2012).

Since small business owners usually do not have a lot of money and do not get much help from the state, online communication can be a life saver. Although some platforms (such as websites) cost quite a lot to develop, maintain and optimise, others (like social media) are free of charge (unless you want to invest in ads).

Therefore, the topic addressed in this paper is a very current one, given the evolution of technology. By integrating online communication into their strategy, companies (especially small ones) benefit from the numerous advantages brought on by the digital revolution.

This study aims to investigate the relationship between the results obtained by a micro-enterprise on social media and the factors that could have affected these results, differentiating between the organic and the paid impact.

## **2. Research methods**

The research has been conducted on two of the most popular social media networks at the moment, Facebook and Instagram, by analysing the content (text, graphics, images, audio, video) of the posts as well as some of the key performance indicators (KPIs), for a period of three months (8 December 2019 – 8 March 2020). The posts are aimed at a target audience made up of residents of Timișoara, aged 25-50, with high and above-average earnings, who have very little free time (less than 3-4 hours/working day) and/or do not enjoy buying and wrapping presents.

The methods used for this research are content analysis and statistical analysis. Gunter (2000) defined content analysis as “a method of studying and analysing communication in a systematic, objective and quantifiable way, for the purpose of measuring variables”. While content analysis provides qualitative information, statistical analysis shows what happened by using past data from the platforms’ insights. Combined, the two methods are used for understanding audience preferences.

The KPIs included in the research are post reach and engagement. Reach measures the number of unique people (accounts) who saw the post within a certain amount of time (how many people it has reached). Engagement refers to the number of actions performed by users within a certain amount of time on a post (likes, shares, comments, clicks, etc.) (Ciorei, 2017). The factors affecting the results on social media can be the day, the date and the hour when the post was shared, the features that were used (location, tags, hashtags, etc.) and last, but not least, the particularity of the content.

## **3. Results**

### **Organic results**

For a better understanding of the problem, a sample of the summarised data (the last three weeks of February 2020) will be analysed; the period

has been chosen in order to avoid addressing the fluctuations caused by an increase in the number of followers or by the Holiday Season.

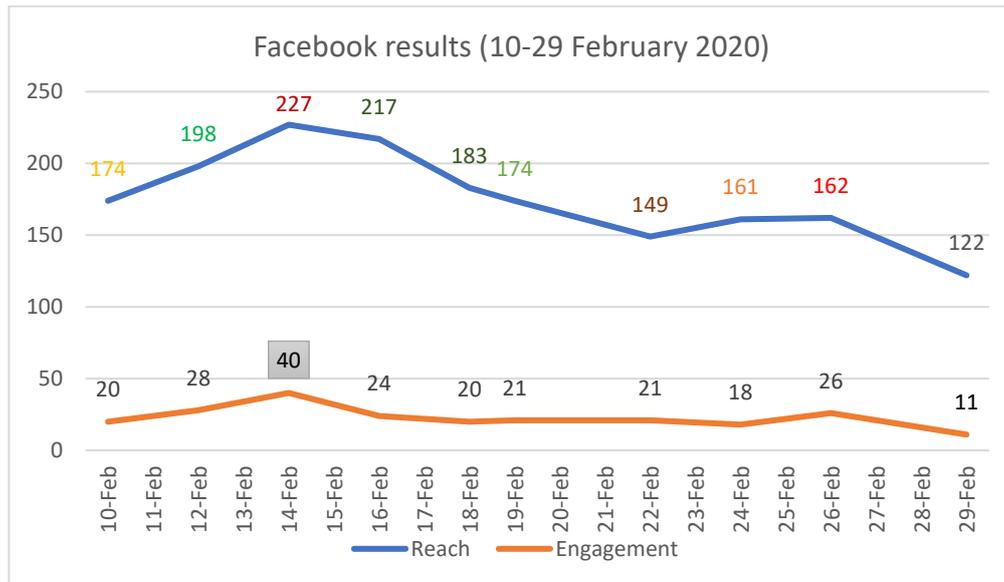


Fig. 1 Post reach and engagement on Facebook (10-29 February 2020)

