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Verbytska Anna

Candidate of Sciences (Public Administration),
Chernihiv Polytechnic National University

Вербицька А.В.

кандидат наук з державного управління,
Національний університет «Чернігівська політехніка»

ADVANTAGES OF SOCIAL MEDIA MARKETING AS A LEAD GENERATION CHANNEL FOR START-UPS

ПЕРЕВАГИ МАРКЕТИНГУ В СОЦІАЛЬНИХ МЕРЕЖАХ ЯК КАНАЛУ ЛІДОГЕНЕРАЦІЇ ДЛЯ СТАРТАПІВ

Highly competitive environment of start-ups encourages the effective implementation of their marketing and business goals. The key task in this context is lead generation, which supports a start-up's key tasks, namely strengthening market positions and increasing sales. The key channel of the lead generation is the social media, which is in the best method of performing marketing and business tasks formed within the framework of lead generation. The aim of the paper is to study the channel of social media as a tool of lead generation for start-ups. The paper considers the features of start-up lead generation on the social media platform, and stages of lead generation for start-ups. The paper offers a number of measures focused at enhancing start-up's position in social media channel in the context of lead generation. A special focus is dedicated to increasing the effectiveness of marketing investments under COVID-19 pandemic.

Key words: Social Media, Lead Generation, Start-up, Target Audience, COVID-19.

Висококонкурентне середовище діяльності стартапів спонукає до результативного виконання їх маркетинг- і бізнес-цілей. Ключовою задачею в цьому контексті є лідогенерація, що підтримує виконання ключових задач стартапу – а саме, посилення позицій на ринку та ріст обсягів продажу. Ключовим каналом лідогенерації для стартапу є соціальні мережі, що в найбільш ефективний спосіб дозволяють виконати маркетинг- і бізнес-задачі, що сформовано в рамках лідогенерації. Метою статті є вивчення каналу соціальних мереж як засобу лідогенерації для стартапів. В статті розглянуто особливості лідогенерації стартапу на платформах соціальних мереж, а також етапи лідогенерації. Вивчено специфічні заходи, що необхідно вживати задля результативного використання каналу соціальних мереж в задачах лідогенерації стартапу. Подано етапи лідогенерації стартапу. Названо особливості лідогенерації на окремих платформах соціальних мереж. Вивчено результати останніх досліджень щодо рішень маркетингових директорів в контексті використання каналу соціальних мереж. Названо критерії вибору відповідних каналів соціальних мереж в контексті задач лідогенерації для стартапу. В статті запропоновано комплекс заходів з покращення позиції стартапу в каналі соціальних мереж для задач лідогенерації, що охоплює такі блоки: 1. Оптимізація профілю стартапу; 2. Використання активних посилань у контенті; 3. Створення платної реклами в соціальних мережах; 4. Автоматизація за допомогою інструментів чату; 5. Здійснення спеціальних маркетингових акцій; 6. Використання інструментів особистих історій і відгуків; 7. Використання інструменту прямих трансляцій; 8. Підключення до електронної комерції. Наголошено на важливості вибору найбільш підходящої платформи соціальної мережі в розрізі лідогенерації конкретного стартапу. Виділено особливості використання інструменту соціальних мереж в площині задач лідогенерації в пандемію COVID-19. Зокрема, наголошено на пріоритеті маркетингових директорів в період пандемії COVID-19 на перенаправлення витрат маркетингу на канал соціальних мереж. Окремий фокус направлено на ріст ефективності вкладень в маркетинг в пандемію COVID-19. Перспективи майбутніх досліджень полягають у вивченні інших інструментів Digital-маркетингу (SEO, PPC, інші) в контексті задач лідогенерації стартапів.

Ключові слова: соціальні мережі, лідогенерація, стартап, цільова аудиторія, COVID-19.

Problem statement. Start-ups take place in a complicated competitive environment that demands implementing effective tools to achieve start-up marketing and business goals. One of the main objectives for a start-up to survive in the short and long run is to achieve appropriate market positions and sales volumes through lead generation. The channel of social networks occupies a key place in the tasks of start-up lead generation. The channel of social networks ensures the achievement of relevant start-up marketing and business goals in the most effective way.

Last research analysis. There are exceptional research achievements in terms of aspects of using the channel of social networks in the implementation of the tasks of start-up lead generation.

