The Perceived Potential of Business Social Networking Sites

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ABSTRACT

Business social networking is a facilitator of several business activities, such as market studies, communication with clients, and identification of business partners. This paper traduces the results of a study undertaken with the purpose of getting to know how the potential of networking is perceived in the promotion of business by participants of the LinkedIn network, and presents two main contributions: (1) to disseminate within the business community which is the relevance given to social networking; and (2) which are the social networks best suitable to the promotion of business, to support the definition of strategies and approaches accordingly. The results confirm that LinkedIn is the most suitable network to answer the needs of those that look for professional contacts and for the promotion of business, while innovation is the most recognized factor in the promotion of business through social networking. This study contributes to a better understanding of the potential of different business social networking sites, to support organizations and professionals to align their strategies with the perceived potential of each network.

Keywords: Business Social Networking, Facebook, Internet, LinkedIn, Marketing, Social Networking

INTRODUCTION

Since the earliest signs of human life that man communicates, firstly face-to-face, from simple processes of information exchange until speech, and later using symbols and written communication (Colin, 1966). But the pace of business and the permanent need of aligning business with the market demands claims for overtaking the barriers of time and space. So business com-
munication became, at a large extent, computer mediated (Baltes et al., 2002; Johnson & Cooper, 2009). Today communication is a basilar process for business, for supporting promotion, marketing, negotiation, selection of business partners, business settlement, and monitoring (Lim & Benbasat, 1992; Olekalns, 2002; Purdy, Nye, & Balakrishnan, 2000; Shelby, 1993; Weigand et al., 2003).

The concept of social networking exists since the final of the 19th century to describe a complex social structure, involving relations among elements of a system that share interests and common objectives (Freeman, 1978; Uehara, 1990; Wasserman & Faust, 1994). The concept has evolved and gained significant relevance in biology, communication studies, economics, information science and organizational sciences, among other (Becker, 1974; Manski, 2000).

With the expansion of Internet and its ability to support new forms of social interaction, the concept was generalized to online communities, being subject of different formats through the eighties and nineties, initially consisting of chat rooms and sharing of personal webpages, until the sophisticated generation of networks that emerged during the last decade, with the launch of hundreds of social network sites with both professional and non-professional orientations (Liu, 2008; Riley et al., 2010).

Online social networks such as LinkedIn, Facebook, MySpace, and Twitter are examples of social networks driven by personal contents and age groups, facilitating the meeting and communication among participants with similar interests. Given the multiplicity of applications offered by these networks, its utilization in the professional and business world is gaining more and more prominence (Burrus, 2010; Kaplan & Haenlein, 2010; van der Aalst et al., 2007).

Consultants, policy makers and managers continually seek to identify ways to exploit the potential of social networking (Kaplan et al., 2010), which is also a central motivation of this study – to obtain a better understanding of the potential of social networks in promoting business.

The paper has the purpose to clarify how the potential of networks in promoting business is perceived by participants in the network that seems to better suit to the professional world - LinkedIn - and was based on an online survey conducted by the end of 2010, within an existing users group in this network (“Business and Jobs”). The paper presents two fundamental contributions: (1) to inform the business community about the new emphasis on social networks, in particular for business purposes; and (2) to identify the networks that are best suited to promote business so that professionals of the business community can define their strategies and approaches more effectively.

The second section of this paper presents background information, namely the concept, the relevance that the topic has received from the scientific community, and makes a brief description of the networks analyzed in the study. The third section presents the methodology followed. The sample and the survey results are presented and discussed in the subsequent sections and the last section presents the final conclusions.

BACKGROUND

One of the domains of the World Wide Web in fast expanding respects to the “social networking” sites (Trusov, Bucklin, & Pauwels, 2009). This section introduces the concept, presents a brief analysis of the number of scientific publications addressing the domain based on Google Scholar searches, refers the application of social networking to the professional and business domain, and introduces the networks and media to be addressed with the study.

Social Networks – The Concept

Typically, a social network is initiated by a reduced number of founders that disseminate invitations to participation using their personal contacts by “word-of-mouth” (Brown, Broderick, & Lee, 2007). The new members bring their contacts into the network and, this way, the site conquers its space and gets installed. Contrarily
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