

Social Media and Business Environment

Avinash Pareek¹, Satyam Pincha²

Faculty of Engineering, Life Sciences and Management, IASE Deemed University Sardarshahr^{1,2}

avinash_bims@rediffmail.com¹, satyampincha@gmail.com²

Abstract:

Today's world is moving at an ever increasing pace. New technologies, opportunities, threats all force companies to have the ability to be able to change rapidly in order to stay competitive and survive in increasingly harder business climates. In this paper we look at how new generations working with new types of media can play a vital role in how a company goes about its change management decisions. The focus is centered on the use of social media in a business environment. In this paper we have come to the conclusion that an implementation of social media will yield faster and better communications within a company and also make the company more transparent where every employee's opinions can be read, documented and saved for future use. This information can later be utilized when carrying out and managing change in a business environment. Social media is a, at least in the field of academia, young phenomena. There has not been an extensive research in the subject, especially not with regard to uses in organizations. For this reason we have chosen to make use of many sources from as diverse fields as possible. We focused on finding at least two, of each other independent sources, wherever possible to verify statements. We also relied on our own experience from working with social media and the knowledge gained through the course of consuming literature on the subject to assess sources. Apart from the sources we have listed in our reference section we have also taken part of much more material to further our own basic knowledge and understanding of social media.

Key Words:

Social Media, Business Environment, Internet, Users, Network, Participation,

Social Media and Business Environment

Introduction

The fields where literature on social media is most available are marketing and sociology. That being said, much of that literature has a broad applicability as the literature assumes that the intended recipient has a low knowledge level within the area and as such takes a very expansive approach to the topic. This is also something we have incorporated in this study, introducing the subject thoroughly before going deeper into issues.

In the beginning we introduced the concept of a new media, which stands in contrast to the form media has had during the twenty first century. The industrialized media and the industrial information economy have been the basis for all information and communication. A strong characteristic of the industrial media is its one-to-many form and capital intensive nature.

What signifies this new emerging media is social interaction, collaboration, sharing, building communities, discussions and relationships. Social media is in fact any form of media where individuals or organizations share and discuss information, a process which has come to be referred to as “conversation”. The communication, or conversation, can take many different forms; from audio to text to images to video and anything beyond or in between. The largest arena of social media is the writeable web, even if mobile communication devices, text-messaging services and the like are part of the scene.

Television is a non-interactive one-to-many medium. One of television’s more notable qualities is that it has the very strong ability to turn anyone within a close enough range into a couch potato. Participation and interaction with television is strictly limited. Apart from the ability to change the channel or adjust volume there are painfully few instances where the viewer is involved. At the greatest extent involvement in television can be attributed to documentary soaps where the audience is expected to vote on an outcome.

Many popular Internet applications and social media networks require a significantly higher user interaction. Interaction occurs on several levels not only between different users, but also between users and content or different applications. Most of what social media is based on is the collaboration of users and the individual’s creation, or participation in creation, of new digital content. This is known as user-generated content (UGC) or also as user-created content (UCC). User generated content is in part the defining essence of the social web.

The point being made is that the social web is a window to a greater distribution and diversity of media when compared to traditional media. Digital media has presented the opportunity not only to interact with other individuals, but also with the content. Texts, images and video files are not only being shared, but they are also being manipulated.

Contribution and Participation of Users

The writeable web and social media platforms grant individuals a new way of viewing information. They are no longer the mere consumers of content where information from a source is presented to the masses. Individuals are empowered to view their practical and social lives through the eyes of someone who could voice an opinion or inject a thought

anywhere. Whether it is a criticism or a concern, writeable platforms offer anyone with access the possibility to engage in the public debate.

Whether an individual participates in content creation or collaboration does not generally depend on if a superior has ordered them to, although this does hold true in many cases. Neither is project participation based on expected returns, although some do focus on money for the long-term of activities. The critical mass of participation in many online or social projects cannot be explained by the presence of price or any other forms of future monetary return. This form of work is often free of micro-level management such as who will work with whom, on what project and so forth. Greater individual freedoms, for instance the freedom to act and be unconstrained by the need to ask permission, is key for non-monetary motivation as a driver of production. It is the freedom to seek information and to write about it, to be able to join or leave various projects and associations with others that underlies the new efficiency of networked social efforts. These factors are emerging because people are being granted more freedom to act effectively and of themselves.

As the potential for interaction with the networked public sphere increases individuals become less passive, and thus more engaged. The effort required to partake in an open conversation being lowered individuals become more engaged participants in the debates about their observations. This allows anyone to speak, to inquire, to investigate and none the least to be heard without needing the outlet of resources available only to major media organizations.