Akula [1] studies influence of social networks on start-ups, namely communication with target audience and attracting start-up funding through social networks. Particular attention is paid to social networks as a tool of lead generation. Dziadkiewicz [2] studies characteristics and functions of social networks in the context of start-up business goals, in particular lead generation goals. The research results of Akula [1] and Dziadkiewicz [2] form the theoretical and practical basis for our research on the channel of social networks in lead generation goals.

Levy [3] addresses the issue of user experience management in start-up products in order to intensify the lead generation process. López [4] studies digital marketing problems of involving loyal audience in the field of various marketing and business goals, including problems of lead generation. Richter [6] approaches issues of start-up communication at the early stage of development. It means in the context of problems of marketing start-ups in general and lead generation in particular. Rumler [7] studies start-up communication problems at the early stage of development – within implementation of lead generation tools. The research results of Levy [3], López [4], Reklaitis [5], Richter [6], Rumler [7] are important for our research in terms of forming and implementing start-up marketing and business goals within lead generation tasks.

Syaifullah [8] considers the features of the use of social media marketing to achieve marketing and business goals of small and medium-sized enterprises. The research emphasizes the importance of taking into account the effectiveness of the use of lead generation tools when choosing

marketing channels for small and medium-sized enterprises. Yang [10] considers features of social network use in the context of the effectiveness of attracting start-up investment. A separate focus in the article is put on the efficiency of lead generation. We use the research results of Syaifullah [8] and Yang [10] to study the specifics of planning and implementation of start-up lead generation goals.

However, the issue of developing start-up measures in the channel of social networks within lead generation tasks has not been studied sufficiently due to the high volatility of the environment in which start-ups take place, as well as due to rapid changes in social networking platforms and digital marketing. An additional aspect that makes this article highly relevant is lack of research that takes into account changes caused by COVID-19, especially in planning and implementing start-up marketing in general and lead generation in particular.

The purpose of the article is to study the channel of social networks as a lead generation tool for start-ups and for developing measures to improve start-up positions in the channel of social networks for lead generation tasks with a particular focus on changes caused by COVID-19 pandemics.

Research results. A lead is a person who in some way expresses an interest in a company's product or service. In general, a lead is a potential customer. A lead, unlike a cold call, is involved due to targeted communication and leaves their contact details for further communication. Lead generation presupposes creating unique ways to involve target audience that will have natural interest in a product and will be more open to potential future purchases.

A practical example of lead generation could be receiving an email with product description by a person who filled out questionnaire indicating their contact details. This process could be described as less pushy and one that has a higher value in a potential customer's opinion than a random call or text message from a company, which has previously bought a database with contact details of its target audience. From the company's point of view, the information collected about potential customers helps personalize communication with potential customers to solve their existing problems. Besides, there is no need to spend resources on phone calls to potential customers who are not interested in the company's product.

Lead generation is a part of customer lifecycle where a customer moves from a Visitor stage to a Client stage. Not every lead is equally essential. There are different types of potential customers depending on their qualifications and being at a certain stage of the lifecycle. Lead generation is a core part of digital marketing. It takes place after the company has involved audience and is ready to turn these visitors into potential customers (namely, *Sales Qualified Leads*). Lead generation is an integral part of a stage on the customer's path to purchase and use the product (Figure 1).

There are lead generation stages according to the methodology of Hubspot consulting and analytical company [11] specializing in digital marketing:

Stage 1. A visitor learns about a product through one of the marketing channels, for instance a website, blog, page on social networks.

Stage 2. The visitor is spurred to *Call-to-Action (CTA)* – an action of clicking on an image, button or message that encourages website visitors to take a specific action.

Stage 3. *CTA* refers a visitor to a *Landing Page*, which is a website designed to get information about potential clients in exchange for marketing material (*Offer*) that has value to a potential client (e-book, report on research results, etc.).

Stage 4. Going to the landing page, the visitor fills out the form in exchange for the above marketing material.

In conclusion, the visitor clicks on the *CTA*, which leads to the landing page of the website, where he or she fills out the form with their contact details to obtain marketing material, and then becomes lead.

