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INTERNATIONALIZATION THROUGH SOCIAL NETWORKS

By Inés Ramírez Nicolás
eMarket Services Spain
www.emarketservices.es
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Social networks are an important meeting place for consumers and companies worldwide. Every year, the number of platforms available and users increase exponentially: Facebook's "population" is now larger than any country in the world.

In this article we analyze this phenomenon and talk to experts in social media and internationalization, finding out how companies can fully exploit the potential of these channels for accessing new international markets.

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The phenomenon of social networks

The Internet has not just changed the way we communicate, with efficient, instantaneous communication by email and videoconferencing: it has also revolutionized how we relate to each other, through the emergence of social networks.

These networks enable us to keep in touch with our family wherever they are in the world, share photos and find new and old friends. And they have completely overturned the way that companies relate to their customers: instead of "talking to" them through static ads, there is now an intimate relationship in which both sides are equals, with consumers rating products and giving and sharing their opinions, approving or complaining directly on the company's website, and expecting an immediate response.

The history of these dynamic-communication platforms is short. The common ancestor is considered to be [Geocities](#), which appeared in 1994, enabling users to create pages associated with cities, followed by the emergence of the first chat service, [AOL Instant Messenger](#), and [Sixdegrees.com](#), enabling users to create a profile and create a contacts list, both of which appeared in 1997. The first real social networks - as we currently understand them, focused on social relationships - were [Friendster](#) (2002) and [MySpace](#) (2003).

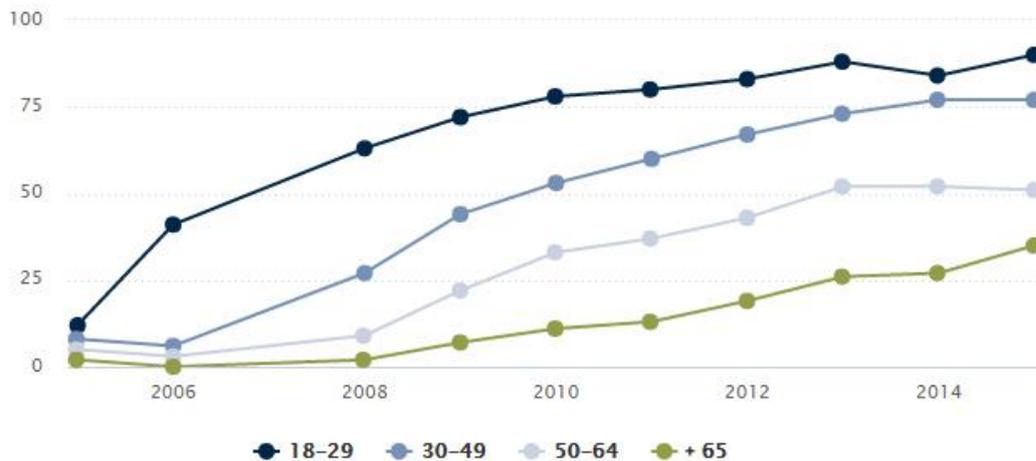
In 2004, Tim O'Reilly coined the term "Web 2.0" to describe the increasing interaction of users with web content. 2004 also saw the birth of the largest social network in the world, [Facebook](#).

These platforms matter. Not just because of the way they change our conception of customer service, but also because they provide meeting points for consumers worldwide. A study by We Are Social¹ found that 3.419 billion of the world's 7.395 billion inhabitants have Internet access, and 2.307 billion were regular users of social media in January 2016. In other words, 31% of the world's population use social media.

However, this penetration is uneven, as the percentage of the population on social media is affected by demographic factors. Age is perhaps the most important of these, as social-media usage is most widespread among the younger generations. For example, the [Pew Research Center](#) found that 90% of adults in the United States aged between 18 and 29 use these platforms, compared to 35% of those over 65².