There are also many social factors playing a significant role. The readily available and easy to use online tools as well as cheap and fast access to the same are an important part. This, when coupled with the willingness to share content and also to contribute to communities, has changed media consumption habits of Internet users. All factors taken together are central forces that drive user created content and will continue to do so in the future.

Corporations Participation

There are no non commercial production facilities and there are no volunteer energy plants. Companies could never exist on having their primary source of income rely on voluntary contributions. This being said most of basic scientific research is non profit, educational or funded by government grants.

As well as individuals participating in collaborative projects and social media content production companies and corporations do so also. A large portion of that which today is available through the Internet was made possible by the voluntary contributions of collaborative social networks. Even if there are no, in the short-term, visible financial gains from participating in collaborative efforts or free content creation, failing to do so could have a large impact on future operations. The results are that we are seeing the emergence of a new decentralized and very effective means of collaboration. These collaborative efforts do not involve a price system nor do they rely on managerial structure for coordination. This complements the uncoordinated non-market behaviour which is accredited to social network spheres. Information produced in this way has seen a dramatic increase in importance.

About Users

There are many different types of users in regard to how active they are in online communities; to which degree they participate and what reasons they have for utilizing the social web are examples.

A not insignificant aspect is that not all participants are created equal. Corporations, for example, still wield a significantly larger amount of influence than that of the individual. This holds true even for an aggregated number of consumers. Following this line there is a very strong distinction between different types of consumers and participants. While some contribute very little, or nothing at all and occupy the role of true consumers, certain individuals contribute very large amounts of information and wield a greater influence.

The social web and online communities are commonly viewed as applications and tools that allow groups of people to share ideas and information. They also allow companies to communicate directly with customers or for professionals to start collaborative projects. This is factually true, but taken at face value it is also rather misleading. The majority of online conversation is driven by a small number of highly active users. The rest of community users are more or less passive observers and will occasionally add a comment to an ongoing discussion.

The greater majority, 90% of users, are not active participants in the discussion or information creation process. Around 9% of users will contribute from time to time with, but they do not continuously contribute, or contribute regularly. The last 1% of users is the elite. They post, share, discuss and comment spending copious amounts of time doing so, always making the latest addition to the discussion directly after an event occurs. This is known as participation inequality.

Web users participate differently online, and produce different amounts of content. The top 10% of users are responsible for the creation of 80% of content. Additional content is contributed by another 65% of users. This leaves four of ten users who either never contribute to or ever visit any part of the writeable web.

Collective and Collaborative Knowledge

A clear strength of social media is the aspect of communication and collaboration. Connecting people of similar interests or common goals and combining their knowledge. New tools allow different parties to interact without established relationships or prior interaction.

No one person knows everything, but everybody knows something. The sum of two parts in many cases may yield something greater than the whole. This line of argument is referred to as collective intelligence. In the case of networked digital media it refers to the ability of a virtual community to leverage its combined expertise. Collaborative efforts within the group have a higher efficiency and greater return on investment than the combined individual efforts would have had.

Individuals can do a great deal more for themselves if they do so acting independently. Not acting independently fosters co-dependence making an individual restricted by the

cooperation and permission of others. The networked digital media allows individuals to create their own expressions and seek out information they need with very little dependence on commercial media forms, such as those which have dominated the twentieth century. The limitations of cooperation of an industrial information economy are not present in the same manner in social media. A group of individuals can do far more in loose affiliation with one another rather than if they were forced to build long-term stable relations.

What one person could do or for that matter what one person could know has previously had, and also set, certain limitations. With the emergence of the social media and collaborative media culture axioms such as this no longer always hold true. What we previously were not able to do on our own, we may very well be able to do collectively.³⁶ Collaborative projects in social media offer a medium where personal autonomy and cooperation co-exist and one need not necessarily exclude the other. The fluidity with which cooperation can be entered increases the diversity and distance between individuals entering into collaborative relationships.

In the case of collective intelligence, or collaborative information control, only a limited amount of information is known to all individuals. This is the information, which the collective as a whole requires to function, maintain its existence and reach its goals. Everything else is known by individuals who make the information they possess available for the collective use. A side note is that any new information to be accepted into collective knowledge will be measured against what the group believes to be core knowledge.

The binding factor, or in other words, that which holds a collective intelligence together is not the possession of knowledge. Possession of knowledge is a static factor which may grow in volume, but not necessarily in importance thus quickly becoming a simple shared commodity. The process of acquiring knowledge is far more important to maintaining a collective intelligence. Information acquisition is dynamic and participatory. This process continually tests and reaffirms a collective's social ties, binding the group and therefore also the collective intelligence closer together.

Social Media in Businesses

The latest available study has shown that, of online adults, three in four use social tools or technologies. Social media is becoming a mainstream tool adopted by the majority of online adults.