After combining the above steps into a single complex, the company can use different promotion channels in order to attract traffic to its landing page, which fulfils the task of attracting potential customers. Social networks are one of the key promotion channels in the process of lead generation. Social networks make it easy to direct your subscribers to action (*Instagram: swipe up option; Facebook: bio links; Twitter: bitly URLs, etc.*). The company can also promote its proposals in publications on social networks and include *CTA* in them.

Facebook was a tool for potential client generation in the beginning of its operation. Companies could use outbound links in their publications and profile information to attract strangers to their websites. However, when the *Facebook Ads* tool was launched in 2007, and its algorithm began to favour accounts that used paid advertising, there were changes in how companies began to use the platform for lead generation. *Facebook* created *Lead Ads* for this purpose. *Facebook* also has a feature that allows you to place a simple *CTA* button at the top of the profile page, which helps direct *Facebook* subscribers directly to the company's website.

Twitter has the *Twitter Lead Gen Cards* tool that makes it possible to generate potential customers directly in a tweet without leaving a website. The user's name, email address and *Twitter* username are automatically entered on the card, and then all that is left to do is to click "Submit" to become a lead.

LinkedIn created *Lead Gen Forms* that automatically fill out user profile data when they

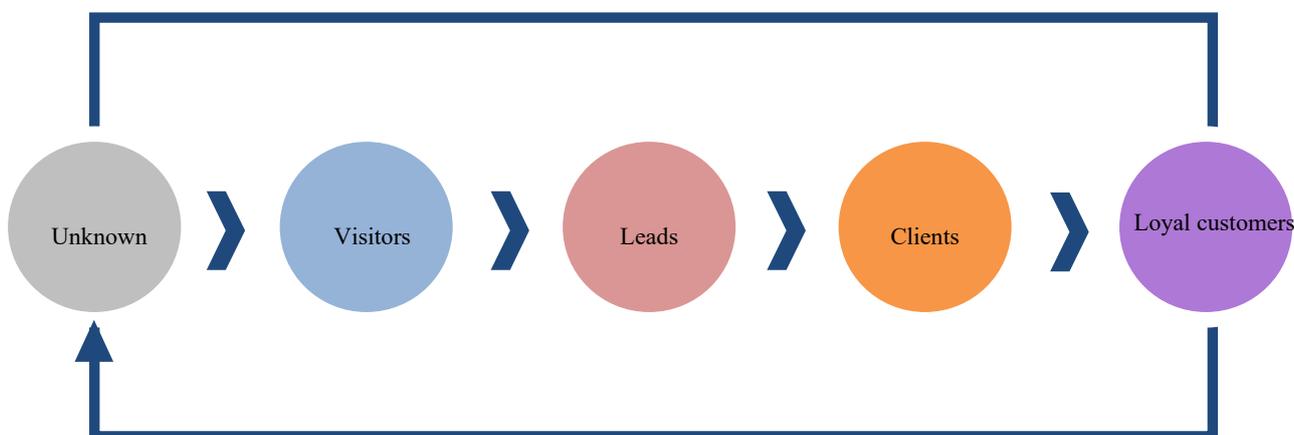


Figure 1. The process of start-up digital marketing

Source: based on the materials of Hubspot consulting and analytical company [11]

click on *CTA*, which makes it easier to obtain information.

According to the research [12], in 2021, marketing strategy changed and put its focus on the channel of social networks that has better opportunities for personalized marketing. Among the main priorities for marketing in 2021 the following were mentioned: strengthening the authenticity of the brand, optimizing the customer experience, attracting potential customers (Figure 2). In 2021, the vast majority of marketing managers (63% of respondents) has an increased budget and spends it on paid advertising, content creation and marketing software. All this set of tools to promote a start-up among the target audience and strengthen its position in the market can be used in the channel of social networks.

According to the study [12], lead generation is a task No.1 for marketers in 2021. Consequently, social networks are the channel No.1 used in marketing in 2021, in particular, 8 out of 10 companies invest in social media marketing in 2021. In 2021, the main (62% of respondents) tactics of marketing in social networks is a comprehensive monitoring of the opinions of users of social networks (*Social Listening*). Having established direct relationships with its audience on social networks, the start-up forms an effective approach to how to support, interact and turn potential customers into loyal fans of the brand. The top 3 marketing tactics on social networks in 2021 also include hashtag tools (48% of respondents) and live video (46% of respondents).

