

BLOG AS AN INNOVATION TOOL OF INTEGRATED COMMUNICATION FOR SMALL AND MEDIUM-SIZED ENTERPRISES IN BRAZIL

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Abstract The paper employs the blog as a way to develop the communication of Small and Medium-sized Enterprises in Brazil. It presents the importance of internet and understands the amount of Social Media for SMEs. It implies the Societal Marketing concept and Integrated Marketing Communication to sets up the blog as a tool of communication. It draws a conclusion is essential for Small and Medium-sized Enterprises improve and complement their communication with the public whether it be costumers, others companies or employees. Furthermore, SME could be innovative without invest in new products and technology.

Key words Blog; Integrated marketing; Innovation; Small and medium-sized enterprise

1 Introduction

The recent technology which allows swiftness and the flow of information are created in the New Digital Age. Telecommunications, computers, information, internet, transportation and other technologies have had a major impact on the ways companies bring value to their customers. Globalization and internet are the keywords of this age. People start to be more dependent and trustworthy as they search for more information, ideas and innovations. Studies about Social Media Marketing are an engagement in which online communities generate exposure, business opportunities, and sales with online communities. The number-one advantage for businesses is generating exposure for the business, followed by increasing customer traffic and building new business partnerships. Furthermore, social media is the preferred tool of choice for communication seen by the increase of users over the past years ^[1]

The objective of this paper is to highlight the importance of social media as a tool of communication for businesses specifically for Small and Medium-sized Enterprises (SME) found in Brazil. The small and medium-sized enterprises represent 98% of total companies in Brazil, this means 5.9 million of current operating companies; 62% of them export products which represent 2.3% of total exports and SME and 20% of GPD of Brazil ^[2]. Instead of considering the internet as a good promotion for companies which have all facilities and tools to manage and deal with it, this paper will consider the difficulties for SME to understand this kind an innovation for them and show that is not so complicated to establish it in their companies. However, some of these companies do not have totally access to the internet, here the paper will consider that SME's know and have internet access which they do not use because they have not capability to work on it or just unaware the improvement possibilities for their business.

The reason for choosing this topic is because the population of internet users in Brazil is increasing and a major group of these people are connected daily and have some interest on social media, more specifically in blogs ^[3]. Blogs can be defined as a "frequently update website consisting of dated entries arranged in reverse chronological order so the most recent post appears first" (Farkas, 2007)^[4]. Furthermore, the tendency of this new media is only enhanced and even the small and medium-sized enterprises have to be prepared for it, otherwise it will not be competitive enough for the market. It is essential to remember that even the small and medium-sized enterprises need to have responsibility and liability to be innovative and competitive. The search for a new concepts and strategies of marketing is extremely important for their business. The costumers want more than just good service and product, but also want a company which can attend costumer necessities and construct a relationship between company and them. They want to expose their opinions and feedback of it. The market claimed for relationship marketing as philosophy, because of it, this study brings to surface the blog as a tool of communication for integrated marketing.

This paper approaches a study above the necessity to develop a way of internet communication in small and medium-sized enterprises to improve their integrated marketing. For development of this case,

it will board the communication in SME in Brazil; applicability of a blog as a communication tool and integration of a blog in Marketing Communication. To better understand it will utilize the societal marketing concept as a base of concept marketing and for the content literature review, books research and surveys results as complement of this study.

2 Communication of SME in Brazil

With characteristics of sell products and services with lower unit price; public target are the final consumer; attending the basic necessities of population as food and beverages; clothing, shoes and furniture; and residence (construction and reform); has lower level of production; and utilizes technology of public domain; the SME has been increasing more, made the competitive enhancement for achieving their customers. The Figure 1 denotes statistics of quantity of SME per year and inhabitants in that year. On 2004 registered 5 million of SME in Brazil, which corresponded to 36 inhabitants for each company. But on 2010, the numbers of SME will grow up whereas the habitants per company will decrease.

