

The importance of the digital presence on social networks for companies

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ABSTRACT

Social media has molded consumer behavior in ways that can be of considerable advantage to businesses. For this reason, this work focuses on the digital presence of companies on social networks and its ability to help companies be closer to their customers against the backdrop of digital transformation. Concretely, companies have understood the interest in increasing their digital presence on social networks by not limiting themselves only to websites and blogs. Based on a sample of 80 companies surveyed, the results validate the positive impact of the company's digital presence through social networks on improving the company's commercial performance and boosting corporate customer communication by increasing its capacity for interaction. This research sheds light on the impact of social media

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on businesses and the perceived importance of a well-thought-out digital presence strategy.

Keywords: Digital Presence, Social Networks, Performance, digital transformation.

JEL Classification: M31

1. Introduction

The rise of social networks is exponential, and it shows no sign of stopping. Indeed, the Digital 2022 Global Statshot Report of the first quarter of 2022, draws attention to social media users who have reached an impressive new milestone. By surpassing the 4.65 billion social media users worldwide, a Fig. more than 325 million higher than last year at the same time giving an equivalent to an annual growth of nearly 7.5%. Concretely, social networks have become essential in people's daily lives. Not only used to stay in constant contact with their friends or colleagues, but they have shown that they are more than useful in times of crisis with the example of the lockdowns caused by the covid 19 pandemic. (KEMP, 2021), (Huang, Jin, Lynn, & Men, 2021)

In addition, beyond representing communication tools, social networks have allowed consumers to express their feelings and experience with a product or service. The idea for which, companies have understood the value in increasing their digital presence by not limiting themselves only to websites and blogs but by integrating social networks into their strategies. Indeed, through social media, several opportunities are available to companies. For example, by taking advantage of customer feedback and reviews on products commented on social networks (Eslami, Ghasemaghahi, & Hassanein, 2021) (Pardo, Pagani, & Savinien, 2022), companies can identify consumer wants and preferences (Zhang, Zang, Zhu, Uddin, & Amin, 2022), in order to improve their products, optimize customer satisfaction and attract more customers. The behavior of customers (Choi, Oh, Yoon, Lee, & Coh, 2020) has also evolved, they have become more participative and cooperative on social networks, allowing companies to form virtual communities composed of their customers, to share content with them and get their opinions (Wang, Wang, Lin, & Abdullat, 2021). So much so that some companies have taken advantage of this to co-innovate

and co-create new products with customers such as the famous Fiat "MIO" car which was designed by 17,000 Internet users.

Therefore, companies are working to be more present on social networks by setting up pages specific to them, highlighting their products and services, by publishing messages on these pages to interact with consumers, to be more visible and build an image with high potential for their brands, while being a relational partner.

To the extent of saying that anthropomorphism on a brand's social media pages can strengthen relationships between brands and consumers. (Kim, Sung, & Moon, 2020).

Indeed, according to the report, Social Media Marketing Industry 2021, 88% of marketers surveyed in 2021 as part of a study indicated that their efforts in social media had generated more visibility for their companies (Stelzner, 2021). Indeed, it is a very effective opportunity to bring customers together in a community that can be quickly accessed at a lower cost thanks to the effect of the attraction of social networks. Moreover, advertising through social networks has become an essential element and a key success factor of the company nowadays (Hafezalkotob, Khodabakhsh, Saghaei, & Eshghipour, 2018). Similarly, Zenith's Advertising Expenditure Forecasts report projects that by 2022, social media ad spending will reach US\$177 billion (Zenith, 2021). Additionally, the structural change in the economy caused by COVID-19 means that advertising plays a more important role in stimulating sales growth through e-commerce.

With the constant and mass bombardment of advertisements that consumers are experiencing, relevance, and personalization are considered the keys to standing out and getting clicks, a key metric

to gauge the success of an advertising campaign on social networks. In the end, it is a whole behavioral dimension of the study of the different profiles of consumers that comes into play.

Algerian companies have seized this opportunity by taking advantage of the increase in the number of social media users in Algeria. To improve their visibility on social networks. Moreover, the statistics of 2022 from the Digital 2022 Global Overview report by Hootsuite, clearly shows that there were 26.60 million users of social networks in Algeria in January 2022. The number of social media users in Algeria increased by 1.6 million or 6.4% between 2021 and 2022., with an equivalent of 56.5% of the total population in January 2022 (Kemp, 2022).

