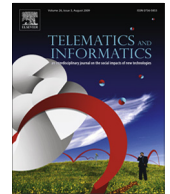




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Social media usage and organizational performance: Reflections of Malaysian social media managers



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ABSTRACT

Social media usage among organizations is growing tremendously. Organizations are now building and maintaining social media public pages to improve their social network salience, enhance interest in their organizations, and build relationships with the online public. The majority of the studies on social media usage are based on the individual perspective while some are from the organizational perspective. However, not many studies have investigated the actual impact of social media usage on organizational performance. Therefore, using the qualitative approach, this study investigates the various purposes of social media usage and its impact on organizational performance. This study however, focuses only on the social media managers' views. The senior managers of six organizations that are using social media are interviewed from which we find that social media is used for various purposes in organizations, such as advertising and promotion, branding, information search, building customer relations and many more. The results also show that social media has a greater impact on the performance of organizations in terms of enhancement in customer relations and customer service activities, improvement in information accessibility and cost reduction in terms of marketing and customer service.

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1. Introduction

Social media are characterized by user generated content, which has been found to be more effective than traditional marketing communications in influencing the attitudes and behaviours of other users (Thackeray et al., 2008). Social media is the product of Internet-based applications that build on the technological foundations of Web 2.0. Web 2.0 is a platform in which software and content are produced and developed by different participants in a continuous and collaborative manner (Laroche et al., 2012). With the wide use of Web 2.0 technologies, such as blogs, wikis and SNS, common users gained the capacity to create web content (to write) (Shi, 2013). According to Berthon et al. (2012), Web 2.0 technologies have had three effects – a shift in the locus of activity from the desktop to the Web, a shift in the locus of value production from the firm to the consumer and a shift in the locus of power away from the firm to the consumer.

Realizing the importance of Web 2.0 applications, organizations are now building and maintaining social media public pages to improve their social network salience, enhance interest in their organizations, and build relationships with the online public. Social media is growing as an important strategic tool among organizations. In the context of Malaysia, the government as well as businesses have started to realize the importance of social media. According to the Burson-Marsteller

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Asia Pacific 2011 Report, Malaysian firms use social media for corporate communications and marketing activities. The results of the study reveal that among the Southeast Asian organizations, the Malaysian, Thai and Filipino organizations have invested strongly in social media. It was also found that South Korean, Australian and Malaysian organizations are actively promoting their social media channels through their corporate websites (Slover-Linett and Stoner, 2011). This shows that realizing the importance of social media, most of the Malaysian organizations have already created a social media presence for their organizations. Nevertheless, having a social media presence does not increase the awareness or trigger an increase in participation (Waters et al., 2009). For any technology to be successful and to have an impact on organization performance, it has to be used effectively. Academic research on social media remains less complete in the context of insightful investigations into the various purposes of social media usage and subsequent impacts on organizations (Schultz et al., 2012). Hence, in order to understand the potential of social media, it is critical to investigate the various purposes of social media usage and its impact on organizational performance. Consequently, the questions that arise then are: 'Why do organizations use social media?' and 'What is the impact of social media usage on organizational performance?' To answer these questions, this study aims to investigate the organizational usage of social media and its subsequent impact on the performance of the organization. The data for the study were collected from six organizations operating in Malaysia that use social media for their business activities through semi-structured in depth interviews.

The next section of the paper reviews the literature on the organizational usage of social media and previous studies related thereto. The methodology and the six research sites that are investigated are discussed, followed by the research findings, describing the experiences of the organizations. Then, the discussion section follows, integrating the specific concepts and attempts to provide in depth discussion on the research findings. The conclusion then describes the contribution of the research and also provides guidelines for future research.

2. Literature review

Social media is a platform that facilitates information sharing and participation from users of the media in order to create and/or distribute the content (Steenkamp and Hyde-Clarke, 2014). These platforms have shifted the emphasis of Internet services from being consumption-based towards becoming more interactive and collaborative, thereby creating new opportunities for interaction between organizations and the public (Henderson and Bowley, 2010). Distinct from old forms of media, social media can include both web-based and mobile technologies (Mou et al., 2013). Organizations should consider using social media because of the changing trends among consumers. Mangold and Faulds (2009) claimed that marketing managers should recognize the power and critical nature of the discussions being carried out by consumers using social media. Due to the advantages of social media in connecting businesses to end-consumers directly, in a timely manner and at a low cost (Kaplan and Haenlein, 2010), by facilitating various areas of marketing, such as promotions, marketing intelligence, sentiment research, public relations, marketing communications, product and customer management (Akar and Topcu, 2011; Tanuri, 2010), social media has become the center of attention in many industries.

The much higher level of efficiency of social media compared to other traditional communication channels prompted industry leaders to state that companies must participate in Facebook, Twitter, Myspace, and others, in order to succeed in online environments (Kaplan and Haenlein, 2010). The growing trend of social media has also encouraged many authors to conduct research in this field. However, most of the studies on social media are conducted based on an individual perspective (Agarwal and Mital, 2009; Coyle and Vaughn, 2008; DeKay, 2009; Gangadharbhatla, 2008; Pelling and White, 2009). Studies based on organizational adoption of social media are quite limited; some of the studies that investigated social media usage among organizations are discussed below.

Authors like Curtis et al. (2010), using the Unified Theory of Acceptance and Use of Technology (UTAUT), identified the use of social media by non-profit organizations. The results of this study indicated that social media tools are becoming beneficial methods of communication for public relations practitioners in the non-profit sector. Organizations with defined public relations departments are more likely to adopt social media technologies and use them to achieve their organizational goals. In addition, public relations practitioners are more likely to use social media tools if they find them credible.

On the employees side, Koo et al. (2011), by applying the media richness theory and social theories investigated how social communication technologies (SCTs) can be used by an employee to fit his/her task characteristics. Additionally, it also examined how the employee's social relationships moderated media usage in the current job environment and how this usage influenced the task performance. The results showed that task characteristics were related to media usage, whereas social factors (social influence and social affinity) moderated the degree of the relationships. Moreover, the usage of social technologies results in positive task performance.

Okazaki and Yagüe (2012) examined the effects of an advergame on perceived brand value in the context of mobile social networking sites (SNS). They found that brand-game fit had a positive effect on perceived brand value and electronic word-of-mouth (eWOM) intention; similarly SNS engagement has a positive effect on eWOM intention. Some authors have also examined social media using qualitative approaches. Tikkanen et al. (2009) qualitatively analyzed the key factors facilitating the growth and success of marketing in virtual worlds. They found that telepresence, flow, virtual experience and consumer learning are important underlying elements of virtual worlds and virtual world marketing. They also suggested that social networking can be used, especially for connecting with customers, thereby contributing to customer learning and getting customer input.

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