As social media’s influence continues to expand, businesses in North America are using new technology to reach users in emerging markets in ways that were impossible before. While such social networking websites as Facebook and Twitter grant tremendous new growth opportunities for businesses, there are also challenges to the adoption of social media in emerging markets. Such challenges include technological infrastructure, government regulations and the cultural values of these expanding markets. Herein, the authors examine the literature on social media in emerging markets to determine the opportunities and obstacles for North American companies seeking expansion.

INTRODUCTION

Emerging economies are best defined as low income, rapidly developing markets that use economic liberalization as their main growth engines (Hoskisson et al., 2000). Just before the turn of the 21st century, countries that are now categorized as emerging markets were considered less-developed countries (The Economist 2014). According to the authors’ research, this change is related to economic growth. Areas that were formerly referred to as less-developed countries are beginning to emerge as global competitors. Such countries can be divided into two groups: developing countries in Asia, Latin America, Africa, and the Middle East, and economies in transition, such as China and parts of the former Soviet Union. These markets are starting from a lower economic base, but are catching up more rapidly than other markets (Khanna, 2010).

Although social media is a strong presence worldwide, the United States leads the world in household computer ownership and usage. Eighty percent of American households have access to the Internet via home computers (Pew Research Center 2015). However, in emerging markets, mobile devices are the predominant means for users to access social media and the Internet as a whole. Internationally, there are three factors that determine the most prominent social media types and their uses in particular countries: the technological infrastructure that enables social media, shared cultural values, and institutional rules and regulations that governments establish (Berthon, et al., 2012).
The authors specifically explored social media in emerging markets. Are social networking sites like Facebook, Twitter, and YouTube growing along with these emerging economies? If so, how is this mutual growth connected?

USER DEMOGRAPHICS

Although Internet usage is increasing worldwide, access is still predominantly limited to the affluent. In emerging markets, cell phone usage is popular and allows the user to access their bank account information, share data and connect to social media. Europe and northern countries use the Internet at a higher level than some Latin countries. Personal contact is still preferred in Italy. The use of the Internet varies in Asian countries. In less wealthy countries such as India, Internet usage is more for the affluent. Japan and South Korea have higher levels of Internet access than the majority of countries in Asia (Euromonitor International, 2010).

Worldwide, the typical Internet user is young, educated, and is capable of reading or speaking some degree of English. Seventy percent of Vietnamese people between the ages of 18 and 34 use the Internet, while only twenty one percent of those 35 and older do. There is a similar gap in Vietnamese people who can read or speak some English. Such trends are reflected across the globe, with the greatest user age gaps occurring in Asia (Pew Research Center, 2015).

Although men have historically represented the majority of technology users, women have emerged as the majority users of Facebook and Twitter. As these arenas evolve, females have found self-expression and are more empowered by technology. These platforms provide arenas for women to express feelings, ideas and beliefs pertaining to politics and other subjects, particularly in times of political turmoil, such as the Arab Spring (Ajjan, et al., 2014).

Studies have shown that female bloggers in Africa and Iran felt empowered psychologically when writing about topics they cared about such as discriminatory laws, sexual health and a variety of subjects that are taboo in their countries (Ajjan, et al., 2014). The Internet allows women the space to converse anonymously without fear of prosecution or discrimination.

SOCIAL MEDIA

With a handful of exceptions, there is a global trend toward the continued and increased usage of social media. Social media’s influence is constantly expanding as more people join online communities every day. Social media platforms are maturing into serious communication channels that facilitate problem-solving in creative and unexpected ways for commercial purposes, educational institutions, government and not-for-profit organizations, and for crisis responders and crisis response efforts (Perkins, 2010). Facebook is one of the more prominent social networking sites worldwide, and has experienced an incredible amount of growth in the past few years: Facebook’s active monthly user population has grown from 200 million users in 2009 to 1.35 billion users in the third quarter of 2014 (Statista, 2014). Of these users, more than 60% of them use Facebook every day (Swani, 2013).