1 Digital in 2016, We Are Social, 2016. <http://www.slideshare.net/wearesocialsg/digital-in-2016>

2 Social Media Usage 2005-2015, Pew Research Center, 2015



Social media usage in the United States by age. Pew Research Center, "Social Media Usage 2005-2015," 2015

The widespread use of social networks has therefore not developed by chance, as more than half of the global population is under 30: the terms "millennials" and "digital natives" have been coined to describe those who have grown up with the Internet.³

Whilst penetration is not uniform throughout the public, the importance of these platforms for companies is unquestionable. 79% of the top 100 companies in the Fortune Global ranking have a [YouTube](#) channel, with an average of 2 million views of their corporate content. The same percentage of companies connects with its users through a [Twitter](#) profile, and 93% have Facebook pages that they update every week. And these companies are creating more and more social media accounts in response to the target consumers they wish to reach, their geographic zone, the type of product or service they offer and the main theme or issue of the platform⁴.

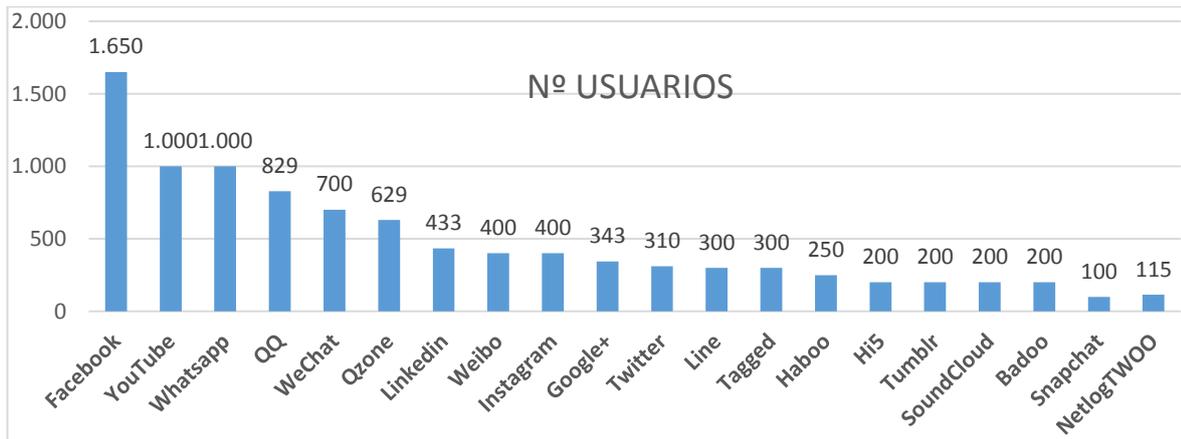
The major social networks

There are many social networks, all with their own very different approaches, but which have the most users worldwide? WebEmpresa has published an interesting article on the "[30 most popular social networks](#)," providing information and educational resources for each of these.

Facebook tops this ranking, with 1.65 billion users, followed by the YouTube video-streaming channel and the [WhatsApp](#) mobile messenger service, both with 1.0 billion users.