Networked workers, workers who are connected through the Internet and email at work, are not only connected while at work. These workers are also more likely to have access to a wide range of technologies outside of the workplace. They are, for example, more likely to own cellular phones, laptops, and Sidekicks. When compared to average workers networked workers owned a cellular phone in 15% more of cases, 20% more owned a desktop and 32% more owned laptops.

An increasing amount of employees are working from home, and the workload in the home is also increasing. Nearly half of workers do some of their work from home. Over a third conduct work activities from home at least a few times per month and one in four workers regularly do some work at home, that is daily. Networked workers have visibly higher rates

of doing work from home. Overall networked workers have a 10% higher rate of working from home.

Nearly all people who are employed make use of new information and communication technologies, even if they are not part of the networked workforce. More than nine in ten workers are in some way making use of new communications technologies. These workers are referred to as wired and ready workers as they have gained an affinity with the Internet and new communications technologies.

Seven in ten workers use all three basic communication technologies, these being cell phone, email and internet communications. These technologies have, according to workers, had both positive and negative effects. Whilst workers are better connected and more able to perform their jobs, workers report that the higher connectivity granted by information and communication technologies has added to stress and demands of their positions. Eight in ten say that new technologies have improved their ability to do their job and seven in ten that their abilities to share ideas with co-workers has improved. This is contrasted by roughly 50% claiming that the level of stress and the demands of their work have increased.

Social network sites are increasing in importance and popularity. One third of adults with Internet access report using social network sites. Employed internet users are even more likely to use social network sites, four in ten do so, and one in ten does so from work. There is a difference between younger and older adults among the general population, but younger users are only 4% more likely to access social network sites from the workplace compared to their older counterparts. While at work social network site users are equally as likely to communicate with co-workers as with family and friends. An interesting note is that of the companies surveyed, who choose to block access to certain services on the Internet, half of them did so with regard to social networking sites. This is to be put into perspective that 60% of the same companies did so with regard to online gaming.

Social media and networking sites are something which firms can benefit from. Employees' gossip, conversations, and sharing of photos on life streams such as My Space or Facebook potentially benefit firms. It's part of professional networking. These services help colleagues stay in touch and help retain relationships with customers and business partners. Allowing workers a greater flexibility and freedom creates a business more capable of maintaining stability.

Employees see the collaboration, networking, problem-solving and increased productivity possibilities of Web2.0 applications and wish to apply these in the workplace. These tools directly contribute to spread of knowledge and provide management with vital tools as workforces are scaled back. These tools also boost motivation and morale, especially among the digital natives.

Social media tools for organizational communication and collaboration have the potential to connect people in a very different way from what is done today. Web2.0 tools fundamentally change the way in which employees interact with each other. These tools also enable them to grow their professional capacity since the communication form promotes mutual support, rapid networking, inspiration and idea exchange.

Social media applications become even more powerful tools when they are integrated or incorporated with other core business applications. The applications have the potential to

fundamentally improve aspects such as operating efficiency, employee retention, company culture and professional development. This is due to a capillary-like framework which quickly spreads information within the organization, speeding core business processes.

Companies already reporting widespread implementation of social media and Web2.0 applications within their organization include IBM, SAP, Oracle, Best Buy, and Siemens. Another 10,000 companies are using social media applications supplied by third parties inside to expand their core businesses and facilitate communication and collaborative needs.

Information in the form of breaking news spreads at very great speed on the Internet. Through the social web and micro-sharing services, such as twitter, news reaches thousands upon thousands within seconds. November 26 and the terrorist attacks in Mumbai was the latest illustration of this fact. Twitter users all over the world got word of the situation in Mumbai before the mainstream media even knew something had happened.⁵⁵ Speed is one of the real strengths of social web applications. However, it is not only how fast it works to spread the word. Micro-sharing services function to spread information at a constant rate as a situation unfolds. Near instantaneous updates follow very direct streams to anyone following a particular event.

As the economy toughens, through the spread of financial crisis and large scale economic downturn there is a great need for increased efficiency. Workers find a need to communicate faster and more efficiently as labor forces are downscaled and each individual takes on a greater role or a heavier workload. Tools facilitating better and faster collaboration move from the nice-to-have to core and crucial.

During times of economic hardship and downturn there is a visible effect on all business. In order to adapt to a changing business environment with different opportunities companies need to use a new toolset. To survive systems need to be fast, effective, flexible and adaptive. Taking years to develop closed and very expensive software will not be possible in the future. It is not often that the cheapest path is the best path. Often the trade-offs outweigh the low price. In the case of social web applications however, the tools available are very cheap to implement and can be acquired at a low cost, and in some cases no cost at all.