The question of the study

Exploiting the increase in the number of users of social networks in Algeria, this work tries to situate the state of play of the digital presence of companies on social networks. By choosing, to detect the importance of the digital presence of companies on social networks. This is by answering the following question: What is the point of the digital presence of a company on social networks?

Hypothesis

In order to answer it, we have formulated the following research hypotheses:

Hypothesis 1: The company's digital presence on social networks improves its commercial performance.

Hypothesis 2: The company's digital presence on social networks allows the company to better communicate and interact with its customers.

The Objectif of the study

With this in mind, this work is mainly interested in deciphering the interest of the digital presence of the company on social networks. Through a case study via questionnaire, with a sample of companies, the objective is to determine the impact of this presence on social networks in a context of digital transformation.

The importance of the study

This study aims to highlight how businesses can use these social media platforms to improve brand recognition, boost customer engagement, and increase sales. In addition, the study will also highlight the potential risks associated with a weak social media presence and provide recommendations for businesses to mitigate them. With this in mind, this work will contribute to the existing body of knowledge on digital marketing and provide essential information for Algerian companies looking to improve their digital presence on social networks.

Methodology

We conducted a questionnaire field survey targeting business leaders, marketers, and professional community managers, to assess the impact of a company's digital presence on social networks. This allowed us to obtain essential data on the digital presence of Algerian companies on social networks and to make an initial assessment. Constrained by the health crisis, we followed the simple random sampling technique. However, we targeted and contacted more than 100 companies, but we were able to obtain only 80 treatable questionnaires. Indeed, as the target of the survey

consists mainly of business leaders, marketers, and professional community managers, we decided to distribute the questionnaire on the professional social network "LinkedIn", after developing it via the "Google Forms" tool. As soon as the online questionnaire was closed, the analysis of the questionnaires was carried out by the Excel software and the analysis of the results was carried out via the SPSS software, allowing us to conduct an analysis by flat sorting (uni-varied) and by cross-sorting (bi-varied). To this extent, we were able to survey 21 VSEs, 33 SMEs and 26 mid-caps, it should be noted that the largest proportion of companies belonged to the service sector.

2.Theoretical framework

Social networks offer Internet users new ways to consume, by allowing them to consult the opinions and comments of communities on the product or brand. This change in consumer behavior, which is mostly ubiquitous on social networks and on the Internet, represents new opportunities for companies so that they can reach potential customers. That's why the importance of the digital presence on social networks is ever-growing for companies today.

Additionally, companies must increase their digital presence, through advertising on social networks. To this extent, the digital presence has become an important instrument of rivalry between companies by allowing them to quickly gain market share and acquire as many prospects as possible. In this regard, social networks are constantly developing new advertising formats to improve their offers and better achieve the objectives of campaigns, which gives companies the freedom to define their target audience and budget. (Wiktor & Sanak-Kosmowska, 2021) (Lahuerta-Otero & Cordero-Gutiérrez, 2015).

Therefore, it is more than important to analyze the results of the use of social networks by companies, what interest to the company in this digital presence on social networks? Indeed, the digital presence on social networks can be considered satisfactory if it concretizes the objectives previously set by the company, or it makes it possible to reach the most important key performance indicators of social networks "KPI". (Gattiker, 2012).

However, two objectives are essential and represent the minimum for companies; namely, to better communicate by interacting with its customers and to improve their commercial performance.

Moreover, the various social media platform offer integrated statistical tools dedicated to the monitoring of the activities of their audiences, Facebook for example offers a statistics tool when creating a "Company" page.

Other tools can be mentioned, such as Google Analytics, which allows to analyze the website in detail, providing valuable data, such as the number of visitors during a given period, how consumers have accessed the site (search engine, link on social networks ... etc.)