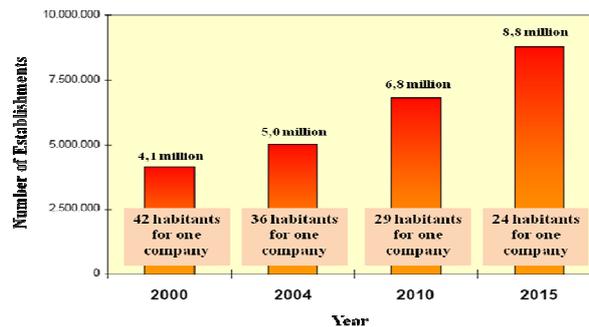


Figure 1 Total of Small and Medium-sized Enterprise in Brazil (Industry, Trade and Services)
Source: Sebrae-SP, Cenários 2015

Analyzing it foresees possible enhance of competitors and competitiveness on the market; to maximize sales, fortify company's brand and acquire new costumers the SME have to develop a marketing plan. The Small and Medium-sized Enterprises in Brazil in despite of be the majority in Brazil, they do not take advantage of communication's tools. A study made by Brazilian Service of Support for Micro and Small Enterprises (SEBRAE) about Technology of Information and Communications (Figure 2) from SME shows 91% of SME utilizes cell phone; 75% microcomputer and 71% have access to internet. These numbers are increasing each year, but in the same time it shows the SME do not give much importance to internet as they should do.

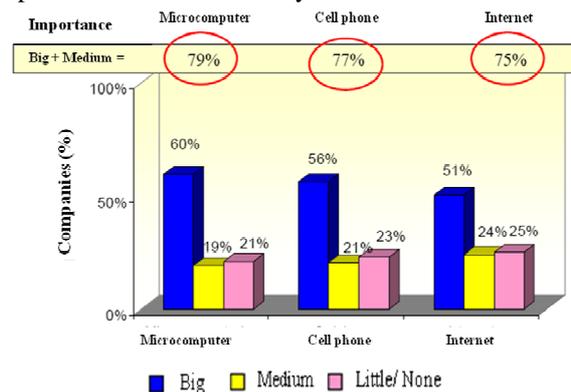


Figure 2 Importance of Those Tools for Business (SME in Brazil)
Source: Magazine Observatório das MPE do SEBRAE-SP

That is one important reason for SME start to improve the capability to use the internet and take advantage of it. The conventional tools of communication are useful and also works as a way of advertising for company, but it cannot be as efficient as blogs. In this paper, conventional tools of communication for SME referrers to advertisements in vehicles, clothes, wall etc; flyers; e-mail marketing; telemarketing, participation in fairs, etc. Although those kinds of communication could be

effective for divulgation for SME, it is not known if it really reaches the public that they target, what customers are thinking about and moreover usually all this conventional communication focus in mass marketing – selling highly products to masses of costumers. The mass media are those that are accessible to most people, thus they are media that enjoy vast audiences and sometimes it can be only a waste of money. Besides conventional communication tools do not have the power to build relationship between customer and company at the first time. The costumers will only know about the company, their business, what they do and if this advertisement brings some interest they will enter in contact, otherwise this communication does not get into the objective or brings more consumers to the company.

This paper again emphasizes that enhancement of internet users has been more and for that, it will be very important tool of communication for companies.

3 Applicability of Blog as Communication Tool

The internet has a range of capabilities that organizations are using to exchange internally information or to communicate externally with other organizations. This giant network of networks has become a major catalyst for both electronic commerce and electronic business^[5]. Internet usage surged in the 1990s with the development of the user-friendly World Wide Web. Entering the twenty-first century, internet penetration in the Brazil has reached 44.5 million of internet users, who access the internet at least once a month even from their houses or work. The estimative is to achieve 62.3 million people accessing the internet everywhere (home, work, cyber-cafes, libraries etc). Brazil still is the first one when it is about the time spending on internet. The Brazilians spend average 40h41min on internet it is in front of countries such as United States, United Kingdom, France and Spain where the average is about 26 hours^[6].

Nowadays it is fundamental for a company to develop their own space on the internet, but it does not mean only e-mail messages, databases, websites etc. Those tools are already an obligation for companies to have it. Without those utilities companies would not work. The issues visible and reasons present for a small and medium-sized enterprise to introduce their business in a social media. Social media refers to a collective group of web properties whose content is primarily published by users, not direct employees of the property and it embody websites as Orkut, Facebook, Twitter, Digg, Youtube, blogs etc. The social media is an instrument of communication to share information, exchange opinions, discuss topics, know and promote people or companies etc.

The Institute for Business Value (IBV) from IBM is developed a study about “Changing face of Communication”^[2] which highlights until 2012 the numbers of internet users will be more than 800 million. On July, 2008 this amount already represented amount two thirds of the internet users in the world. Moreover, it indicated that social media is already being used to promote the interaction between companies, clients and market. Understanding the importance of use not only the internet but also the social media, micro and small companies can improve their market.