Consumers are increasingly adopting social networking, engaging in micro-blogging, and downloading applications for smartphones and computer tablets. Along with sharing and communicating with friends about their social lives, updating pictures and posting status updates, customers and members of society have found that social media applications can empower them as they navigate through the abundance of information available online (Andzulis, 2012). These trends are reflected in such emerging markets as Tunisia, China, India, Indonesia, Malaysia, the Philippines, Argentina, Brazil, Chile, El Salvador, Mexico, Kenya, Senegal, South Africa and Uganda. Of all emerging markets surveyed, these markets show an increase in smartphone-based social media usage from spring 2013 to spring 2014. A handful of other countries surveyed, such as Poland, Russia, Egypt, Jordan, Lebanon, Ghana and Nigeria experienced decreases in usage across that same time period (Pew Research Center, 2015).
Facebook is very popular in Indonesia because of its mobile accessibility. Indonesia is the second largest country represented on Facebook, and it is the fourth largest represented on Twitter. Emerging markets mostly rely on mobile devices to access their social media accounts (Goggin, 2014).

TECHNOLOGICAL INFRASTRUCTURE

Technology can be the ace in the hole for markets that are emerging and have antiquated and inadequate infrastructures. The lack of a modern technological infrastructure is an advantage for mobile growth and expansion of mobile technology. Sizeable percentages from 32 emerging markets use mobile devices to access the Internet instead of desktop computers. In ten of these countries (Kenya, India, Nicaragua, El Salvador, Indonesia, Peru, Bangladesh, Mexico, the Philippines, Tanzania, Uganda and Pakistan), desktop computer ownership is under two-in-ten or fewer (Pew Research Center, 2015). In contrast, a median of eighty-four percent across these 32 countries own a cell phone. This is not a far departure from the 90% cell phone ownership in the United States (Pew Research Center, 2015).

The spread of social media is not limited to smartphones. “Facebook Lite” is a version of Facebook developed for everyday cell phones in low-bandwidth or developing countries. Because of this development, Facebook vastly increased the size of its user base and became a leader in many markets outside of North America and Europe, and throughout Asia, the Middle East, and South America (Goggin, 2014). When the latest mobile technology becomes popular across the globe, unlimited opportunities for advertisers are created, but only if advertisers can effectively capitalize on them and fully realize the potential of the new technologies (Craig, 2013).

New mobile technologies have caused a shift in activity from the desktop computer to the mobile device, a shift of focus away from the firm and toward the consumer, and a shift in the focus of power from the firm to the consumer. New social media outlets allow for the transformation of dialogue from monologues to communal social media dialogues in which many people can reach many others at once (Berthon, et al., 2012).

As the mobile technology grows in popularity throughout the globe, there are countless opportunities for creative marketers (Craig, 2013). Indonesia has only 20 million Internet subscribers; it has 282 million cellular users (Hayat, 2014).

The lack of landlines in many African and Asian countries lends itself to a dependence on cell phones as a means of communication. This also raises questions as to the relationship between the lack of landlines and the recent growth of mobile Internet access in emerging markets. Does the abandonment of dial-up Internet mean that countries without landlines have better, more readily available access to the Internet than they did before?

CULTURAL VALUES

On the relationship between cultural values and the Internet, (Hofstede, et. al., 2005) observes, “The World Wide Web has made our world appear smaller, so the notion of a ‘global village’ seems appropriate. Business companies operate worldwide. … There is no doubt that dazzling technological changes are taking place that affect all but the poorest or remotest of people. But people put these new technologies to familiar uses. Many of them are used to doing much the same things as our grandparents did, to make money, to impress other people, to make life easier, to coerce others, or to seduce potential partners. All these activities are part of the social game.”

Hofstede’s concept of the “global village” is easily applicable to the adoption and acceptance of social media in emerging markets. Social media connects the globe in ways that were impossible before. Information can now travel worldwide instantly, and while this is a new method of communicating with all corners of the globe, these technologies are being put to familiar use. In the context of this article, the use of social media in emerging markets is largely business-related: companies are expanding into emerging markets, and are using social media to ease the transition. While this new communication tool has its benefits, some countries do not use Facebook or other large, worldwide social networks, and others
reject the encroachment of Internet culture and social media on cultural values. On average, 62% of people in 32 emerging markets believe the Internet is beneficial for education, the economy and personal relationships, and that it is detrimental to political systems and overall morality (Pew Research Center, 2015).