Furthermore, several authors have been interested in the connection between social media and the performance of the company. The results of those studies show the link between the level of maturity of an organization in the use of social networks and its consequences on the performance of the organization. (Hanafizadeh, Shafia, & Bohlin, 2021) In addition, Ye et al., (2021) highlight the positive impact of the use of social networks on the agility and adaptability of companies, and especially those with limited resources as well as on the performance of the organization. (Ye, Yu, Zheng, & Zheng, 2021)

Although, social networks offer a real opportunity for companies to improve their performance through their digital presence. The use of social networks can also be in order to help companies target a wide audience. Indeed, this can be possible by creating opportunities for companies to better communicate with their customers by interacting with them to better understand their needs. Therefore, social networks are a good place (Siba Borah, Iqba, & Akhtar, 2022) for business customer (B to C) and/or (C to B) communication. According to (Shahbaznezhad & Tripath, 2015) fan pages on social media platforms play a central role in interactions between customers and businesses. In this sense, (Geierhos, 2011) develops that customers first share their problems with a community on social networks before addressing a company directly, social networking sites become the interface between the customer and the company. For the author, this is how social networks will evolve into a common communication channel, not only between individuals but also between customers and companies. Finally, (Gemma, 2019) said that the use of social networks has redefined lifestyle and culture in such a way that companies establish two-way communication.

3. Results

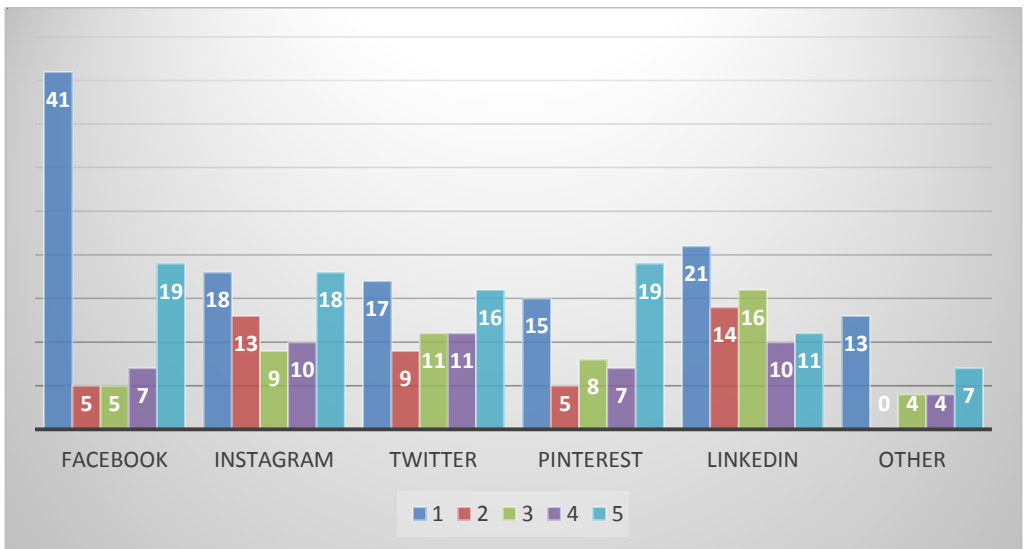
According to the results of the survey, of the 80 companies in our survey, enterprises with a customer and business-oriented commercial activity (B2C) represent the most dominant part of the sample with a rate of 45%, compared to 28.8% for enterprises with a commercial activity oriented towards other enterprises (B to B)." Moreover, customer-oriented companies (B to C) represent only 26.3% of the sample. The data collected also showed that most of the companies surveyed were young. Indeed, 47.5% of the 80 companies surveyed were created between 2011 and 2020, while 25% were created between 2000 and 2010, 13.8% for the period from 1990 to 1999, while 13.8% were created before 1990. While

the services sector was the best represented sector in our sample with 23.8% of the responses, the telecommunications, information, and culture sector accounted for 17.5%, and the consumer sector accounted for only 10%.