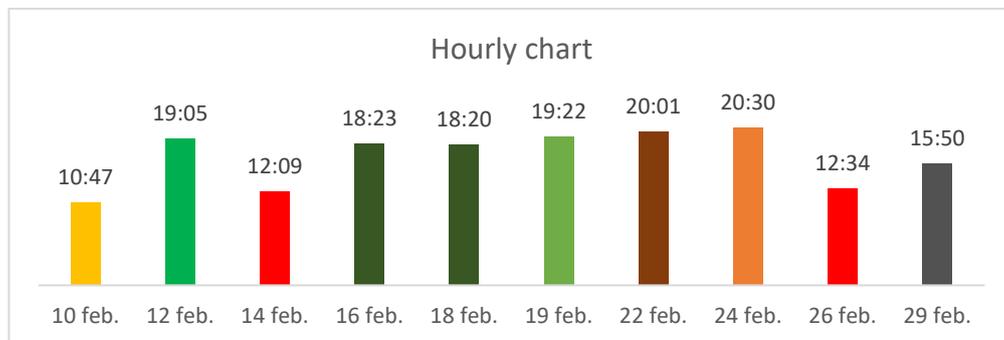


Fig. 2 Hourly chart for Facebook posts (10-29 February 2020)

On Facebook, there are no significant variations regarding the engagement. The maximum value (40) was reached on 14 February. The post matches the theme of the day and has all the potential to visually attract social media scrollers. The image shows a heart-shaped chocolate in front of the Eiffel Tower and calls for a “Happy Valentine’s Day”.

As for the reach, results prove that mainstream holidays can be a good time to share content on Facebook. That same Valentine’s Day post scored the highest reach: 227 unique people. Sundays are also an option. The second highest reach out of this three-week period was on a Sunday (16 February), probably because it is officially a free day and people have more spare time.

As seen in Fig. 1, the reach line forms two positive curvatures, one with the maximum value on 14 February and another with the maximum value on 26 February. These two posts were both shared in the time frame 12<sup>00</sup>-13<sup>00</sup>, which is known to be recommended by specialists as it corresponds to the lunch break (on working days). If we take a look at the other hours and keep in mind the two curvatures, it is safe to say that the posts with good results were shared after six o'clock in the afternoon (18<sup>00</sup>): 18:20 - reach 183, 19:05 - reach 198, 19:22 - reach 174, 20:30 - reach 161. Apparently, the best time seems to be around 19<sup>00</sup>, as the reach slowly drops toward evening.

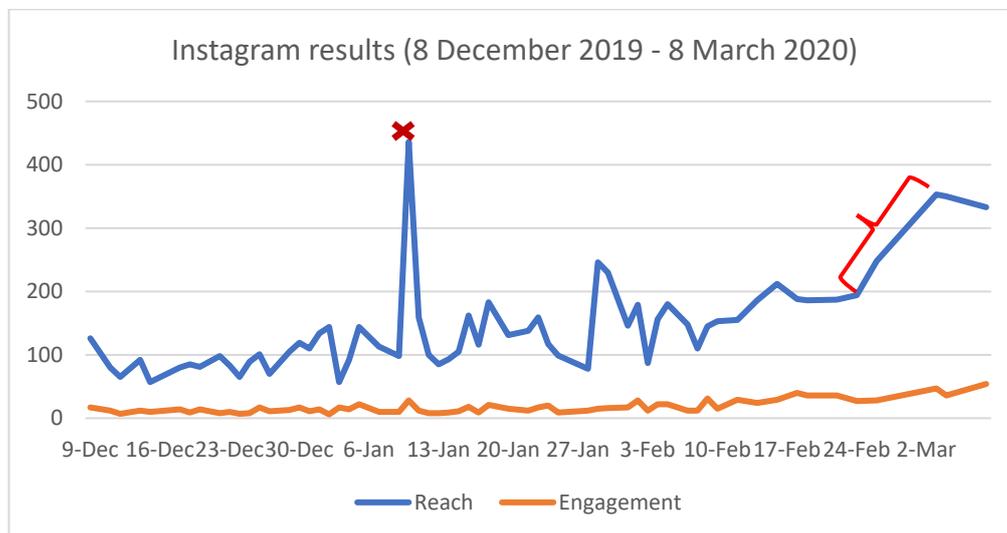


Fig. 3 Post reach and engagement on Instagram (8 December 2019 – 8 March 2020)

Referring to the same indicators (post reach and engagement), this time on Instagram, we notice that the two have developed quite

differently. In order not to lose sight of the bigger picture, not only a sample (as above), but the summarised data of the whole period (8 December 2019 – 8 March 2020) will be analysed.

