Today’s customers are engaging with brands at many different levels—from traditional storefronts and call centers to the Internet and social media. Currently, social media is a top priority in thought and action for many businesses. Thriving companies are incorporating social media into their marketing strategies to meet business objectives. This exploratory review of the literature provides an overview of social media’s history, user demographics, and present use in the business world.

SOCIAL MEDIA—A MOVING TARGET

Social media is a rapidly developing, innovative, and revered field to pursue in the ever changing world of marketing and technology. Within the past few years, social media’s development and use has exploded at institutional, societal, and interpersonal levels. Social media has moved to the top of many businesses’ agendas and is utilized in diverse aspects of organizations. According to Carlos Dominguez, senior vice president of Cisco’s COB & CEO office, successful businesses are adapting quickly to these changes while others are consequently being left behind (Hernandez 2010; Qualman 2009).

The advent of social media can be linked to the Internet’s transformation from a Web 1.0 to a Web 2.0 system of digital communication. This transformation facilitated collaborative communication and laid the groundwork for the development of social media and user generated content (Kaplan and Haenlein 2010). While the internet was originally designed to permit the exchange of information and facilitate conversing among users, it has changed in crucial ways. From one sided input to multiuser conversation threads, social media is furthering the levels of communication for all (Qualman 2009).

WHAT IS SOCIAL MEDIA

Conceptualizing social media begins with looking at its origin, the Internet, otherwise referred to as the World Wide Web. The inception of the internet has transformed the modern world. Presently, many people use the web for a variety of reasons and services that were previously accessed from separate, often non-digital, such as information research, employment, partner seeking, watching television, or political participation (Gil de Zuniga, Puig-I-Abril and Rojas 2009; Gil de Zuniga et al. 2010; Valenzuela,
Three-quarters of American adults and 93% of American teenagers report having been online in their lifetime. Most of these users report the desire for communication as the most compelling reason for using the internet (Jones and Fox 2009). Internet usage is influenced by individuals’ purpose, personality, and social demographics. The internet respectively offers an array of options for each person’s use.

DEMOGRAPHICS OF SOCIAL MEDIA USERS

Young age is the most consistent finding across studies that explore the social demographics of social media users. Social media use is not equally distributed across age groups and frequency of use and timer spent online tends to decrease with age (Chou et al., 2009; Han, 2008; Kontoz et al., 2010). Early studies that looked at the characteristics of social media users found that the majority of user tended to be highly educated, affluent, young, white men. This has changed some as social media use has significantly increased. However, Han (2009) reports that users still tend to be young, more highly educated, and affluent although the gender gap is closing. Kontoz et al. (2010) found that those who use social networking sites the most tended to report lower education and income levels. In regards to racial and ethnic demographics among social media users, Kontoz et al. (2010) found that while disparities exist across racial and ethnic groups in terms of internet access, they found none in terms of social networking use.

COMMUNICATION AND BUSINESS

The diversity of social media spans the social, recreational, and professional spheres. LinkedIn is one such professional site where profiles resemble resumes and managers, co-workers, and customers alike create a far reaching yet accessible web of business connections (Bushey 2010). Blogs provide a place for authorship which is organized by date and are semi-permanent. Sharing options spread support, ideas, product interests or dislikes, and may be much faster and spread much further than traditional word-of-mouth communication (Kontoz 2010).

Socialized media has taken the internet from its earlier days of simple communication among users to direct engagement in real time conversations (Solis 2010). Companies are transforming the ways they develop and market products, their means of communicating with customers, and even how they obtain new customers and potential employees. The social media movement is demanding companies to listen more as well as respond. Companies should adopt new tactics to include social media into their day-to-day interaction with the end consumers. There are possibilities for companies to send these people a personalized email asking for feedback about how the company could better meet their needs (Jones and Fox 2009).

Ultimately, the use of social media has facilitated a revolutionary change in regards to who is an influential marketer. Historically, word-of-mouth (WOM) has been considered a naturally occurring event among consumers which bears the strongest influence on their buying decisions (Brooks 1957; Ditcher 1966). According to research conducted in 2008, marketers spent over 1.54 billion dollars on WOMM enterprises and this is projected to rise to 3 billion by 2013 (PQ Media 2009). The Internet furthers WOM’s accessibility and visibility among an ever increasing population of consumers, businesses, and marketers. While social media serves to broaden WOMM opportunities, WOMM is no longer solely created by businesses, it is becoming more consumer generated (Kozinets et al. 2010).

