

To cite this article: Ishchenko Mykola (2025). THE EFFECTIVENESS OF SOCIAL NETWORKS FOR BUSINESS PROMOTION, International Journal of Research in Commerce and Management Studies (IJRCMS) 7 (3): 128-138 Article No. 396 Sub Id 733

THE EFFECTIVENESS OF SOCIAL NETWORKS FOR BUSINESS PROMOTION

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DOI: <https://doi.org/10.38193/IJRCMS.2025.7310>

ABSTRACT

The role of social networks in shaping the SMM business strategy is argued. The study of the main development trends and motives for using social networks by users is conducted and it is shown that social media is an effective tool for promoting business and improving marketing communications. The main arguments in favor of various social networks expressed by users are considered. The study of the level of engagement with content among subscribers of brand pages in social networks by different industries is conducted and the potential for business promotion is determined. The main metrics used to assess the effectiveness of marketing efforts in social media are identified. A practical study of the effectiveness of using social networks using the example of sportswear brands is conducted. Recommendations are provided for improving business promotion in social media to improve subscriber engagement indicators, as well as the formation and development of a digital marketing communications system.

KEYWORDS: business promotion, social networks, SMM strategy, content marketing, performance metrics, communications management.

Problem statement. In the context of the rapid development of the digital economy and e-commerce, the penetration of the Internet into all spheres of public life, as well as the active use of mobile devices, the number of users of social networks is growing. In particular, according to the analytical resource Datareportal, as of January 2022, there were 4.62 billion users of social networks in the world, which is 58.4% of the total population. At the same time, 93.4% of Internet users use social networks [1]. This provides ample opportunities for the development and improvement of marketing communications of any enterprise through the use of Social Media Marketing (hereinafter referred to as SMM) tools.

Today, social networks require an effective strategy and selection of the most profitable tools and promotion channels. At the same time, the main problem of social networks is high competition, which

requires more and more financial costs and professional efforts from players. It is necessary to assess the competitive environment, use strategies and tools for business promotion, set goals and objectives, and evaluate the effectiveness of marketing activities in social media.

Analysis of recent research and publications. The importance of digital data and analytics in digital marketing is studied by foreign scientists Krishnamurthy, S., Singh, N.[3], Visser, M., Sikkenga, B., Berry M.[5], Dodson I. [4] and others. The authors devote most of their publications to the study of analytics tools and interpretation of digital data sets in the digital communication environment, analysis of consumer behavior, and setting up and monitoring advertising campaigns, including in social networks. The features of brand promotion in social media, and the formation of SMM strategies are revealed in the works of foreign scientists (Tuten T. L., Solomon M. R. [7], Cross D.[6], Akhmedov R. [8] and others), as well as Ukrainian scientists (Rudy M. O.[9], Savytska N. L.[10], Starytsky T. M.[11], Terekhov D. S. [12] and others). At the same time, methodological approaches to assessing the effectiveness of business promotion tools in social media require in-depth study.

Identification of previously unresolved parts of the general problem. Despite the significant scientific achievements of leading foreign and Ukrainian scientists in studying the specifics of business promotion in social networks, methodological approaches to determining the most effective tools for brand promotion, improving SMM strategies, and optimally distributing the budget for digital marketing, including SMM, require further development and improvement. Practical aspects of using modern methodological tools for assessing the effectiveness of marketing activities in social networks remain insufficiently studied.

Formulation of the objectives of the article (statement of the task). The aim of the article is to study methodological approaches to assessing the effectiveness of business promotion in social networks and to substantiate measures to improve marketing activities in social media.

Presentation of the main research material. SMM is a set of measures to use social networks as channels for business promotion and achieving the company's strategic goals and tactical objectives. Therefore, marketers need to understand what needs their consumers are trying to satisfy and which social networks and content are best suited to do so. GlobalWebIndex's 2021 Social Media Trends Report shows how and why users interact with brands, choose products and services, and use different social media. Users of Facebook, Instagram, Pinterest, LinkedIn, TikTok, and other popular social media platforms report the main reasons for use [13] (Table 1).

Rival IQ's social media analytics tool provides comparative metrics to assess the level of engagement of social media users with published content, including daily and weekly engagement rates and

displays the most popular hashtags by engagement level. The analytics service allows to identify and compare industry benchmarks for Facebook, Instagram, and Twitter (Table 2).