3.1 Corporative blog

Competitiveness and innovation are two important variables for a company. The global competition is made when a micro company from a little city competes with a large one in a big city in its home markets. Companies are not only trying to sell more of their locally produced goods, indeed they try to create a relationship between company and for customer to differentiate from others companies. The corporative blog can be the tool which fixes on it and also it can be easier for a small and medium-sized enterprise to manage it. It could be an innovative way to reach costumers, promote advertising and publish information about the company or business. The blog is a giant open door for costumers; partners or even employees, who for them access to a blog is comforFigure. People have started to be interested in others opinions and acquiring knowledge. The blog can create a new vision and organizational structure for companies which want to be successful adopting an organization with its focus on the client. This type of structure, organization with its focus on the client, embodies all departments and processes which are always acting in function of customer. On the Figure 3, it can demonstrate how the structure of a company which focuses on costumers is^[7]. Considering the organizations with focus on costumers, we can understand the importance to attend necessities and satisfaction of the costumers in a successful company. For SME the blog may have more relevance, because it can measure as one source of research and external studies without so much investment. Worked well and integrated into a system of data marketing’s company, it will be valuable for planning and measuring results.

3.1.1 Functions of corporative blog

However, some managers think blogs are a virtual diary for people to post about their daily life; it is not anymore the only function of it. The Jeffrey Group, the biggest international independent agency of Public Relations presented studies about the blogosphere and unveil the blogosphere is consolidated, impacting more people and growing more than internet on that region. The blog already is a strong way of communication which is increasing not only in numbers of who is reading it but also in who is writing it ^[8]. And the reason of this enhance it are because the blog can provide a bidirectional communication instantaneous power. It is the fastest channel of communication and aggregate more value for who is reading. The reasons for this enhance are because the blog provide:



Figure 3 Organization with Focus on Customer

Source: Corporative blog, page 34

- It have pleasant and chronology reading;
- It is easy to make and maintain;
- The costs is little;
- It has simple and intuitive navigation;
- It opens space for comments;
- It offers to exchange links;
- It is custom;
- It is part of a niche and is an expert;
- It demonstrates knowledge of the company
- The early establishment of a community ^[7]

Besides, the blog can also anticipate tendencies, movements, necessities and opinions of costumers. Other issue for a company use the corporative blog is because they can measure relevant data through referrers, keywords, comments or answers about posts, how many people are accessing the blog, repercussion of posts, publication of news versus posts, etc ^[9]. It is a dynamic tool of communication, on contrary of conventional communication mentioned before. Another function it is provides a communication channel without formalities for costumers and in the same time it inform correctly contents to reach the expectation of them ^[7]. One example of corporative blog is a Tecnisa (www.blogtecnisa.com.br), civil construction company in Brazil, which has all tools of social media marketing on their website. The organization indentified one problem on the relationship with the buyers. There was less of synergy in information when they were waiting for the delivery of the landed property. For maintain them informed about the work, this company publishes information and photos in their blog and stimulates costumers to comment and express their opinion or ideas for measure possible doubts or insecurity. The blog spares time and noise of communication between them and costumer.

The main function of corporative blog is to inform publics, no matters which are customers, employees or companies. Moreover, it also can corroborate the image and business of company without high investment as publicity on television, for example. Depends from company decide which kind of blog they want to develop. The essence of blog is focus on Marketing and Public Relations, but others departments also can take advantage of this tool as show the Figure 4. The blog can be more than a simple website page which companies only post their notices.

However, SME have to have some diligence about blogs. The same way the fastness of internet could be an advantage for blog, it also could be a disadvantage. One single mistake about what the company wrote can have an enormous bad repercussion on the media. And other disadvantage of a group blog is “the single, authentic, human voice is diluted by a plurality of voices” (Holtz & Demopoulos, 2006) ^[10]. The company should be careful when choose someone to write their blog. The Institute of Research Qualibest published 72% of Brazilians were helped by blogs to make their opinion

about some brand, product or service ^[11]. So is very important know what information put in the blog. And always be careful with legal rules and copyrights. The function of corporative blog is “an extension of the company informing about history, advices and change experiences” (Cipriani, 2007). The corporative blog have to be transparency and show credibility for blogger people. The SME should be careful when construct the page, trying to do not give some character to their blog, indeed made the corporative blog as a complement of their website.

