

# The Collision of Social Media on Business Augmentation

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## ABSTRACT

The use of social media in marketing and sales has greatly increased over the last decade. Social media is quickly taking the spotlight as it continues to influence how professionals interact and how companies present themselves and their products. India is probably among the first proponents of social media marketing. In this paper collision of social media integration on marketing, advertising, public relations and the customer service function will be analysed. The advantages that the social media can have on the company will be discussed whereas the challenges will also be highlighted. This paper would provide a detailed analysis of the trends in the contemporary global business environment and approach to be adopted by the corporate entities to develop a sustainable strategic advantage. Social media based business model is essential for the augmentation and the development of the companies in the global business environment.

**Keywords:** Social Media, Marketing & Sales, Collision, Advantages & challenges, Analysis of trends, business environment, Sustainable strategic advantage, Augmentation and development.

## Introduction

“You can buy attention (advertising). You can beg for attention from the media (PR). You can bug people one at a time to get attention (sales). Or you can earn attention by creating something interesting and valuable and then publishing it online for free.” David Meerman Scott, Marketing strategist/Author The New Rules of Marketing and PR. Until the late 1990’s the only form of media known to businesses were television, newspapers and radio, however in the early 2000s, a revolution in media was witnessed and the world was introduced to Social Media. Social Media is a just like any other form of media is a tool used for communication but at the larger scale for social interaction using highly accessible and scalable communication techniques. According to Ann Handley – Marketing Profs, Author with C.C. Chapman of Content Rules, “Social media is an ever-growing and evolving collection of online tools and toys, platforms and applications that enable all of us to interact with and share information. Increasingly, it’s both the connective tissue and neural net of the Web”. In the context of the contemporary global business environment the role of social media has increased drastically. In the traditional perspective the business environment was highly stable in nature, where the majority of the corporate entities operated in a homogenous environment. In the current scenario the business sector has expected a vast amount changes with various factors. Globalization has

caused the biggest change in the business environment, as the companies have had to make significant changes to their organizational structures and the long term strategies. The phenomenon of globalization has caused the companies to focus on the international market. The companies now have to develop the skills and the capabilities to cater the interests of the global consumer market. The business environment has played a pioneering role in promoting the globalization trend, where the international travelling phenomenon has been enhanced.

The management at the various companies realized that there exist several opportunities present in the context of the global business environment (Kaplan & Haenlein, 2010). The companies hence moved their operational activities across the international borders to develop various business advantages. The phenomenon of globalization which was initiated by the business sector, hence allowed the companies to gain access to the vast global business environment. In this scenario the parent companies have had to make several changes to their core operational strategy. Instead of operating in a homogenous business environment, where the consumer market is similar in nature, the companies had to develop the capability of satisfying the need of the consumer markets belong to diverse socio cultural background. The companies required a greater level of communication with the global consumer market, to be able to positively increase the revenues. The internet based communication channels are essential in the development of the business entities on the global platform. The companies require a seamless and interactive communication medium through which they can contact the consumers from various regions of the world. The integration of the social media can be identified as one of the most important factors in the current business environment. The companies have to ensure that they are able to highlight the demands of the global business environment and adequately react to the trends. This ability of the company to highlight and react to the trend in the consumer market would ensure that it is able to develop a suitable competitive advantage. The core business functions such as marketing, advertising, customer service and public relations development; are dependent on the social media integration of the organization (Hanna et Al, 2011). The advent of the internet based communication channels has altered the nature of the global consumer market.

The consumers in the global business environment have increased their overall sensitivity to the business environment and have also increased the awareness in the consumption behaviour. The phenomenon of globalization powered with the e business models; have allowed the consumers to gain access to a number of business entities competing to attract their interests. In this scenario the consumers have the opportunity to select the business entity of their choice, which offers them with the greatest level of customization. Hence in the current business environment the ability of the company to customize the relevant business services and product to the needs of the global business environment would ensure that the corporate entity is able to enhance the share in the global business market. These changes in the business environment have also given rise to the various challenges. The companies now have become more vulnerable to the trends of the global consumer market, and they have to ensure that they are able to react to the relevant trends. The companies

have to ensure that they are able to adequately invest in the social media integration processes, which would allow the company to communicate with the global consumer market.