According to the research data [12] top 5 social networks used by start-ups in 2021 include: *Instagram* (82% of respondents), *Facebook* (80%),

Twitter (61%), *YouTube* (59%), *LinkedIn* (41%). At the same time, among the TOP-5 social networks with the highest ROI of marketing campaigns, in the start-up context, there are: *Facebook* (43% of respondents), *Instagram* (31%), *LinkedIn* (9%), *YouTube* (7%), *Twitter* (6%). That is, start-ups mostly use the *Instagram* channel, but the highest result from the marketing campaign is in the *Facebook* channel. The results of the study [12] are summarized in Figure 3.

This corresponds to the key task of lead generation, i.e. filling the marketing funnel and obtaining potential customers' contact details to further transform them into users. Generating leads on social media is a strategic marketing challenge that captures leads on the brand's social networking platforms and engages them in the marketing funnel to turn leads into users.

Social networks are the optimal channel for start-up lead generation due to the fact that this channel provides high quality leads, as well as due to its ability to convert on sale. A social networking site generally has a higher rate of interaction with users than other channels (such as an email, brand website, website landing pages). The social networking channel also has significant built-in targeting and personalization capabilities for user profile data. Since a start-up may look for and find potential clients through social networks, rather than attract them through organic marketing, there appears an opportunity to choose those who will receive messages as well as to look for potential clients who are already involved in competitors or categories of complementary products. Geographic targeting tools and positioning also assist start-ups

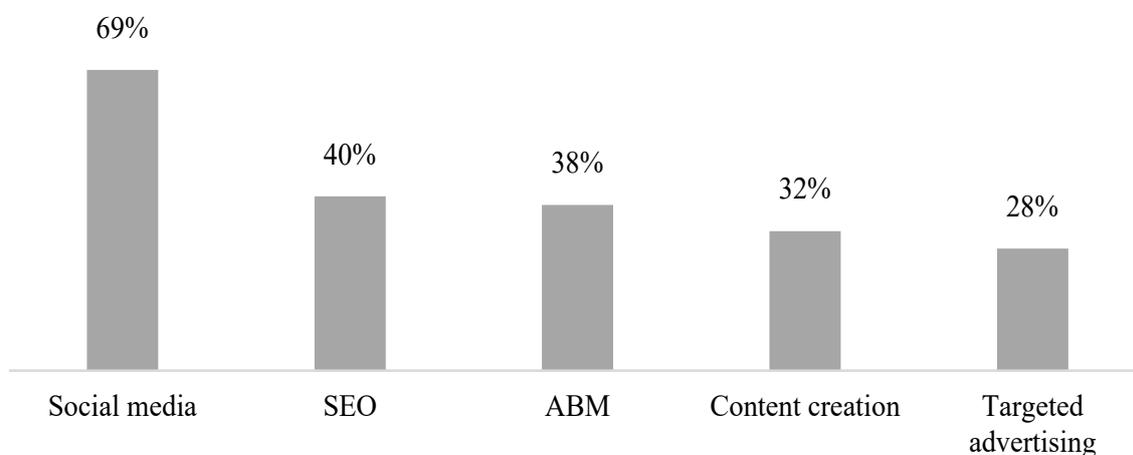


Figure 2. TOP-5 marketing tools used by companies in 2021, % of respondents

Source: based on [12]

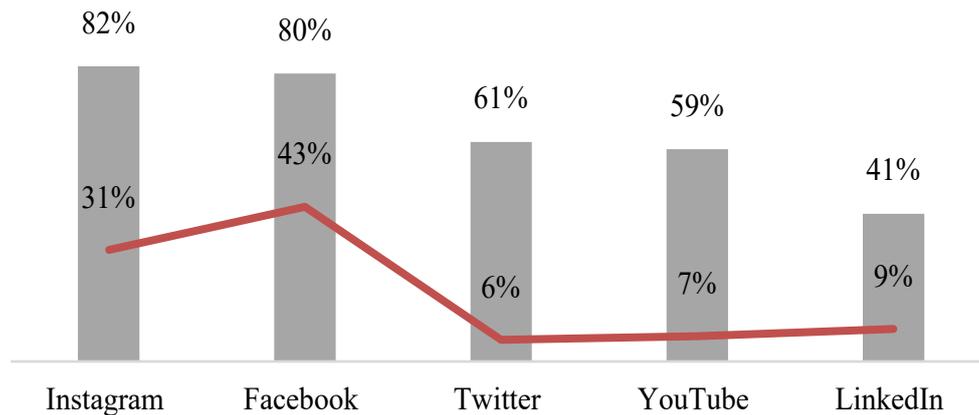


Figure 3 TOP-5 social networks used by start-ups, the frequency of their use and estimates of ROI, 2021, % of respondents