While Facebook is the most popular social networking site worldwide, smaller, country-specific social networks are more popular in their target countries. Such sites include Weibo in China and VK in Russia and the Ukraine (Alexa, 2015). Whereas Facebook is predominantly English speaking, these sites offer communications between users in their respective languages.

There are about one million Facebook users in Bangladesh. (Rahman, 2014) argues that the increased usage of the Internet and social media encourages the spread of pornography, frauds, and “destructive movements and crimes.”

GOVERNMENT REGULATION AND CENSORSHIP

The emerging markets that have access to Facebook are thereby connected to global conversations in ways that were impossible before the worldwide spread of social media, particularly in countries where free speech is prohibited. In the Arab world, social media allows those living in dictatorships to connect and share links to news, videos and free campaigns with the world. When uploaded to Twitter, Egyptians’ comments about their government spread quickly and gained international attention. Research shows that Egyptians believe that online campaign promotion can have significant impact on politics (Gad, 2015).

Perhaps the most infamous example of government-controlled Internet communications comes from China, where such popular social media sites as Facebook and Twitter are prohibited. Because of this, social media use in China is fractured across hundreds of local websites, including RenRen, Sina Weibo, and a great number of others (King, et. al, 2013). The great variation in social media websites in China provides its own set of challenges to expanding businesses: localized sites simply do not provide the same reach as global networks, thus cutting Chinese consumers off from the global market.

EVOLUTION

The social network arena is connected with e-commerce as they mutually support each other. Social media users in China are becoming more practical as they using social networking to shop for discounted goods and services, and to search for jobs and suitable marriage partners (Marceux, 2013).

Social networking applications are not part of the typical enterprise IT portfolio, but employees are increasingly using them as work aids, to promote personal productivity, to empower communication among colleagues, and to strengthen both business and personal relationships. Such applications are used daily by 20% of employees across the globe. This adoption of social media is more prevalent in emerging markets— such as China, Brazil, India and Mexico— than it is in mature markets (Junglas, 2013).

MANAGERIAL IMPLICATIONS

When expanding into an emerging market, businesses should be sensitive to cultural and communicative norms of their target country. While some countries, such as China, are more receptive to social media as a means of communication, some countries, such as Italy and Bangladesh, prefer face-to-face communication instead of increased engagement with technology.

Businesses should also consider the language barriers between their companies and emerging markets. Younger people in emerging markets are more likely to speak at least some English, and are more likely to use the Internet and engage in social media usage than older people. The significance of language barriers and cultural differences should not be overlooked (Hsu, 2012; Craig, 2013). Facebook offers a range of opportunities for international marketing, particularly in the case of international hotels. Among Facebook’s varied uses is the technology for hotels to connect with international leisure travelers.
In certain cases, however, this technology is limited to speakers of a particular language whose Facebook pages are primarily in that language (Hsu, 2012).

The benefits for businesses using social media are vast, and the consequences of not participating can be devastating. By opting out of social media usage, businesses lose opportunities to establish or spread brand recognition, to converse with their customers, generate revenue, gain feedback and insight from customers, and improve customer relationship experiences. Social media represents a chance to correspond with the consumer, establish brand awareness and grow brand loyalty (Ajjan, et. al., 2014).

CONCLUSION

This literature review indicates a vibrant global arena for social media. While providing much information, it leaves further questions. There are variables involved such as level of technology, status of infrastructures, usability and accessibility of language interpretation. Clearly, the emerging markets cannot be grouped together as a whole or categorized similarly but trends can be surmised. It is obvious that the rise in social media is not limited to developed nations.

With all the changes evolving in the virtual world throughout the globe, there is great opportunity to engage in social media and building identity, awareness, relationships, and revenue. This includes emerging markets!

REFERENCES