³ "Social Media for Internationalization," European Commission, February 2014

⁴ Annual Burson-Marsteller Global Social Media Check-up, Burson-Marsteller

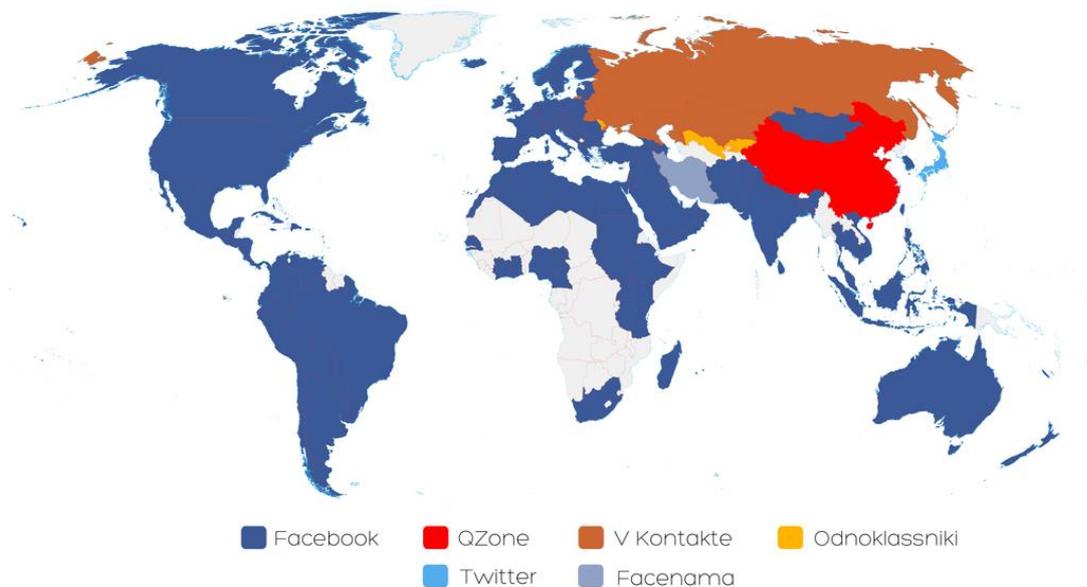


Source: Top 20 social networks with WebEmpresa data. 20 February 2016

However, we also need to analyze which platforms are most popular in each country. For example, in China, the general social network QQ (829 million users), the WeChat messaging service (700 million) and Weibo, the Chinese version of Twitter (400 million), all outstrip the three global leaders. It is essential to understand the powerful local networks before entering a particular market.

The WeChat mobile app is particularly interesting. Not just because of its impressive 700 million users and explosive growth, but also because, in addition to instant messaging and social interactions, it can also be used for online shopping and payments. This makes it a very useful tool for accessing consumers in China.

Vincenzo Cosenza has analyzed traffic data from [Alexa](#) and SimilarWeb, [to prepare a global map](#) of the most widely used platforms, as of January 2016.

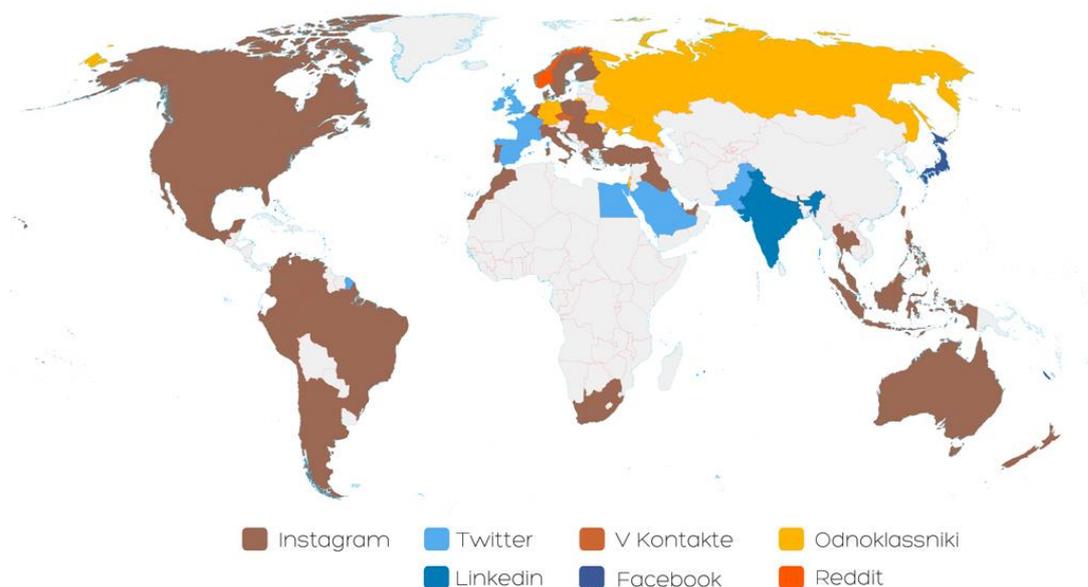


Source: Alexa and SimilarWeb, Vincenzo Cosenza

As we can see, Facebook is the undisputed leader in 129 of the 137 countries analyzed, with 540 million users in the Asia Pacific, 323 million in Europe, 219 million in the United States and Canada and 509 million elsewhere in the world.

However, there are a number of notable exceptions, such as China, as already mentioned, the use of VKontakte and Odnoklassniki in Russia and countries in its historical orbit, and the supremacy of Twitter in Japan, with 35 million users compared to Facebook's 25 million.

