Chapter 2

Mastering Social Media in the Modern Business World

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ABSTRACT

This chapter explains the overview of social media; the perspectives of social media marketing; social media and communication management; social media competence and knowledge sharing in modern business; social media applications in the tourism industry; social media applications in the health care industry; the multifaceted applications of social media platforms in modern business; and the importance of social media in the modern business world. The implementation of social media is required for modern organizations that seek to serve suppliers and customers, increase business performance, strengthen competitiveness, and achieve continuous success in the modern business world. The chapter argues that applying social media has the potential to enhance organizational performance and reach strategic goals in the social media age.

INTRODUCTION

Social media has rapidly grown in modern business (Kim, Koh, Cha, & Lee, 2015). Social media technologies are a variety of networked tools that encourage collaboration, communication, and productivity among social media users (Dabbagh & Kitsantas, 2012). Social media can be categorized into microblogs (e.g., personal blogs and Twitter), online communities or social networking sites (SNSs) (e.g., Facebook), pictures or video sharing applications (e.g., Flickr and YouTube), and dictionary-type applications, such as Wikipedia (Leung, Law, van Hoof, & Buhalis, 2013). Social media is viewed as a group of Internet-based applications that enable Internet users from all over the world to share ideas, thoughts, experiences, perspectives, information, and forge relationships (Chan & Guillet, 2011). Social media is an electronic communication platform that conveys content generated by the networks of users (Suh, 2015).

Rapid diffusion of social media forms the landscape of communication in contemporary society, with deep impact in markets and the functioning of businesses (Boudreau & Lakhani, 2013). Social media business practices reach a significant business awareness among firms (Aral, Dellarocas, & Godes, 2013).

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Braojos-Gomez et al. (2015) stated that social media can be leveraged to improve the firm’s business activities to create value. Social media represents one of the most important platforms for electronic commerce (e-commerce) (Lee & Phang, 2015). Social media is considered as the quick, cheap, and interactive channels for reaching targeted audiences (Valentini, 2015). Companies use social media to communicate with consumers, and the content of social media affects consumer’s decision making in modern business (Zhang, 2015).

Social media has expanded the boundary of mediated relationships that social media user can experience (Lim, Hwang, Kim, & Biocca, 2015). Consumers can interact with social media during multiple stages of the consumption process, including information search, decision making, word of mouth (WOM), and the acquisition, use, and disposal of products and services (Filo, Lock, & Karg, 2015). This chapter aims to bridge the gap in the literature on the thorough literature consolidation of social media in the modern business world. The extant literature of social media provides a contribution to practitioners and researchers by describing the challenges and implications of social media in order to maximize the business impact of social media in modern business.

BACKGROUND

Social media has grown exponentially over the last few years (Duggan & Smith, 2014). Many organizations have used social media as channels for marketing and promotion because of their potential to reach the broad and diverse population across the globe (Wang, Chen, & Wang, 2010). While prior studies have demonstrated various benefits, such as fostering the user engagement, participation, knowledge reuse, and collective innovation (Majchrzak, Wagner, & Yates, 2013) toward understanding the social media’s impacts and potential implications of their adoption for organizations remains a fertile research ground for information systems (IS) researchers (Jarvenpaa & Majchrzak, 2010). Firms with the higher development of information technology (IT) infrastructure capability can develop more easily the social media competence due to its greater experience leveraging IT to acquire and provide the appropriate information (Braojos-Gomez et al., 2015).

Although more attention is being paid to the potential negative and unanticipated consequences of social media (Champoux, Durgee, & McGlynn, 2012) and its role in social change (Mohajerani, Baptista, & Nandhakumar, 2015), social media is recognized as a technological remedy for addressing communication and social interaction problems in modern business (Granados & Gupta, 2013). Conceptualizing the dyadic nature and potential of social media in delivering both positive and negative effects is still under-explored (Baptista, Newell, & Currie, 2010). The effects of social media within an organization is a growing area of research (Leonardi, 2014), but still relatively under-theorized (Majchrzak et al., 2013).

Social media is an interactive, collaborative, instant form of communication, which transcends geographical boundaries and social isolation (Lawson & Cowling, 2015). Social media users can quickly interact with geographically dispersed people through the social media, which is an emerging topic in social presence research (Schroeder, 2002). Social media use is an increasingly popular activity for Internet users (Filo et al., 2015). Studies examining social media-related phenomena primarily take a view from the community levels (Miller & Tucker, 2013) considering how organizations interact with customers (Aral et al., 2013) and other external stakeholders (Oestreicher-Singer & Zalmanson, 2013).