Therefore, the average engagement rate per post (by followers) on Facebook in 2021 is 0.064% across all industries [14]. Sports team pages have the highest engagement, reaching an average of 0.27%, followed by influencers at 0.23% and higher education organizations at 0.15%. At the bottom of the statistical distribution are health and beauty, as well as technology and software, which receive an average of 0.02% engagement [15]. Engagement rates on Instagram are significantly higher than on Facebook. As can be seen from Table 2, the average engagement rate per post in 2021 (by followers) is more than 10 times higher, despite the fact that engagement on Instagram decreased by approximately 30% between 2020 and 2021[15].

A convenient service for researching analytics is Rival IQ. Rival IQ is a social media analysis service designed for digital marketers. It provides tools for competitive analysis, SEO, social media reporting, and content marketing, helping brands improve their social media strategy. The service supports platforms such as Facebook, Instagram, TikTok, Twitter, YouTube, and LinkedIn, providing in-depth analytics for each channel.

Table 1. Features and motives for using different social networks
Source: compiled by the author Using the RivalIQ analytics service

Motives for using	Social networks
different social networks	Facebook/Messenger
Communicating with friends and family	Facebook/Messenger, Instagram, Pinterest, LinkedIn, TikTok
Posting photos or videos	Facebook/Messenger, LinkedIn, TikTok, Twitter
Keeping up with the latest world news	Instagram, Pinterest, TikTok, Twitter
Looking for fun and exciting content	Instagram, Pinterest, LinkedIn, Twitter

Table 2. The average level of user engagement on various social networks by sectors before publication

Source: compiled by the author Using the RivalIQ analytics service

Sectors	Level of engagement on social networks, %	
	Facebook	Instagram
Alcoholic Beverage Sales	0,10	0,76
Fashion	0,03	0,36
Financial Services	0,05	0,45
Food & Beverage	0,04	0,63
Health & Beauty	0,02	0,32
Higher Education	0,15	2,99
Interior Design	0,04	0,45
Hotels & Restaurants	0,09	0,70
Influencers	0,23	1,18
Media	0,05	0,64
Non-Profit Organizations	0,11	1,04
Retail	0,03	0,33
Sports Teams	0,27	1,84
Technology & Software	0,02	0,59
Average Engagement Across Sectors, %	0,064	0,67

The effectiveness of social media use and high engagement rates are determined by the SMM strategy, the brand's specifics, its popularity, as well as the value, quality, and interest of the content created. Today, social networks are actively used to promote business and interact with the target audience, as they have an effective toolkit, accessibility, high efficiency, and relatively low costs compared to other digital marketing tools [10].

The strategy of brand promotion in social networks gives businesses a number of competitive advantages since high-quality and thoughtful visual design and unique content when presenting information allow users to convey the company's values and attract potential customers [7]. SMM allows to form a large loyal audience, and regularly informs them about promotions, new products, or news, thereby encouraging repeat purchases. Social networks allow to receive feedback from customers who willingly share their impressions of the brand, products, and services, and the level of service on the pages and in the comments, give advice and comments. By paying attention to constructive criticism, the company can improve its product and service [8].

SMM increases brand awareness and the level of trust in the business, as it broadcasts the company's openness and readiness for dialogue. Regular content updates, information about promotions, and news will show the seriousness of intentions and attention to customers, create a positive image of the company and increase trust in it, which will lead to a natural increase in sales [11]. Social media functionality allows to set of clear measurable KPIs (key performance indicators), collect accurate and reliable data about the competitive environment, analyze detailed statistics of the target audience, and create effective advertising of goods and services through precise targeting by demographic parameters, geolocation, interests, etc.

An effective SMM strategy requires setting goals and tools for promotion in social networks, the effectiveness of which is measured and evaluated using a KPI system. The main marketing goals of business promotion in social media include, in particular, increasing the audience and level of community involvement, increasing website traffic and sales, increasing customer loyalty, increasing brand awareness, researching consumer demand, monitoring competitors and current trends, improving marketing communications, etc. [9]. Clarity of brand promotion goals in social networks will help create an SMM strategy and content.

Solving management and marketing tasks requires the use of social media tools, in particular, analytics and data collection systems, monitoring brand mentions, tools for creating visual content and planning publications, communicating with customers in comments, private messages, and performance analytics systems.