Who is in second place behind these giants? Vincenzo Cosenza has also analyzed this, creating this map for January 2016.



Source: Alexa and SimilarWeb, Vincenzo Cosenza

Instagram was in second place in 41 of the 57 nations analyzed. Twitter was disputing leadership in 8 countries, Odnoklassniki in Russia, Israel, Germany and the Ukraine; LinkedIn in India; and Reddit in Norway. Also in silver medal positions were VKontakte in the Czech Republic and Facebook in Japan.

In Spain, figures for 2016 from [IAB Spain](#), show Facebook in first place, with 96%, followed by YouTube with 66% and Twitter with 56%. The most popular site in terms of user ratings was YouTube (scoring 8 out of 10), followed by Spotify (7.9), Instagram (7.7) and Facebook (7.6). Propping up the table were Tuenti (5.1), Badoo (6.2) and Google+ (6.5).

Why include social networks in internationalization plans?



The information we have looked at so far clearly reveals the scope of social networks penetration worldwide. But, why should we use social networks to sell abroad? In its “Social Media for Internationalization” report, the European Commission gives 3 main reasons for using these platforms in foreign trade.

The first is that potential consumers must know that a product or service exists, before it can be sold in an international market. Traditional marketing techniques are expensive, particularly if we want to address multiple countries, but a social network presence enables us to communicate our messages to mass audiences at little cost.

Audience segmentation is also easier with social media. Whilst traditional media, such as newspapers and television stations, are usually national in scope, social networks allow us to appeal to supranational criteria, such as interest in particular topics, interests and web pages of which consumers are members. This makes campaigns more effective, enabling us to target them on customers who might really be interested.

Paco Viudes, the CEO of Gentyo.com and an expert in digital marketing, believes that the ability to segment and reach potential customers based on their interests, raising awareness of products at very low cost, is the main advantage of social media. “The size of your company doesn't matter if you have a good strategy, and can reach potential customers with content related to your product,” Paco says.

Social media not only foster such business-to-consumer (B2C) communication, but also - and more commonly - communication between customers (C2C), or word-of-mouth, which can spread further and more quickly. Content can go “viral” - spreading at the speed of a virus - promoting or sinking a brand or company overnight.

The second reason for using social networks for internationalization is their usefulness for valuable market research. Every communication on social media is a valuable source of information for brands, and it is cheap to gather. This helps companies craft messages that perfectly match the preferences and expectations of their potential customers.

“The prospecting we need to do to define our marketing mix is enriched by social media communications and, of course, access to contacts who can become our cheerleaders, partners, distributors, forwarders and even consumers,” says Carmen Urbano, International eBusiness Head at Inycom, an expert in internationalization, particularly using digital media. Carmen says that social network penetration is growing worldwide, increasing the opportunities for people and professionals to connect worldwide.

Juan Miguel Ruíz García, Head of Communication at the [FAEC \(the Federación Provincial de Agrupaciones de Empresarios de la Construcción de Cádiz -Provincial Federation of Construction Business Groupings in Cadiz\)](http://FAEC (the Federación Provincial de Agrupaciones de Empresarios de la Construcción de Cádiz -Provincial Federation of Construction Business Groupings in Cadiz)), who lectures on foreign trade using social network at the University of Cadiz, also argues that the main reason for exploiting social media in internationalization is to create a network of local contacts in the target market. “Nothing can replace a face-to-face meeting. But initiating relationships online - before embarking on international investment or business trips - may make the internationalization process more efficient,” he says. He believes that cultivating mutually beneficial relationships with people and bodies where the business activity is to take place is an excellent way of establishing a presence and fostering future collaborations.

The third reason for using social media to start selling abroad is that they can be used as a direct marketing channel. Specific tools can be used that make networks such as Facebook into online stores, enabling customers to buy products and services in response to what they see and read.

We will examine each of these three reasons for using social networks in internationalization later in this article.

Before starting: objectives and planning

"Social networks aren't an end in themselves, they are a means-to-an-end," says Carmen Urbano. For this reason, she says it is essential to define objectives and undertake research and testing before drawing up an action plan, getting to know the basic tools available and choosing the most suitable for your objectives and resources.

