Chapter 5
Social Media: Strategic Decision Making Tool

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ABSTRACT
Social media is seen very much as a marketing tool and there is little in the literature that considers its use as a strategic decision making tool. This conceptual paper is an attempt to redress the balance. Social media user-generated content from blogs or consumer feedback are methods that social media can support effective strategic decision making. However, the business and organisational environments are influential on the effective of the data collected and ultimately its analysis. The decision making approach – single or multistage are significant influencers on the quality of the decisions. Multistage decision making is supportive of controversial decision making, which leads to better utilisation of the information and consequently, better decision making. Ultimately, robust decision making is underpinned by the effectiveness of the decision making process.

INTRODUCTION
Decision making is required by all organisations, however the approaches used to come to a decision will vary. Consequently, many books have been written on decision making, because of its importance to businesses and to organisational functioning (Hoy and Tarter, 2010; and Litchfield, 1956). Decision making is constraint by time and revisiting a decision is a bounded-process that is also time consuming (Hoy & Tarter, 2010). Decision making requires a degree of optimism and participation (Connolly & James, 2006; Gigerenzer, 2000; Gigerenzer et al., 1999). However, other authors view decision making as a non-optimistic process (Kahneman et al, 1982; and (Kahneman & Tversky, 1973). This does beg the question is social media more supportive of a particular approach to decision making or social media’s role in decision making unrelated to the decision making approach. Decision making requires the identification of patterns and these patterns guide the individual especially in the formative years and they

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become ingrained (Calabrese & Zepeda, 1999). Social media is a tool that can leverage the patterns and enhance the decision making process. Decision making assessment will require criteria referencing (Calabrese & Zepeda, 1999). Carroll and Johnson (1990) used criteria referencing to identify conflicting references points. Examples of these reference points are purposeful versus non-purposeful, consistent behaviour versus inconsistent behaviour and reasoning versus prone to error. Calabrese and Zepeda, (1999) suggest that a ‘good’ decision maker rarely makes a ‘wrong’ decision, because good decision maker keep an eye on the present and also on the future. This suggests the good decision maker have vision and can link current decisions to the future decisions. They understand how decisions today could impact future decisions. Knowledge is a key influencer on decision making and its ability to influence the cognitive pattern recognition is highly individualised (Calabrese & Zepeda, 1999). How the decision makers interact with the organisation, to form a dynamic relationship is influential on the decision making quality (Saiti & Eliophotou-Menon, 2009). Collaborative approaches to decision making is not easy and simple (Connolly & James, 2006).

Social media and marketing is becoming a prevalent tool for developing and maintaining engagement of customers and they have been found to influence purchase shopping behaviour (Ruane & Wallace, 2013). Traditional marketing is view as a unidirectional process, however, social media is a multi-interaction process (Scott, 2010). Social media is more effective for pull-marketing strategies, thus using social media to provide communication of information, knowledge, values and ethics about the product or service offerings (Lagrosen & Grund’en, 2014). The literature on social media focuses on marketing aspects such as marketing communications (Mount & Martinez, 2014; Lagrosen & Grund’en, 2014; Ruane & Wallace, 2013; LaPointe, 2012; Booth & Matic, 2011). Social media can be leveraged as a strategic tool and thus can improve decision making and leveraging social media to improve the level of decision making is scarcely covered in the literature. This conceptual paper contends that the application of social media as a strategic decision-making tool is neglected and social media has an important role in ensuring the robustness of decision making.

Theoretical Frameworks

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The research in social media became business focus from approximately around 2006 and one of the first studies was by McAfee (2006, 2009). McAfee coined the term Enterprise 2.0 to identify social media within or between companies, their partners or customers. McAfee’s work focuses on the benefits for business (Deans, 2012). Marketing and social media is a popular area of investigation in the academic literature (Deans, 2012; Angel & Sexsmith, 2009; Baker 2009).

The social media framework (table 1) devised by Cook (2008) suggests the four C’s categories are communication technologies, connection, co-operation and collaboration. The framework is a reference point for business and aids understanding of how to evaluate technology in the business environment and consider their business implications (Deans, 2012).

Cross-cultural communications play an important role in business decisions (Buderi and Huang, 2006; Huang, 2010). Experimentation with communication technologies across cross-cultural borders may alleviate business failures such as product launches, and outsourcing due to cultural misunderstandings (Ricks, 2006). Social media is changing communications across borders (Bernoff and Li, 2008). Social media will become a pervasive tool of communications as younger people enter the workplace.