KPIs are important for monitoring and evaluating the effectiveness of social media marketing efforts, as well as sales. KPIs are measurable metrics that reflect the level of success of SMM activities in terms of achieving goals and overall effectiveness. Social media marketing KPIs include engagement, reach, and conversion [8].

Engagement indicators are calculated based on the statistics of reactions to content in social networks - likes, shares, and comments, which are available under each post.

The average engagement rate allows to track the interaction of subscribers with the content and is calculated as the ratio of the number of reactions to the content to the total number of subscribers in the community.

The amplification rate shows how subscribers share content on social networks and is calculated as the ratio of the number of reposts to the total number of subscribers.

Virality rate helps to understand what content is likely to go viral and is calculated as the ratio of impressions to total followers.

Reach metrics help to understand how many social media users, in addition to community followers, are potentially seeing content. Post outreach shows how many people have viewed post since it was published and is calculated as the ratio of post views to total followers.

Audience growth rate helps to track how quickly community's followers are growing and is calculated as the ratio of new followers to total followers. Social share of voice (SSoV) shows how many times users mentioned brand compared to competitors. Conversion metrics show the effectiveness of specific social media activities. Conversion rate helps to understand how many subscribers turned into customers after publication, and is calculated as the number of conversions to the total number of clicks. Click-through rate (CTR) shows how many subscribers responded to the CTA (Call-To-Action) in social networks. It is calculated as the ratio of the number of clicks to the total number of content impressions. It is worth noting that today there are a significant number of automated services and analytics systems on the market that automatically calculate most of the main indicators of business promotion effectiveness in social networks. Among such services, the main ones are BrandMentions, Socialbakers, Sprout Social, Socialinsider, RivalIQ, Hootsuite, Picalytics, Picaton, Minter.io and many others.

We will illustrate the practical implementation of the algorithm for assessing the effectiveness of business promotion in social networks using the example of brands. For the analysis, a sample of sports and fitness clothing brands that work with clients in social networks was formed. Using visual assessment and analytics services, company profiles on social networks Instagram and Facebook were studied based on open and available data.

Using the RivalIQ analytics service and company profiles based on open information, a study of the effectiveness metrics of companies in social media was conducted. Table 3 presents the results of the analysis of companies in social media by individual effectiveness metrics for January 2022.

Table 3. Indicators of the effectiveness of companies in social networks

Source: compiled by the author Using the RivalIQ analytics service

Brand name	Number of posts	Number of likes	Number of comments		ERday, %	ERpost, %
Instagram						
GOfitness	3	16	4		0.016%	0.042%
SportSpar	22	3 967	584		0.468%	0.595%
KellerSports	30	6 189	236		0.915%	0.793%
Brand name	Number of posts	Number of likes	Number of comments	Number of reposts	ERday, %	ERpost, %
Facebook						
GOfitness	14	22	4	2	0.146%	0.156%
SportSpar	180	2 359	345	33	0.173%	0.028%
KellerSports	93	1125	20	7	0.164%	0.022%

Table 4 presents the results of the analysis of companies' effectiveness in social media in dynamics by individual metrics. Therefore, brands have both strengths and weaknesses in working with social media. GOfitness is a unique brand with a small assortment, which has interesting and useful content on the Instagram page, affordable prices and a large number of positive reviews from regular loyal customers. Publications are more often devoted to product descriptions, recommendations for the care of fitness clothing, a healthy lifestyle. Sometimes there are publications with information about sales or promotions. In addition, the disadvantages of the company's promotion on Instagram and FB pages include a low number of reactions, which in turn characterizes a low level of engagement. The company should pay more attention to content that attracts subscribers and stimulates them to respond to publications. The page is not so active and exciting, but contains information about a healthy lifestyle and recommendations for the care of fitness clothing.