According to Ruíz García, these objectives may include using social media to deliver customer service in a market or as a way of increasing brand recognition, which is essential for generating customer loyalty for consumer products, etc.

Meanwhile, Paco Viudes argues that we need to consider two important factors before setting our objectives: the product and our target audience. "Identifying these is crucial for establishing a sound social network strategy. Defining our target enables us to know which networks we should base our strategy on, and the content and format we should use. If we understand the advantages of our product, we can create a suitable content plan to highlight its value," Gentyo's CEO says.

José Miguel argues that there are a number of other preliminary steps we should take, including analyzing our business strategy to understand which platforms meet our needs (as we will see in the next point), and considering the "hidden" costs of social networks, which might be free, but still need trained human interaction.

And finally, we have to establish indicators to measure our results. "We can and should measure our actions on social networks," says FAEC's Head of Communication, as these indicators tell us whether our strategy is succeeding or not.

Once all of this data has been clarified, we can establish our action plan.

How do we choose the social media to use?

The first thing we need to consider is the market(s) we wish to address. As we have seen, some platforms are more interesting than others in certain markets. "We understand every market as being its own little world, and each of these can have its own fundamental social networks, both general and specific. This is the case with China and Russia, two huge markets that have their own networks," says Carmen Urbano. But there are other factors we should consider when deciding which social media to use.

Gentyo's CEO believes we should differentiate between whether our approach is B2C, i.e. aimed at the final consumer, or B2B, i.e. aimed at other companies. "The strategy will be very different in each case. In the first case, it is important to generate brand value in every sense, because if both the distributor and the user value the brand, they will pay more for it," Viudes says. In this case, he recommends using platforms that enable us to use highly visual and interactive content, to make potential customers receptive to the brand content.

“Text should be used as little as possible. And our messages need to be clear. This is what happens on platforms such as Twitter, where the tweets with the most follows use images, such as animated gifs, which make them much more interactive,” Paco says. He believes the brand is also important in B2B selling, but we also need to seek networks with a B2B focus, and to offer a different form of value, as the relationships - and needs - of companies are different. In this case, generating trust is crucial for success.

Although we have said that social networks are mainly used by younger people, there are significant differences between the users of each platform. Understanding these differences can help us choose the most appropriate for the type of product or service we are trying to sell.

[GlobalWebIndex](#) carries out a regular survey of the social networks and mobile applications Internet users have used over the previous month. It has used this data to calculate the percentage use of each network by different age groups, for the second quarter of 2016. The results are shown in the following charts:



Source: GlobalWebIndex Q4, 2014, excluding China



We are starting to see older user groups on some social networks, such as Facebook - particularly among those aged over 35 - followed by YouTube and then the professional network [LinkedIn](#).

However, the charts also show that Snapchat, [Tumblr](#) and [Vine](#) are clearly more popular among younger age groups, with the 16 to 24 year-old group accounting for half of their users.

It should also be noted that social networks do not all grab user attention in the same way. Between January and June 2016, [TrackMaven](#) analyzed which social networks achieved the greatest engagement with their followers, using a sample of 51 million posts relating to 40,000 companies in 130 sectors. The results were clear: Instagram was the clear winner with between 50 and 70 interactions for each 1000 followers, compared to an average of 6 for Facebook, 3 for LinkedIn and 1 for Twitter.

We have focused so far on the world's largest social networks, but there are many others. Some of these are general and other specialists, some local, some global, some are for sharing photos and videos and so on, and some focus on very specific issues, making them perfect niches for related products. A [complete list of such platforms](#) that you can search to find the most suitable is available on Wikipedia.

However, just because there are lots of social networks does not mean we need to use all of them. "I recommend researching first and acting second and, of course, not using all of them. You have to choose and prioritize, as resources are usually limited," says Carmen Urbano. In the international sphere, vertical sector networks are particularly relevant, as they bring together communities with shared interests.

Networks in the market research stage

Understanding the market we want to conquer is a fundamental part of any internationalization strategy. Market research and analyzing the opportunities offered by social networks is an essential part of this.

