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ANALYSING THE IMPACT OF SOCIAL MEDIA ON ENTERPRISE PROFITS

The activity that people demonstrate on social media is truly amazing. They spend a lot of time on various platforms, using them for work, leisure and communication. The average user views about a hundred posts a day in the most popular networks [1]. It is also worth mentioning that it is on various social platforms that modern trends are created and closely followed by our users. And the ability to recognise and use these trends in time allows brands not only to maintain an active online presence, but also to build a connection with their audience to better promote their brand in the future. So, social media can be viewed as a great way to promote goods or services, as the goal of marketing is to be where the customers are.

Consumers show a strong interest in customer experience and feedback from other users before choosing a particular product or service. When customers see positive reviews and read real-life experiences of a brand product or service from an unbiased party, the level of trust to that brand can be significantly improved. In the contrary, a potential customer facing only negative reviews or no reviews at all will show no interest and trust to us. Consequently, we will not be able to sell the product or service.

Brands that are actively developing and improving their own digital platforms for selling products or services enjoy a significant advantage among customers. This sales method allows for direct access to the entire range of products available, improved personalisation of service (tailored to the individual user), and quality control. Such approach helps to increase customer loyalty and ensures effective interaction with the audience. The ability to order products from anywhere in the world with the Internet access and at any time has become a significant advantage of modern digital sales platforms. All of these advantages create a comfortable environment for customers and increase the number of satisfied clients.

As a result, companies need to create their own pages on social media, create high-quality content and promote it. It caused the origin of social media marketing (SMM) strategies. After all, specialists in this field effectively build relationships with customers and contribute to the development of the customer's business. One of the biggest benefits of social media for entrepreneurs is the increased scope together with the accessibility it provides. In the past, to start a business often meant to rely on the support of a limited circle of friends and family members, as well as traditional advertising methods including local newspapers and flyers to attract new customers. Owing to the emerge of social media, entrepreneurs now have access to a huge global network of potential customers at their fingertips. Social media platforms such as Facebook, Twitter and Instagram enable entrepreneurs to reach a wider audience than ever before, regardless of their location or budget. The extended coverage and accessibility have opened up new opportunities for entrepreneurs and helped to align “game” conditions, empowering small entities with the same chance for success as

larger famous companies have [5].

In addition, social media provide companies with the opportunity to build their brand and demonstrate their value proposition, which can be critical in seeking investment. By creating a strong brand and building relationships with both customers and investors, companies can increase their chances for success in raising funds. Whether through crowdfunding, seeking investment from venture capital firms or other funding opportunities, social media provide a platform for companies to showcase their ideas and reach a wider audience, increasing their chances to succeed.

Having analysed the statistics of the world social media from September 2022 to September 2023, we can emphasise Facebook to be the most popular platform. On Facebook, as well as on other media platforms, it is important to monitor the effectiveness of your work to understand whether you are achieving your social media goals. For this purpose, three metrics (coverage, involvement and action) are usually used. Coverage doesn't mean that every fan reads your content, but it indicates to the relative size of your potential audience. The involvement rate points out how many people reacted to the content posted in a certain way. This is an important Facebook post metric that lets you know how well you're connecting with your potential audience and how it motivates them to take action. In particular, the metric includes likes, views, comments, and shares. The action metric measures specific actions that visitors take after interacting with the posted content: for example, going to a specific website, registering, buying a product, downloading a mobile app, etc [2].

These indicators should be considered and included to the company's marketing strategy. The coverage metric helps determine the number of people engaged and define the amount of audience that interacts with the content manager's posts. The involvement metric helps to identify the popularity of different types of content. The action metric helps determine the measure of how well posted content causes the visitor to undertake specific steps, i.e., refer to a website and buy a product or service online. Using these indicators, a company can more effectively analyse the results of its strategy, optimise content and tactics to achieve better results and determine their impact on the business.

The conversion rate analysis is viewed as one of the ways to analyse the social media impact. This method focuses on measuring how effectively social media efforts are transforming into actual conversions and sales. By tracking key performance indicators such as click-through rates, conversion rates, and revenue generated from social media traffic, companies can directly examine the relationship between social media activity and financial performance. By analysing conversion rates, they can learn which activities are most successful in driving conversions, enabling them to allocate resources more effectively and optimise their strategies to maximise profits.

Analysing the impact of social media on business profits is becoming increasingly important in today's business environment. The future of social media and its impact on businesses is uncertain but exciting, as new technologies and opportunities emerge every day. Functioning in the digital age, businesses have realised that social media is not only a place to communicate with customers, but also a powerful tool to increase profits. Examining analytics and metrics on social media platforms can point out to campaigns and strategies generating the most revenue as well as find out the ones needing an adjustment. By tracking the connection between social media activity and increased sales or new customer acquisition, businesses can

optimise their marketing and advertising strategy, which directly impacts their profits. Thus, analysing the influence of social media on profits is becoming an essential part of a successful business strategy in the modern world.

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