The slight increase in the engagement seems pretty logical due to the evolution of the Facebook page, although it is somehow slow (it becomes noticeable only in February - March). The reach, on the other hand, has had more of a chaotic evolution. Two things stand out: a much stronger increase at the beginning of March because of a giveaway hosted by Dumblegift with the occasion of the International Women's Day and the maximum value of the reach (436) on 10 January 2020. The insights of the post which scored this reach show that out of 467 impressions (the total number of times a post has been displayed), 369 come from hashtags.

Other factors that affect the results on Instagram are the features used for every post, such as tagging and location, the number of followers and, of course, the content. As a platform of photo-sharing, the main focus is on the visuals. The quality of the pictures, the brightness, the saturation, all of these influence the organic results, but the extent to which every single one of them impacts the reach and the engagement remains uncertain. For my target audience, there is a tendency, though, to engage more with high quality and warm-tone images.

### **Paid results**

It should come as no surprise that the paid reach is influenced by the ad spend, but targeting also plays an important part. What matters is not just how many people your ad reaches, but also what kind of people end up seeing it. In order to reach the target audience, the micro-business has narrowed its focus to people located in Timișoara, aged 20-55. Depending on each paid post, some of the targeting criteria were:

- interests in the business's field of activity: gifts, gift wrapping, Christmas gifts, personalised gifts, birthday gifts, home delivery;

- general interests: family, friends, birthdays, holidays; particular interests: (for instance) cosmetics, clothes, fashion, beauty;
- interests in: small businesses, entrepreneurship, local businesses.

Other targeting criteria also included:

- the workplace (e.g. employees of a big corporation);
- upcoming birthdays/anniversaries (e.g. friends/close friends of people with birthdays within a week/month).

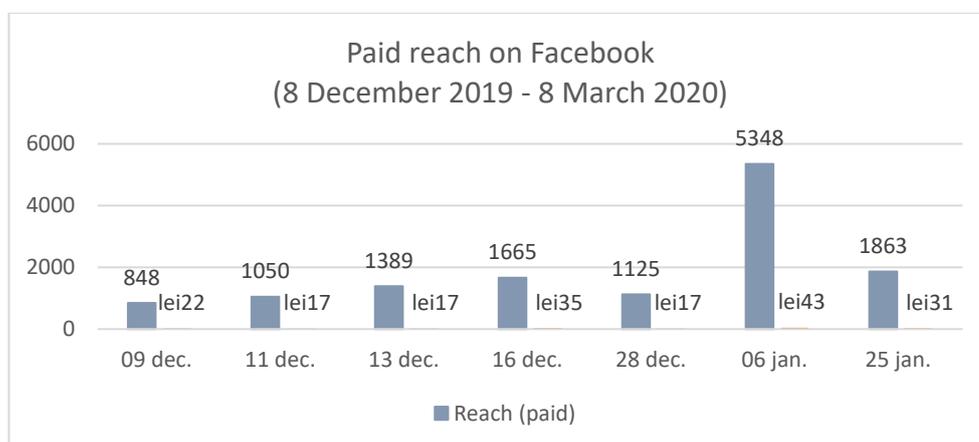


Fig. 4 Reach + amount spent for every paid post on Facebook (8 December 2019 – 8 March 2020)

During the three-month period (8 December 2019 – 8 March 2020), there has been a total of seven boosted posts on Facebook, all with a duration of 1-2 days. The average amount of money spent in a day was 16.64 lei. 43 lei (21.50 lei/day) was the largest amount spent by the micro-enterprise for an ad and it proved to be effective, since the post scored the highest reach. Anyway, there seems to be more to it. Given the fact that the differences in the amounts spent are hardly so big, it was probably the targeting that influenced the results. The post consists of an image with the quote “Eat cake. It’s somebody’s birthday somewhere”, which is why birthday-related targeting criteria were

used. Except for this specific post, no definite conclusions could be drawn from juggling different criteria on Facebook.