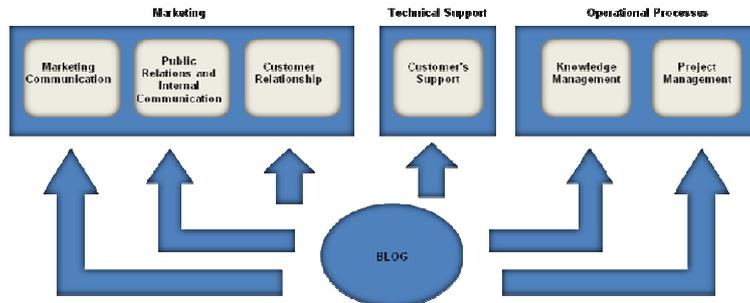


Figure 4 Process Which Can Take Advantage of Blogs into Business
Source: Corporative blog, page 38

4 Integration of Blog in Marketing Communication

Nowadays companies do not compete anymore as better products or good services. Off course, this is very important for a development of a SME, but that are others important factors which influence on buy decision of consumers. Whith the globalization people star to be aware about environment, social responsibility and they want to know what companies are doing about that. So because of that the Societal Marketing Concept is an essential way to deal with that. Societal Marketing Concept is “a principle of enlightened marketing that holds that a company should make good marketing decisions by considering consumers’ wants, the company’s long-run interests, and society’s long-run interests” (Kotler, 2007)^[12]. Adopt this kind of concept it converge with the organization with focus on client already mentioned in this paper.

The Brazilian Service of Support for Micro and Small Enterprises published about 80% of SME in Brazil do not survive on their first year life. The reason is because most of those companies do not know how to manage their business or establish strategic plan and do not plan a marketing business. As the societal marketing concept is about satisfaction as long-run necessities and society common value, SME start since beginning is innovative. The concept of innovation is not only to develop new products, new technologies, but also new ideas. “To create sustainable growth business, companies will have to focus on strategic innovation that integrates and transcends all these companies dimensions of innovation in an explorative quest for the new business concept” (Möller, Stolla and Doujak, 2007) ^[13]. More over, Hamel ^[14] cite in him book “a business concept that differs from industry conventions along several dimensions is typically the most difficult convention-bound incumbents to emulate” (2001). Develop a new concept of business is an innovation. Adopt the Societal Marketing Concept as a first step for integration of blog in integrated communication if fundamental. Moreover, the concept of Integrated Marketing Communication (IMC) can help small and Medium-sized Enterprise since IMC is “under which a company carefully integrates and coordinates its many communication channels to deliver a clear, consistent, and compelling message about the organization and its products” (Kotler, 2007).

The IMC builds brand identity and strong customer relationships by using one single collaborate message together all of the company’s messages and images. That is the reason for SME to adhere corporative blog. The SME need better communications consistency and greater sales impact. ICM and Corporative blog can be the ideal synergy of tool communication to this function. It places the responsibility in someone’s hands to unify the company’s image as it is shaped by thousands of company activities. It leads to a total marketing communication strategy aimed at showing how the company and its products can help costumers solve their problems.

5 Conclusions

This paper highlights the importance of use blog as integrated communication tool in Small and Medium-sized Enterprise in Brazil. The increase of internet users and social media permit the company to understand the importance of employing this communication. Social media will be the channel

between companies and costumers. Communication is not anymore, one directional way, indeed it is changing to bidirectional. Consumers do not want to only buy products or hire services; they want to exchange opinions, ideas and experiences. This paper board Societal Marketing Concept, because with this concept SME can understand the necessities not only from costumers but also from society. It needs to comprehend and satisfy long-run interests of people. If they perceive it, SME's can adopt corporative blog as a tool of communication for their company. Since blog is a social media, the objective is to create a relationship and inform public whether they are customers, companies and employees; without interesting to sell or convince them about products and services. That is the reason utilizes blog as a tool of integrated marketing. The integrated marketing is works around public relations and marketing, but aimed inform and build a relationship between costumers and company. Besides the blog does not need so many investments to build one and it can give to SME a good position on market from consumers; SME must be careful when publish information and data, otherwise it give the opposite results.

The corporative blog is a tool for complement the communication. SME should employ others types of communication, but this paper emphasizes the blog because it shows corporative blog as an innovation for small and medium-sized enterprises. The innovation there is on skill to deal with new concepts, take advantage of opportunities and explore a market which is not attending. Usually the SME does not have so much capital to invest in high technology and R&D, making corporative blog an option to promote the SME.

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