3.1. Use of social networks by companies

3.1.1. Most used social networks

Fig.1. The social networks most used by companies



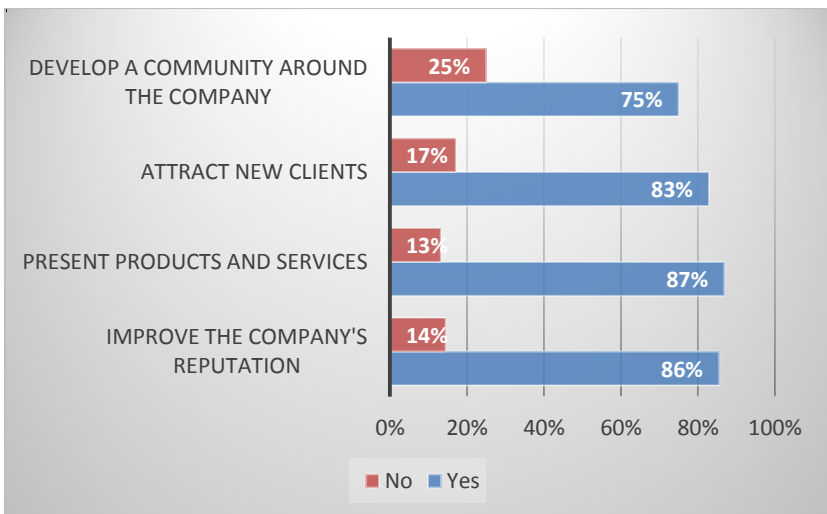
Source: Personal construction according to our survey

The vast majority of companies surveyed, i.e. 98% are present on social networks. In this regard and according to Fig. 1 below, Facebook is the most used social network up to 60.3%, it is followed by LinkedIn, which is the most used social network for 30.9% of respondents, 26.5% opted for Instagram, followed very

closely by Twitter with 25% and Pinterest with 22.1%.. Finally, 19.11% use a different social network than those mentioned above.

3.1.2. The objectives regarding the use of social networks?

Fig.2. The objectives of the use of social networks

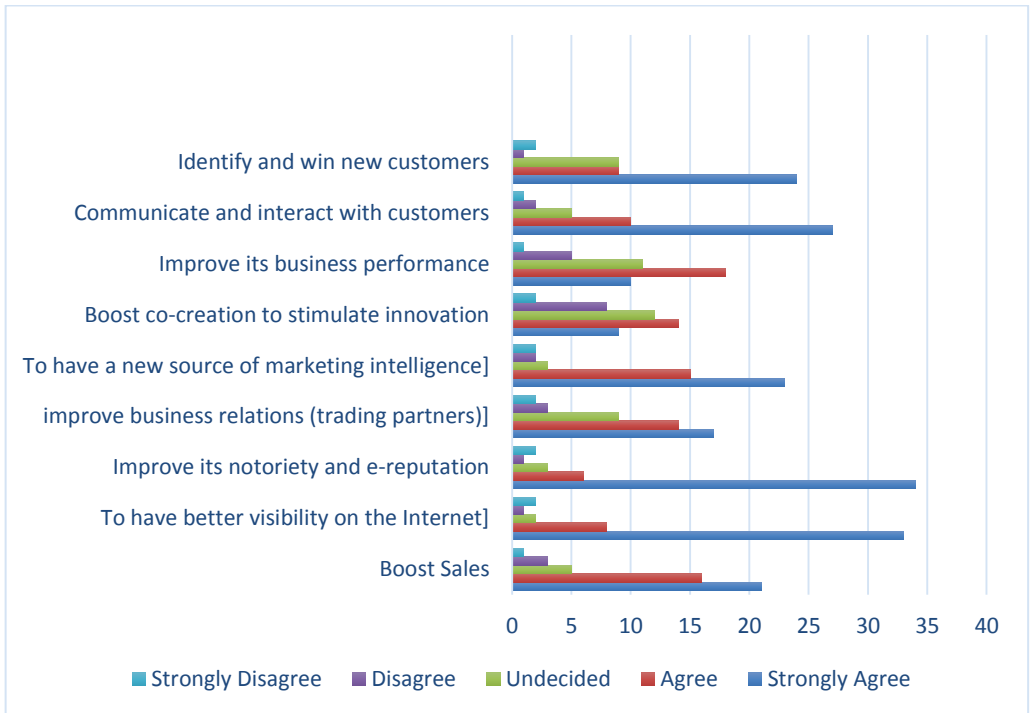


Source: Personal construction according to our survey

Respondents to our survey were asked to decide on four objectives relating to the use of social networks. At the turn of 87% almost all respondents consider that the presentation of products and services, the improvement of the company's reputation and the gain of additional customers are the most important objectives of the presence of their company on social networks. While 75% of respondents consider the development of a community centered around the company as one of their goals in the use of social networks. Finally, 93.8% of the companies surveyed planned to increase their presence on social networks.