Source: based on [12]

that have specific goals in the region where they plan to run business. Filtering tools and analytics embedded in social networks help realize a lead generation strategic plan.

Lead generation through the channel of social networks requires that a start-up takes measures to improve its positions in this channel. We will form a complex of lead generation through the channel of social networks for the start-up, covering a number of blocks (Figure 4).

Block 1. Optimization of a start-up profile.

The first thing potential customers see on a start-up page is its profile and profile data. Optimizing this section will help engage potential customers and encourage them to follow and interact with the start-up brand. There are several ways to improve a start-up's social media profile. They include:

- Clear contact details;
- CTA buttons use;
- Adding links to the website;
- Creating quick links to info-sheets or e-mail registration pages;
- Improving short brand descriptions;
- Choosing the right profile image;
- Pinning important content at the top of the profile.

Block 2. Use of active links in the content.

Content that a start-up creates and shares on social media should be compelling in order to encourage viewers and potential customers to interact with the brand. However, the actions taken will not be successful if there is no clear transition to the next stage in the lead generation process. Content should have a goal that is displayed to the target

audience through active links that can be clicked and moved to the next steps behind the marketing funnel.

Block 3. Creating paid advertising on social networks. Social network advertising helps to convey messages and offers directly to the target audience, not just for the general public of Internet users. Social network advertising helps to reach the target audience and increase engagement by choosing the right group by demographics and other markers, which will help increase conversions.

Block 4. Automation of direct messaging. Leads want to be able to get quick responses and interact directly with the brand at any time. Automation tools (such as chat bots) can help attract leads when they have a question about a product, without significantly involving start-up employees in the process. An additional argument is that it is much easier to set up a chat bot to ask leads for personal information and find detailed information about their requests than to force a member of a start-up team to produce answers to more or less standard questions.

Block 5. Special marketing promotions. Special marketing promotions are a powerful tool to involve potential clients on social networks. These activities tend to have high levels of audience interaction. Thanks to special marketing campaigns, more "cold" leads are ready to provide information or start interacting with the brand.

Block 6. Using personal story and feedback tools. Personal stories and feedbacks are ones of the most powerful marketing tools you can use as part of a plan to generate leads on social media.

When a brand uses its platforms to share success stories and positive feedback from its audience, it builds a high level of trust in the brand. Highly reliable brands have more chances to get a positive interaction and increased interest by both potential audience and client database. This gives the start-up more opportunities to attract new leads and increase the marketing funnel.

Block 7. Using direct communications. Live streaming provides opportunities to showcase new products, answer viewers' questions, and hold an online event (such as a webinar). Using live streaming helps to create brand authenticity and shows audiences that real people and teams work under the brand name. This can create strong links between the brand and the target audience, which helps to attract leads.

Block 8. Connection to e-commerce. Social networks are not only a powerful lead generation tool, but also a sales tool. Thanks to the use of the e-commerce channel, the start-up gets the opportunity to demonstrate its product to a general audience as well as to a target audience. Even if they don't buy the product right away, connecting to e-commerce can help start-ups gather valuable information for future lead generation.

The key task is to choose the most suitable social network in terms of lead generation of a particular start-up. While any platform can be used to engage potential customers on social media, it is important to determine which platforms will be best for a specific start-up and its business goals. Start-ups should choose the social networks that the target audience frequently uses. It is also important to form a profile of the target audience to more accurately determine the characteristics of the lead generation plan in the social network channel. For instance, if the target audience of the start-up spends most of its time on the *LinkedIn*, the implementation of the lead generation plan on *TikTok* may have low effectiveness for the purposes of this particular start-up [9].

