ABSTRACT

Social media and online brand communities are important factors in today’s business environment (Fuchs, 2014; King, 2013; KPMG, 2012). This chapter presents an in-depth qualitative analysis in the sector of financial services companies; additionally, it provides some indications for the adaption to other services and to general industry companies. In itself, communication in the digital social network provides no value for companies, but it may help to create value (Piwinger & Porák, 2005; Zerfaß, 2006). Social media is already naturally integrated within many areas of everyday work, according to the interviewed experts. However, many companies still have deficits in their governance structures for social media. Used properly, digital social networks might be a cost-effective component in communication between the company and its partners and customers. Social media networks can contribute in the medium- or long-term to gain the trust of customers and business partners.

INTRODUCTION

The stock exchange as a communication centre has a long tradition (Klausmann, 1905; Widdel, 1996). In the context of Web 2.0 discussions (O’Reilly, 2005), there are great hopes connected with the possibilities provided by digital social networks—so-called social media or social communities—and the decentralization of tasks to user respectively customers (King, 2010; Surowiecki, 2005). However, there is also a controversial debate going on about the related risks and downsides, in particular for well-established business models (Brafman & Beckstrom, 2007; Lober, 2007). Since the first appearance of social networks we have seen an astonishing acceleration of work and communication. Every teenager communicates with his mobile phone, laptop and game console with such frequency that would make any 1990s day trader jealous (Passig & Lobo, 2010).

Against this background, it seems obvious that the question about the potential benefits of using social media for business demands a profoundly informed answer. As a first step towards addressing this question, a qualitative analysis has been conducted of the strategies and forms of
communication from different successful banks and financial services companies with activities in the German investment business environment (Bröker, 2006; Koetter, 2013; Raabe, 2008). The companies analysed are Allianz Global Investors, Cortal Consors, Deutsche Asset & Wealth Management, Metzler Bank, and S-Broker.

DEMAND OF CONTROL AND THE “EVERYONE CAN JOIN IN” PRINCIPLE

As an approach towards gaining an understanding of these rather complex processes, it seems helpful to develop some theoretical models to make these complex processes more tangible. The aim is to investigate the possible conflict between the company’s demands to control, on the hierarchical systems-based structure within the financial services industry, and the “everyone can join in” principle as propagated in the social media context. Leaders in social media the communities often rely on the help of voluntary collaborators and reject hierarchical structures.

The analysis is based on the Internet presence of the companies listed above and on other publicly available information about them, as well as on the opinions and sentiments available in known online communities or blogs. In addition, the strategy of each company is examined with the help of expert interviews. As experts, in each case an employee with in-depth knowledge about the topic has been interviewed.

The results have been examined and compared, and on this basis, a guidance document concerning an appropriate strategy and recommendations for a benefit-maximizing communication was developed (Endress, 2009). It emerges that digital communication within communities is a very important source of information and can break up existing structures.

Even though digital social media is a rather new topic, there is a lot of literature about social structures that might be able to support an initial understanding of the topic and provide an analytical framework. Since in the following analysis digital social networks are to be examined for their utility in the business context, one of the first questions that may arise is about the relationship between economics and sociology.

Historical Context and Background

Dealing with the economy has for a long time been one of the core areas of sociological research. Georg Simmel (1858-1918) — one of the fathers of modern sociology, along with Max Weber and Ferdinand Tönnies — had published his Philosophy of Money in 1900. In this work, Simmel expounds, among other things, the influence of money on human relationships and describes the changes with the concept of “objectification”. Money makes it possible to operate with an ever wider circle of people, so these relationships are always non-personal. Associations and groupings of people may more and more often be led by a mere monetary interest, even without a high emotional engagement (Girschik, 2000; Simmel, 1900). As shown in the following analysis, diverse cross-linked or network structures are formed on these bases, and especially in the stock market. Simmel’s theory appears to be more topical than ever (Lichtblau, 2003; von Flotow & Schmidt, 2000).

This is important for understanding how problematic the idea may be to an open information society, in which everyone — as in social media structures — has access to all information. In many networks, even within companies and teams, there was a knowledge advantage over others and it was an important instrument of power. Weber has stated that bureaucratic management always has a tendency towards a separation from the general
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