3.1.3. Benefits of social media for businesses

Fig.3. The benefits of social networks for companies



Source: Personal construction according to our survey

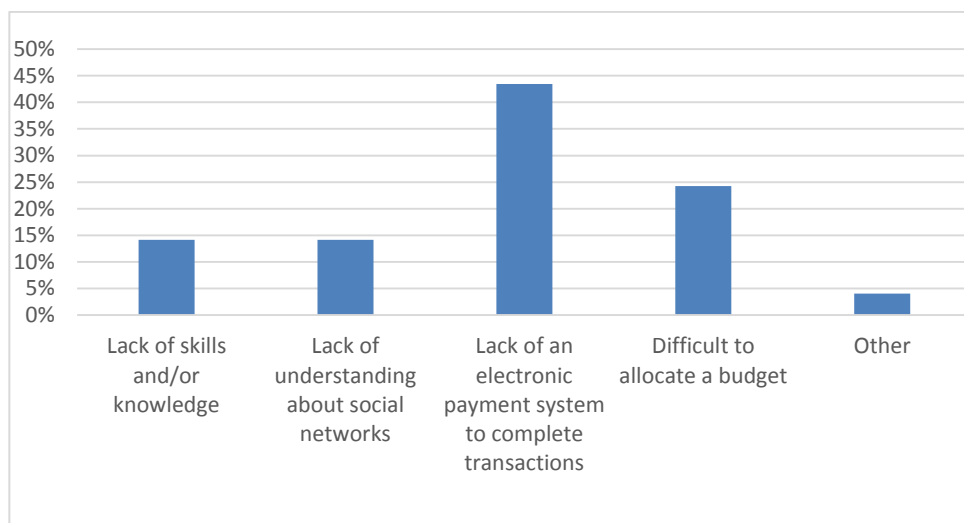
Of the 80 companies that participated in the survey, 93.8% said they planned to increase their digital presence on social media. In the same vein, we asked respondents to express their degree of agreement or disagreement about nine items that could be benefits derived from their presence on social networks. Fig. "3" shows that most respondents, 80.77%, strongly agree that the presence on social networks allows better visibility on the internet. More than half of the companies in our sample agree that social networks

allow the company to have a new source of marketing intelligence. This is not only by communicating and interacting with customers, but also by identifying and winning new customers. Looking at the results of the Fig., it appears that 32.47% of respondents strongly agree that the presence on social networks improves the commercial performance of the company and only 7.79% do not agree at all with this statement. Nevertheless, 44.87% strongly agreed that social media presence boosts sales and boosts co-creation to drive innovation to the tune of 27.27%.

Finally, 77 companies surveyed say that they fully agreed that the presence on social networks improves professional relations (business partners) and one third agree that it increases notoriety and e-reputation.