### **Problem Statement**

In this research paper, the challenges for the contemporary business entities in the integration of the social media tools in the various functions will be analysed. In the current business environment the role of the communication mediums has increased drastically, where the companies can no longer rely on the traditional communication channels. The developments in the field of technology is occurring at a greater rate than the time it takes the corporate entities to integrate these technologies. Due to the lag which is caused by the integration process, the companies in the global business environment face several challenges. This paper would analyse the issues which are present in the integration forces of the social media across the various functions of the company. The paper would also seek to highlight the effectiveness of social media on each core function of the company. The growing significance of social media in the global business environment has resulted in several important changes. This paper will analyse these changes, and highlight the trends which might occur in the future scenario. Social media has had an impact on the balance of power, with the majority of the power now being shifted to the end consumers.

In the traditional perspective the companies had the majority of the power, where the consumers had to select the limited number of products and services from the business environment. The internet based communication channels however have made the corporate sector more interactive in nature, where the voice of the consumers can have an impact on the operations of the company. The companies now have to critically analyse the trend in the global consumer market and change their strategic outlook to cater the needs of the consumers. This paper would highlight the impact of social media on the norms and the operations of the contemporary business environment, and the challenges that it has created for the corporate entities. The impact of the social media integration on the success of the organization would also be analysed in this research paper.

### **Research Questions**

- How important is social media integration for the corporate entities in the contemporary global business environment?
- What are the challenges which might be caused in the integration of social media in the various business functions?
- What are the core advantages which can be provided through the interaction process of social media in the business model?
- The role of factors such as advancements in technology and operational strategy in the social media integration process.
- What competitive advantage can integration of social media provide to the corporate entity?

## Literature Review

The consumers in the contemporary global business environment can no longer be identified as the passive individuals who are going to accept the limited products or services offered by the corporate sector. The role of the consumption process has changed in the current business environment where the consumer has become the central factor. The consumer now has the information and the authority to impact the operations of the company. Through the power of social media, the consumer can not only attain the customized and the personalized level of products and services from the corporate sector, it can also take a part in the co creation process (Xiang & Gretzel, 2010). The companies have had to change their definition of the consumers, as they have included these individuals in the development phase. The consumers are no longer the recipients of the products or series; rather they can be adequately defined as the developers. Digital media has provided the consumers with the authority and the power to make such changes in the business environment. The role of planning and analysing the trend in the consumer market has changed drastically as a result of this change (Kim & Ko, 2012). In order to understand the role of social media in the context of the contemporary global business environment, it is important to analyse the myth related to the internet medium. In the traditional perspective the internet was seen as a predominantly limitless platform through which the companies could provide a large amount of information to the consumers.

The management of the large organization developed the perspective that through the internet based mediums; the perception of the customers could be changed. As a result the majority of the developed companies in the global context took a part in the 'Dot Com' movement which occurred in the late 90s and the early 2000 era. In this time period the companies invested heavily in developing the websites which provide the customers with a massive amount of information. The companies were correct regarding the impact of the internet based medium, however they miscalculated the nature of the relationship which could be developed with the customers.

The companies had developed an approach where instead of developing two way communication channel with the customers, the companies developed the websites through which the flow of information was predominantly one directional. It is due to this reason that the dot com movement was essentially ineffective in nature and was not able to provide the customers on the global scale with a value added experience (Mulhern, 2009). The customers did not prefer a medium through which they could only attain the information which was provide by the corporate sector. This approach trivialized the role of the consumers, and as a result the investment of the companies was ineffective. The movement towards the social media based business model was able to alleviate the issues attached with this flawed business model, where the consumers were provide with an opportunity to interact with the corporate sector. Through this model the consumers were able to change their traditional role and become a proactive part of the business process. It is through the social media based business model that the companies in the contemporary business environment

are able to enhance the effectiveness of their core operational functions.