Businesses are being pulled into social media. Some are taking measures to incorporate new tools into their daily activities and others are searching for a restrictive approach to limit their exposure. Whichever direction is chosen workers still find new technologies to be useful aids in their work. Those who have access to new tools and technologies work from home to a greater extent and are more available to do their jobs. Social media is spreading throughout the business world and through the workforce. With this spread come gains and challenges, creating a situation where businesses will need social media strategies.

Conclusions

Throughout this study we have discussed many different issues regarding what it means to be a company in a changing world and how, through using new tools and new approaches to communication. Many of the new media applications in use today have revolutionized the way we as a society view information; from creation to distribution and even ownership. We believe that, in the same way digital natives have taken to digital social networks as an extension of their social off-line lives and how industrial mainstream media have come to

value the information source of the blogging community, companies and businesses will also find great value in social media.

There are challenges with social media, regardless of whether businesses choose to implement social media or not. With an implementation of social media come all the issues of adjusting to new tools and new ways of working. By not implementing those same tools companies run the risk of not understanding how social media acts with business and losing out on competitive advantages. By using social media companies may access huge potential, but at the price of risks. If companies choose not to acknowledge social media they avoid the hazards of implementing new tools. They do so and expose themselves to issues all companies will be facing, but will not be able to realize any of the gains.

It is easy to take new social media tools and implement them in an organization, expecting the same returns as have been gained in other areas. Experience tells us that, even though challenges can be met and obstacles overcome, it is a costly and taxing undertaking to implement new tools. For every successful social media application there are abundant examples of failure. Success has as much to do with ingenuity, competent leadership and perseverance with social media as it has in any other field. It also has to do with timing and a myriad of external factors as well as chance. New media tools are not a universal solution to problems, nor are optimal results guaranteed.

A successful implementation of social media will yield great benefits to organizations. There are two very telling examples of this. The first is faster communication and drastically reducing the distance between individuals. The second is better communication through new channels; allowing people who previously had no contact to interact. Better, and a broader, communication brings conceptual issues into an open and accessible sphere. Culture and corporate values become tangible in a medium where these can be discussed and shared. Social media is a way of communicating that brings greater transparency by making opinions visible. An increased availability of communicative tools giving individuals the possibility of not only consuming information, but reacting to it, inherently increases participation.

In short social media tools increase transparency, help develop culture and grant individuals a participatory capacity. There are challenges wherefore clear strategies as well as competent leaders with strong support from champions are a must. Early implementation of social media will build knowledge and experience, even if it comes at a cost of trial and error. The businesses who have successfully through the experience of failure implemented social media tools to their operations will in the future hold the competitive advantages necessary to flourish in a changing world.

References:

- Accenture (2007, April), User Generated Content is Top Threat to Media and Entertainment Industry, Accenture Survey Finds. Last retrieved 1/6/2009 from http://newsroom.accenture.com/article_display.cfm?article_id=4534
- Arrington, Michael (2008, November) I Can't Believe Some People Are Still Saying Twitter Isn't A News Source, TechCrunch. Last retrieved 1/6/2009 from

<http://www.techcrunch.com/2008/11/27/i-cant-believe-some-people-are-still-saying-twitter-isnt-a-news-source/>

- Benkler, Yochai (2006), *The wealth of networks: how social production transforms markets and freedom*, New Haven: Yale University Press.
- Kirkpatrick, Marshall (2008, November), Poll: Internet now considered more reliable than TV, *Radio News, Read Write Web* Last retrieved 1/6/2009 from http://www.readwriteweb.com/archives/internet_now_reliable.php
- Jenkins, Henry (2008), *Convergence Culture: Where old and new media collide*, New York: New York University Press.
- MacManus, Richard (2008, October), Report: Social web usage tipped in 2008, *Read Write Web* Last retrieved 1/6/2009 from http://www.readwriteweb.com/archives/report_social_web_usage_tipped_2008.php
- Noff, Ayelet (2008, October), *Why You Should Turn to Social Media During This Economic Crisis*, *The Next Web*. Last retrieved 1/6/2009 from <http://thenextweb.com/2008/10/21/why-you-should-turn-to-social-media-during-this-economic-crisis/>
- Palfrey, John & Gasser, Urs (2008), *Born Digital: Understanding the first generation of digital natives*, New York: Basic Books.
- Reuters (2008, October), Article, Retrieved 29/10/2008 from http://tech.yahoo.com/news/nm/20081029/wr_nm/us_britain_facebook
- Rothbart, James (2008, November), *IT Must Learn To Bend Or Business Will Break*, *Read Write Web* Last retrieved 1/6/2009 from http://www.readwriteweb.com/archives/it_must_learn_to_bend.php
- Rubicon Consulting, Inc. (2008, October), *Online Communities and Their Impact on Business* Solis, Brian (2008, August), *The Conversation Prism* Last retrieved 1/6/2009 from <http://www.flickr.com/photos/briansolis/2735401175/>