"We need to understand the local culture, and how to act. And we need to understand the cultural riches of the places where we are looking to operate, as every culture has its own customs and ways of doing business," José Miguel says. He gives the example of the importance of horoscopes in India, which are often consulted before arranging a meeting or agreeing a contract to ensure that it is a suitable day. And they also have the habit of doing business by SMS. "For this reason, [Viadeo](#) offers a platform for India - [ApnaCircle](#) - where users can check their horoscope and the horoscope of their opposite number to check whether it is an appropriate day for establishing professional relations. The platform can also send an SMS, rather than a private message," Ruíz García explains. Being aware of these differences helps create a better connection with potential customers.

By selecting suitable vertical or horizontal networks and using these tools, we can keep an eye on our competitors, find out whether a target public is accepting a product or not, and identify opinion formers and marketing channels. "Professional networks are a continuous fount of ideas and useful information. Companies can use them to discover new targets and business opportunities, and to learn from others, both actively and through observation, asking other professionals for their opinion and feedback on strategies and ideas," explains Inycom's Head of International eBusiness.

In addition to observing local networks, Paco suggests three specific actions we can take to research our target market. The first is to can use Google Trends to study search trends in the most popular browser, filtered by country, category and search category (images, video, news, etc). The second is to can use Google Adwords to discover the average number of searches for each keyword, and the potential traffic we could generate.

And finally, "we can use Facebook adverts to gauge potential interest in a particular issue among users, helping us establish the budget we will need to reach our target users, and to optimize our content to attract prospects and sales," says Viudes.

Marketing on social networks: is it really free?

Now that we understand the market we want to conquer and have prepared our action plan, "we need to look at the tools offered by social networks to build our brand, position our offering and attract our target public, so that we can start a conversation," internationalization-expert Carmen Urbano says. She explains that

international search engine optimization (SEO) positioning is difficult, even on social networks, and therefore we should invest in page positioning and advertising from the outset to build our audience. The advantage of such advertising is that it enables segmentation and is much cheaper than marketing campaigns in other media. Therefore, it is a mistake to think that there are no costs involved in having a presence on social networks and using these for internationalization. "Sometimes we need to use local agencies that really understand their markets. And it is often necessary to use paid advertising to build an audience and reach our target public, with good "community management," which also has its costs, as does marketing content in different languages and positioning it," Carmen explains.

Paco Viudes believes we have to optimize our content to motivate users to enter our networks, but it is becoming increasingly difficult to display content to a brand's followers (e.g. the content published on a company's Facebook profile reaches less than 20% of its followers). For this reason, the CEO of Gentyo.com believes we also need to promote content with advertising "so that our social network profiles is useful in generating sales, prospects or emails, which are the most direct form of communication, because if we get someone to visit our social network, our objective isn't just to get a "Like", but to close in on a sale, or a distributor, or whatever objective we have set ourselves".

"The marketing work facilitated by social networks also includes the opportunity to identify, contact and use opinion leaders and social influencers who can reach the communities we are interested in, which would otherwise be much more difficult to access", explains Carmen. Having some of these influencers on our side can make a huge difference to our marketing campaigns.

Is it possible to sell on social networks?

One of the major questions about social networks is whether they can be used directly for international sales. Paco believes they can foster direct sales, but that they are not really



places where users go to spend money: they visit them to enjoy the content, and do this as quickly as possible. "Audiovisual content is the most quickly consumed. Therefore, we need to be experts in synchronizing it with images to create content that is so attractive it motivates users to do something that brings us nearer to our sale. It is very important that we are clear about what we want the user to do, so that our calls to action are as effective as possible," Viudes tells us.

José Miguel is of the same opinion, believing that social networks are a channel for recommendations, not for direct conversion. "This doesn't mean that social networks are not used for selling, just that their role in the sales process is different," FAEC's Head of Communication explains. Sales processes in today's world are becoming ever more complicated, because consumers are so much better informed and use a range of platforms. And because they are bombarded with advertising from many channels, and have learnt to avoid it. For this reason, we should use social networks to help the user make their decisions, whilst fostering engagement that makes the user a fan of the brand, transferring the value generated on these platforms to our website, database, etc.