3.1.4. Obstacles to the use of social networks for companies

Fig.5. Obstacles to the use of social networks for companies

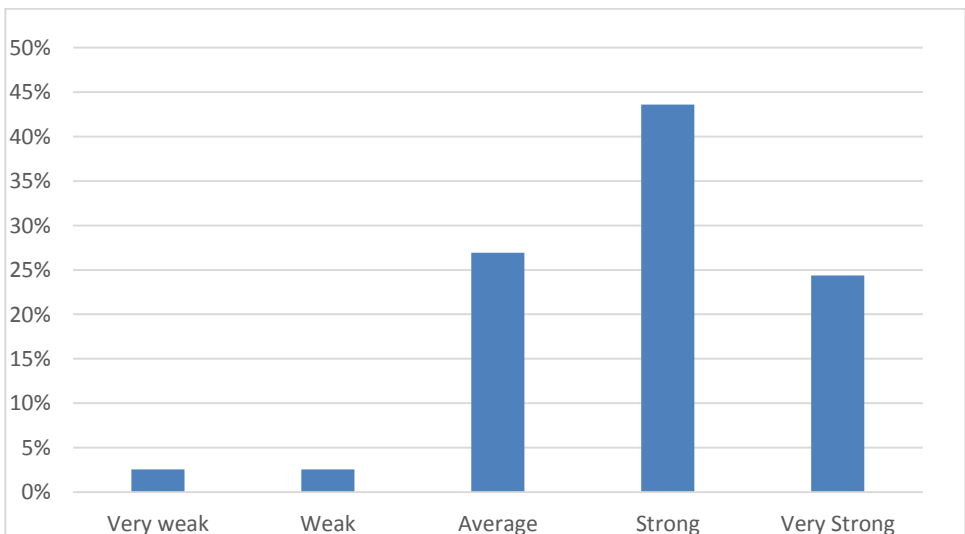


Source: Personal construction according to our survey

When asked about the obstacles to the use of social networks, 43% of respondents said that the main obstacle preventing wider use of social networks in the company is the lack of an electronic payment system complete the transaction (mostly because of the absence of widespread use of electronic payment in the country), 24% believe that it is the difficulty of establishing and allocating a budget to social networks that is the most important obstacle. Finally, the lack of skills and in-depth knowledge on social networks ranks third with 14% and followed by the lack of understanding of how social networks work with more than 14% as well and 4% citing other reasons mainly financial, see Fig. "5".

3.1.5. Impact of social networks on the commercial performance of the company

Fig.6. Assessment of the impact of social networks on commercial performance by companies.



Source: Personal construction according to our survey

The results of Fig. 6, indicate that a little less than half or 43.6% believe that social networks have a strong impact on commercial performance. In the same sense, 24.4% believe that their impact is very significant, whereas 26.9% assesses an impact of average significance.

3.1.5. 1. Cross between the presence of the company on social networks and the improvement of the commercial performance of the company

After analyzing the impact of social networks on the company's commercial performance by flat sorting, we wanted to further refine our results by performing a cross-sort analysis. From this crossover, the results obtained indicated that 66.25% of companies saw their business performance improve thanks to their presence on social networks. However, only 8.7 5% disagreed and 25% remained neutral.

Table 1. Test of the chi two relating to the cross-tabulation

Chi-square test			
	Value	Ddl	Asymptotic (bilateral) significance
Khi-square of Pearson	38,974 ^a	5	0,000
Likelihood ratio	13,160	5	0,022
Number of valid observations	80		

a. 8 cells (66.7%) have a theoretical number of less than 5.

Source: Personal construction according to our survey

By analyzing the χ^2 test, we reject the H0 hypothesis which assumes that there is independence between the presence of the company on social networks and the improvement of the

company's commercial performance. We, therefore, accept H1 because there is a dependency between these two variables, and the asymptotic (bilateral) significance is less than 0.05, which tells us that this dependence is significant.

3.1.6. Cross between the company's presence on social networks and the affirmation that social networks allow the company to communicate and interact with its customers

From this crossover, the results obtained indicated that 78.75% of companies say that they communicate better with their customers' thanks to their presence on social networks. However, only 6.25% disagreed and 12.5% remained neutral.

Table 2. Test of the khi two relating to the cross-tabulation

Chi-square test			
	Value	Ddl	Asymptotic (bilateral) significance
Khi-square of Pearson	38,974 ^a	5	0,000
Likelihood ratio	13,160	5	0,022
Number of valid observations	80		
a. 9 cells (75.0%) have a theoretical number of less than 5.			

Source: Personal construction according to our survey

By analyzing the χ^2 test, we reject the H0 hypothesis which assumes that there is an independence between the presence of the company on social networks and the assertion that social networks allow the company to communicate and interact with its customers.

We therefore accept H1 because there is a dependency between these two variables and the asymptotic (bilateral) significance being less than 0.05, tells us that this dependence is significant.

4. Conclusion

Companies have understood the interest of increasing their digital presence on social networks by limiting themselves only to websites and blogs. Social networks are now an integral part of their business strategies. Indeed, the advent of social networks has revolutionized the modes of communication, moving from face-to-face interactions to conversations in the form of likes, tweets, shares, messages, etc. Companies are constantly looking to engage with their customers by using social networks for the purpose of promoting and increasing purchasing behavior, which enriches two-way communication. In addition, the results of our study of 80 companies confirmed the hypotheses and thus demonstrated the importance of social networks for companies. The study made it possible to validate the positive impact of the company's digital presence through social networks on improving the company's commercial performance and on boosting customer business communication by increasing its ability to interact. In addition, with the exponential increase in the use of social networks by companies to promote their products and services, it is imperative for companies to refine the targeting of their audiences when designing the digital presence strategy. In order, to personalize their outreach, which will increase their relevance to the targeted consumers and increase their chances of converting them into customers. Finally, a permanent self-evaluation through indicators such as the key performance indicators of social networks "KPI", is essential to analyze and manage the performance of content on social networks.

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