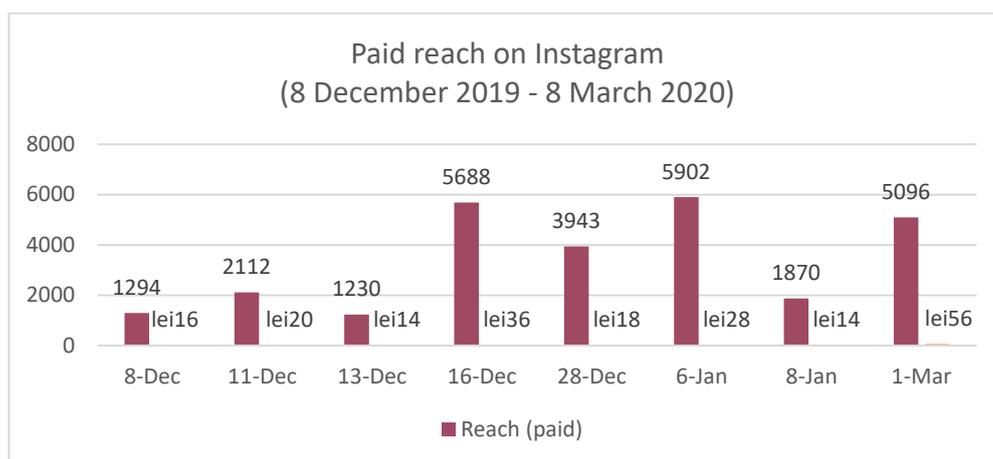


Fig. 5 Reach + amount spent for every paid post on Instagram (8 December 2019 – 8 March 2020)

The best results on Instagram are obviously obtained by the posts with the highest ad spend. Out of these, however, the smallest amount (28 lei) brought the highest reach (5902). This is the same post as the one on Facebook, which means that the targeting criteria were very similar. Therefore, it can be assumed that (a) this kind of content has a tendency to go viral, (b) the targeting was done right or (c) both.

Finally, the post, dated 1 March, brought the best long-term results. It was used to announce the giveaway for the International Women's Day, hosted by Dumblegift. In order to participate, people had to follow the business's account and to tag other users in the comments. The post had a budget of 56 lei, distributed over 4 consecutive days. Because the prize was a fragrance for women, some of the targeting criteria were interests in self-care, cosmetics, perfumes, make-up, perfumery, shopping, Sephora, etc. The strategy has worked: the contest generated nearly 1,000 entries, boosting the number of followers for the micro-enterprise and attracting an average number of 900 profile visits in merely a couple of days.

### **Expert sources consulted**

The topic addressed in this paper is part of the online communication field, but it also touches on digital marketing (mostly social media marketing).

According to Cismaru, “online social networks are online communication platforms which use software instruments, but work in a similar way as natural social networks, based on direct interpersonal contacts” (2015, pp. 58-59). Social media are seen by specialists as “extremely profitable promotion tools, but also as means through which companies can interact with their customers, offering assistance” (Sălcudean, 2015, p. 135). Social media is a collective term for websites and applications that enable users to create, post, and share their own content or the content created by others. Out of the many types, a few can be mentioned, such as blogging (Blogger), social networking (Facebook), photo sharing (Instagram), video sharing (YouTube), microblogging (Twitter), etc.

Since the research was conducted on a micro-enterprise, it is only fair to clarify this term. In Romania, a micro-enterprise is a business that, by the end of the previous fiscal year, has had a turnover of maximum 1,000,000 euros, a share capital not owned by the state or by administrative territorial units and is not in dissolution, followed by liquidation (Codul fiscal actualizat, 2020).

For such small businesses, social media (as part of their online communication strategy) present numerous advantages, the most significant of which might be the reduced costs.

## **Conclusion**

Not only should companies be aware of the importance of online communication and the changes that have occurred with it, but they must also understand the difficulty of managing these new (online) channels. It is highly required, especially for small businesses, to conduct tests on social media platforms, in order to see which factors affect their results most and how they can make use of them. It would be a shame not to take advantage of the many benefits brought by the online environment for both communication (direct, two-way communication, feedback, instantaneity, diversified content, interaction, etc.) and marketing (e-mail marketing, content marketing, social media marketing, pay per click, etc.) (Alexander, 2020).

Following the study, it can be agreed that some factors do indeed influence the post reach and the engagement on social media. The results, however, are only conclusive for the micro-enterprise in question. Unfortunately, there are no general rules, mainly because every company addresses a different audience and needs to see what works best for theirs. The results confirmed some of the theories, such as the ones claiming that the best time to post is at noon or on weekends, but invalidated others, such as those which argue that the peak audience time is around 2100 (the peak audience time for Dumblegift was around 1900) (Orel, 2020).

Nowadays, we talk about strategic communication, defined as “the intentional use of communication, by an organisation, for the purpose of fulfilling its mission” (Hallahan, Holtzhausen, van Ruler, Vercic & Sriramesh, 2007). Therefore, it is out of the question not to use such promising channels. Efficiently managing these new online platforms becomes a must for the micro-enterprises that want to survive on the market.

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