Table 4. Indicators of the effectiveness of company promotion in social networks
Source: compiled by the author based on company profiles and Rival IQ Statistics
 Source: compiled by the author Using the RivalIQ analytics service

Name	Social Media	Subscriber Dynamics		Efficiency	
		Number of Followers	Followers Growth	Posting Frequency	Engagement (ER)
GOFitness	FB	1280	2 followers / 10 days	1-3 posts per week	Highest
GOFitness	Instagram	15895	20 followers / 10 days	1-3 posts per week	Lowest
SportSpar	FB	54453	0 followers / 10 days	5-6 posts per day	Low
SportSpar	Instagram	34760	50 followers / 10 days	1-2 posts per day	Medium
Keller Sports	FB	1003	3 followers / 10 days	1-3 posts per week	Low
Keller Sports	Instagram	27006	180 followers / 10 days	1 post per day	Highest

The SportSpar brand has a wide and diverse range and relatively low prices. By visiting the SportSpar page, the customer receives the product at an affordable (discounted) price. This page is full of promotions and sales. SportSpar sells a wide range of products at discounted prices and offers a minimum delivery time. The company often distributes posts on social media pages that are mostly informative and sometimes advertising in nature. The main topics of the posts: new products, as well as entertainment videos. The brand's social media have a fairly high level of engagement for both individual posts and the page as a whole, which indicates active and effective work in the field of marketing communications.

As for the Keller Sports brand, the company offers high-quality products at high prices. Posts on social media are mostly devoted to descriptions of new products, reviews of famous athletes, and videos with products presented in the online store. On the brand page, we can find useful information about sports, quality of life and luxury brand products. Customers can view high-quality photos and interesting information about sports events. The company regularly publishes posts that have a high level of user engagement.

Brand promotion activities on social networks require a set of marketing efforts aimed at increasing the number of subscribers and the level of their engagement, which in turn contributes to increasing sales and customer loyalty. A high level of engagement increases the reach of potential subscribers, and subsequently customers, because the more popular the publication and the more reactions it has collected, the more new users it will be shown. This is how the algorithm of any social network works, be it Facebook, Instagram or YouTube. A high level of engagement characterizes a positive image, and therefore, customer trust in the brand, products and services.

Achieving high results in social networks requires, first of all, a business promotion strategy with clearly defined goals and justified tools and measures, as well as performance evaluation indicators. In social networks, it is necessary to monitor user activity taking into account the day of the week and even the time of day, and publish content when subscribers are most active, which will help to significantly increase the percentage of engagement. Social network statistics tools reflect the dynamics of reactions to individual posts, which allows to draw conclusions and take these trends into account in subsequent publications.

To increase the level of engagement, it is necessary to publish high-quality content that is positively perceived by users and makes them want to interact with the published materials. High-quality content is relevant, useful, unique, and easy to perceive. Entertainment content, such as games, tests, puzzles, flash mobs, etc., which encourages leaving a comment, has a good effect on engagement indicators. Subscriber activity increases during contests. In addition, most users today prefer video content over text. Dynamic and exciting videos are very popular. Bright videos collect countless comments and reposts. According to statistics, this format has an advantage over others and receives much more reactions than text.

The “Stories” publication format, available on social networks, draws attention to the page on social networks. Short videos announcing upcoming publications will have a positive effect. In this format, we can report on new products, promotions, discounts, events. Interesting stories that encourage to follow all publications will help increase audience engagement.

Increasing the level of engagement requires significant efforts and active communications. It is important for any client to be heard in the Internet space. Therefore, to attract the audience, we need to communicate with them: conduct surveys, ask questions in posts, ask for help with the choice, like and repost content if the post was really useful, etc. It is very important to maintain a single style of communication with subscribers and involve them in the social life of the brand.

CONCLUSIONS

The study showed that today the popularity of social media is growing worldwide, which opens up significant potential for business promotion. Social Media Marketing gives companies a number of competitive advantages, in particular, increasing brand awareness, improving image, increasing brand trust and increasing customer loyalty. Social media tools allow to effectively solve management and marketing tasks that require monitoring and measuring effectiveness. For this, analytics and data collection systems, monitoring brand mentions, tools for creating posts and planning publications, managing communications with customers, as well as indicators for analyzing effectiveness are used. Key indicators of the effectiveness of marketing efforts in social networks include engagement, reach, and conversion indicators. The level of engagement is one of the key performance indicators that are used when promoting a brand in social networks. Companies need to constantly analyze which posts attract the most audience, at what time of day and week followers are most active, and how they react to posts. In order to increase the engagement of posts and the page as a whole, companies on social networks need to follow recommendations, in particular, increase the quality of content, improve communications with the audience, publish posts at the best time for this, when followers are most active on the network. The increase in the level of audience engagement with content on the social media page contributes to an increase in sales and customer loyalty.

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