Whereas American consumers have historically relied on purchase recommendations from friends and family, a 2010 study by Cone Inc. found that four out of five consumers now go online to verify these recommendations. This change reflects consumers’ mistrust of traditional media and marketing sources as well as increase in online activity. While marketers attempted to influence consumers by creating WOMM among their friends and family and presently through social media campaigns, the Cone study warns that this is not enough as consumer online verification is the new norm (Cone 2010).
GLOBALLY

Social media is unique in its cross cultural reaching and utilization. The increase in global communication signifies many opportunities and challenges for businesses, marketing, and consumers. A 2009 survey by the Nielsen Company reported that the average global consumer spent more than five and a half hours a day on social networking sites like Twitter and Facebook, marking an 82% increase from the prior year’s survey. At the time of this survey, Facebook ranked as the top social networking site in the world nearing 400 million users (The Nielson Company 2010). Qualman points out that if Facebook users comprised a country it would be among the world’s third largest, ranking between India and the United States (2010). The United States ranks as the world’s highest in terms of time spent online per person and is closely followed by Japan, Brazil, the United Kingdom, and Germany (The Nielson Company 2010).

WITHIN THE ORGANIZATION

While social media tools are utilized, promoted, and encouraged in businesses, many business owners and managers ban the use of sites like Facebook, YouTube, and SecondLife among employees. One study found that 90% of surveyed business owners banned the use of Facebook for the cited concern of decreased productivity. While a valid concern, there are ways employees could use social media to a businesses’ advantage. Proper and regulated use could lead to increased interdepartmental communication and collaboration, may promote employees’ work and contributions in a new way, and further employees’ opportunities to contribute to business dialogues (Hernandez 2010). Opportunity for all employees’ participation can also provide a virtual face of the company to other businesses and consumers (Kaplan and Haenlein 2010).

BUSINESS-2-BUSINESS

A 2009 report surveying business-to-business (B2B) sales professionals and their use of social media showed that only a small portion of these sales people used social media tools like Twitter or Facebook. Some believe that there are more opportunities for business-to-consumer marketing to benefit from social media use than B2B marketing. Further, social media is reported to currently be more of a trend in marketing, not sales. This is partly due to the importance of vendor-buyer relations which are not currently accessible via social media and are often not desired to be. However, with a strategic approach, this is an area that could be developed to benefit the B2B domain (Lager 2009). Some companies do report a use of social media sties like Hoover. Two issues which have prompted an increase in more B2B companies looking into social media technologies are customer service and crisis management (Buscall 2010).

MANAGERIAL IMPLICATIONS

In this increasingly technological era, it is recommended that businesses develop a well-defined social media strategy and set doable and measureable goals (Buscall 2010; Safko and Brake 2009). Safko and Brake (2009) suggest that this strategy be mapped out in twelve month terms and implemented through a six step process. First, develop a realistic and flexible 12 month social media plan. Then, “engage” your employees - it is important that all users learn how to use social media tools and become comfortable with their use. Find out what is important and of interest to your customers and business prospects. Find them online and get closer to them through on-line interactions. As part of this social media plan, it is important to think like a business executive as well as a publisher. Decide what information will be used in your social media plan, how the company is represented by it, and how will it better serve your customers. Next, create a social media community within your business and encourage user generated content. Finally, develop a way to measure what is sought through social media engagement. If the plan is to see
how social media affects sales, find out the best way to measure this and track it. Surveys can be sent to customers with options asking for feedback. This can assist in determining if the target market is being reached and if they feel served (Safko and Brake 2009).

Other social media strategists highlight the importance of selecting what content will be purported in regards to the customer niche they are trying to reach. Visual content can further a site, create a new look, and also requires strategic selection. Testimonials are another beneficial aspect companies can place on their site. These serve to promote and involve their customers’ opinions while simultaneously advertising for the company (Bushey 2010).

CONCLUSION

The fairly recent advent of social media has witnessed rapidly increasing customer engagement, online presence, and use but has not seen a comparable adaptation at the business level. Many companies are seeing the potential value of using social media as reported by companies who already employ such measures. On the organizational level it is important to remember that there are many options beyond the public social networking sites. Social media has transformed consumers’ communication and yields opportunities to broadcast their opinions at levels that traditional WOM cannot reach. Business and marketers are now less in control about what is said about them and who can view it.

REFERENCES