The COVID-19 pandemic presents an additional challenge and opportunity for lead generation on social networks. A special study of CMO Survey [13] on the pandemic and its impact on marketing showed that social networks have become crucial for marketing during the pandemic. In particular, spending on social media marketing increased from 13.3% in the structure of the marketing budget in February 2020 to 23.2% in June 2020 (an increase

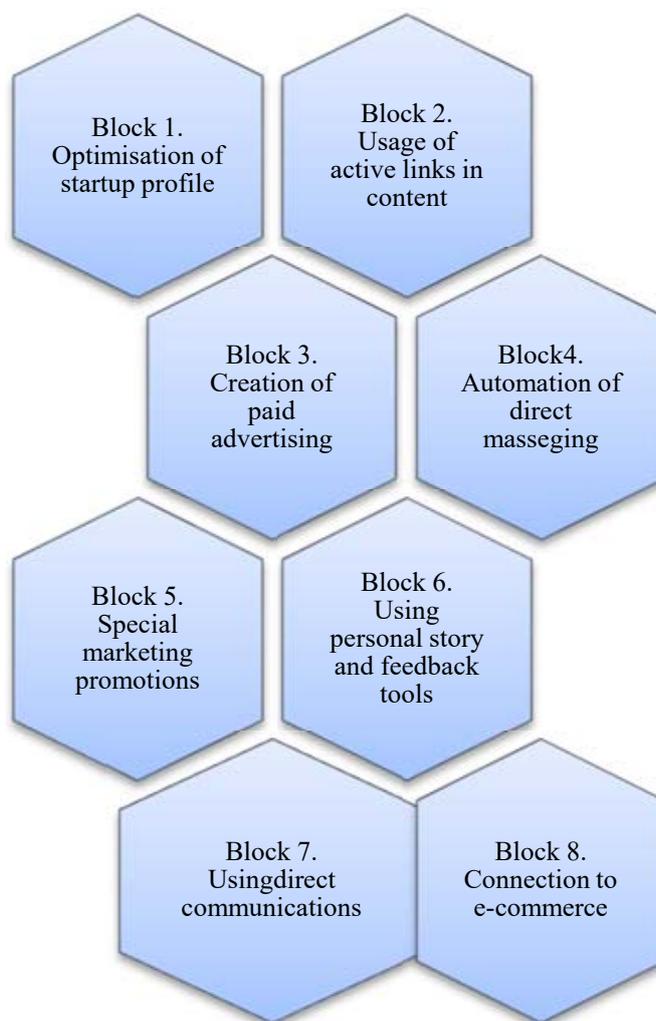


Figure 4 A complex of lead generation through the channel of social networks

Source: the author's analysis

of 74%). At the same time, traditional advertising costs are expected to decline as marketing executives estimate traditional advertising channels to shrink by 5.3% over 2021. In the pandemic, marketing executives are increasingly investing in online customer experience. 60.8% of respondents indicated that they spent resources on creating digital interfaces for customers, and 56.2% of surveyed marketing executives plan to transform their business models to enter the market with a focus on digital opportunities. In this context, the channel of social networks will continue to play an important role in attracting consumers to digital value offers.

Conclusions. Social networks are one of the key tools for start-up lead generation. The channel of social networks is the most suitable for the task of lead generation of start-ups due to its features,

in particular, the ability for targeting, usage by the target audience, data availability, and features for integration with other channels. The key task is to correctly define the business goals of the start-up, an accurate description of the target audience and the competent setting of tasks within the lead generation. This will make it possible to choose the appropriate social network and a specific lead generation method, based on marketing and business objectives. It has been emphasized that lead generation through the channel of social networks requires the start-up to implement a set of measures to improve its position in this channel, which includes such blocks: 1. Optimization of a start-up

profile; 2. Use of active links in the content; 3. Creating paid advertising on social networks; 4. Automation of direct messaging; 5. Special marketing promotions; 6. Using personal story and feedback tools; 7. Using direct communications; 8. Connection to e-commerce. Peculiarities of using social networks for lead generation tasks in the COVID-19 pandemic have been pointed out. In particular, marketing executives have indicated the priority to increase marketing costs on the channel of social networks. The direction of further research is to study other tools of digital marketing (SEO, PPC, etc.) in the context of the problems of start-up lead generation.

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