How do we do this? Ruíz García recommends that we seek direct communication with users, by phone or email, in return for generating quality content or additional services. "This is where we have to combine the use of social networks, emailing campaigns and Internet actions, to take our audience from one phase to the next, converting our audience from people browsing the Internet into customers and, ultimately, fans of our brand," José Miguel says.

However, Inycom's International eBusiness Head believes that "social selling" is a fact. "On the one hand, we increasingly let ourselves be influenced by the opinions of our peers, friends and acquaintances on social networks, and on the other, many shopping apps are already built into the social profiles of brands, enabling electronic B2C selling, such as the [Beetailer](#) app for Facebook," Carmen explains. And there are many examples of the success of direct selling on various platforms.

Which is the best tactic? No rules have been set in stone. We have to decide whether it is more appropriate to try to sell in two stages or directly, depending on the platform, the tools available to us, the customs of our users and the type of product or service we sell.

Some success stories

We asked our experts for some success stories that will help to illustrate how we can exploit the potential of social networks. Carmen Urbano told us about one of her customers on the [ICEX NEXT](#) program, [HappyLegs](#), which is achieving excellent results from its marketing actions, with good conversions into sales of its "seated walking machine" .

Happy Legs' internationalization strategy uses Facebook's advertising tools, enabling excellent international segmentation, and also content-publication options, which help it to focus on particular segments. They also promote the "Buy" button, which directs users to their online store and their pages in electronic marketplaces, such as [Amazon United Kingdom](#).

"They also manage to get people talking about their product during the market research stage - often before it is available in the country - improving their understanding of public sensitivities and generating expectations," the expert in internationalization through digital media explains.



Carmen also gives us the excellent example of [Mariscal&Sarroca](#), which has [built an online store into its Facebook profile](#) using the Beetailer app, together with an international community manager in Spanish and English. "This is generating leads from importers who are interested in their product, who message them directly using Facebook: in other words, real business opportunities are arriving through a social network," Urbano explains.

José Miguel offers [Munich Sport](#) as another success story. This sneaker company is headquartered in Barcelona and has a production plant in Spain, where they turn out more than 850,000 pairs a year. The company has built up an enviable position in the fashion sector over recent years, growing both in the domestic market and internationally, with sales in Europe and Asia, particularly Japan. It has more than 300 sales points throughout Spain. "Munich uses social networks, such as its Twitter account, which has some 17,000 followers, with innovative initiatives such as crowd-sourcing, through which the company has attracted "thousands of designers" for its sneakers, and in-branding, which puts the work team into direct contact with the consumer, who gets involved in the project and takes ownership of it," Ruíz García explains. This approach also fosters different forms of engagement and prompts discussion among the target public.

The future of social media

It is difficult to talk about the future of social media when platforms appear and disappear every year, with changes happening at breakneck speed. However, two that have made great strides are [Snapchat](#), which sends messages with content that disappears after 10 seconds, and [Periscope](#), which allows you to see what the user is looking at in real time, through their cell-phone camera.

With over 500 million active users and 80 million photos shared every day, Ruíz García is convinced that Instagram is the application of the moment. "Snapchats and other forms of entertainment apps may appear, but this social network for photos is picking up new converts worldwide," the Head of Communication at FAEC Cádiz says. He also tells us how the creator of the Instagrammers community, Phil González, believes that "video will be ever more important for Instagram's advertising activity, as it is much more common - and acceptable - to see an ad or brand content before a video than among photos". In fact, Instagram recently announced that the "Like" feature would disappear from its videos, to be replaced by the number of views, and that it was encouraging producers to carry out exclusive launches using 15-second series.

José Miguel also says that the audience a television program attracts will soon be irrelevant, because the most important thing will be the time that users spend watching their favorite program, as it is becoming ever more difficult to hold their attention. "The winners will be the communication platforms that generate the audiences with the highest attention levels," Ruíz García concludes.

Inycom's International eBusiness Head believes that social networks have a glorious future ahead of them, and that new applications are being developed every day that enable the targeting of specific segments, active listening, analytics, and so on. Carmen Urbano concludes that connected customers will spend more and more time on these platforms and "because of this, I believe, social networks should be part of every business internationalization strategy".