### **Impact of Social Media on the Small Businesses**

The social media has presented the small scale companies with a strategic opportunity to compete with the larger companies in the global business environment. The tools that are required by the companies to effectively advertise on the social media platform are very cost effective in nature and require very little investment in the relevant technology hence the small companies can effectively compete with the large multinational corporate entities. The smaller companies can use the social media platform to ensure that they are able to interact with the consumer market. In the traditional perspective the smaller companies did not have the resources to be able to penetrate the vast consumer market, however with the help of the social media platform they can interact with the consumer market, through a low cost strategy. The consumers can through the interactive process, provide the vital information which is required in the development of a product or service. An important factor in the integration process of the social media tools for the contemporary organizations can be identified as the sharing of the operational authority. Through the development of the interactive communication with the customers, the management of the company expose themselves to a high amount of risk. When the customers are interactive in nature and they can highlight their opinion to the company and also the rest of the consumer market, the operational and quality issue of the company can be highlighted. The company has to ensure that it is ready to make such a transition and it has developed the operations infrastructure to be able to cope with these challenges (Constantinides & Fountain, 2008). The customers would identify the issues present in the product mix introduced by the company and they would share these views in a public platform. Social media has provided the consumers with the authority to make this impact on the business entity. Considering the impact of the consumer input on the operations of the company, it can be stated that the social media based business model has changed the traditional role of the customer market. The customers now have the authority and the capability to become a significant part of the product or service development process of the company. The organizational entity has to ensure that it has developed the relevant cultural and structural changes to cope with the challenges of integrating the social media business model.

### **Social Media Business Model: Impact on the Small Company Marketing & Advertising**

In the development of the social media based business model the most important factor can be identified as customer connectivity and the interactivity function by the small scale company. The smaller companies were able to realize through this model that the new innovation in the field of advertising and marketing can be implemented through this model. The social media model allows the company to develop an interactive relation with the customers. In this perspective the customers are provided with the opportunity to interact with the management of the company and share their opinions regarding the various products and services (Castronovo & Huang, 2012). This is a much differentiated role from the traditional perspective. This business model allows the contemporary

marketers to fully utilize the benefits provide by the internet communication medium. In the traditional perspective the markets had a one way communication with the consumers. In this communication model the customers were treated as the final products. However the social media platform can allow the management of the contemporary organization to treat the consumer as a part of the marketing process.

### **Social Media: Platform for Market Influence**

Social media presents the company with various strategic advantages. The company can chose the various strategies to adopt the social media platform, to communicate with a wide range of the consumers. The definition of social media is given as the internet platform through which the online users can share their ideas and formulate a virtual community. The important aspect for the marketers to cater in this regard is that eh virtual community developed by the social media network has similar attributes as a real world community (Chung & Austria, 2010). The only difference in this virtual community is that there are no real world limitations present for the online users. The individuals can literally use any form of social media to communicate in a different method. The companies have to critically analyse the strength of each social media platform and develop a comprehensive strategy, which focuses on a relevant business objective. The company cannot seek to develop a generic social media strategy, by integrating any form of social media tool (Bruhn et Al, 2012). It is important to consider the penetration of each social media tool in the consumer market and how this tool can be effectively utilized by the companies.

The social media platforms are used by the individuals to share a wide range of information categories. This platform can be used by the online community to socialize in the virtual community, share photographs, conduct podcasts, develop blogs share videos and etc. The web development companies present the online users with a complete set of social networking processes. These companies have developed innovative business models through which the revenues are not attained by the direct charges applied on the consumers. These companies ensure that the strength of the organization is developed through the vats amount of traffic base which visits the website. Since the social media websites are present on the online medium, the individuals from the entire global community can visit the website. These companies have developed the volume based approach where the consumers are charged for the various activity based functions.

The revenues are attained from the mass volume of the consumers that visit the website. Hence the objective of these companies is to provide the consumers with the greatest level of online social experience. Although the significant websites such as Facebook, YouTube, Blogger, Twitter, Myspace and Flickr; provide a specialized social experience to the online users, they do provide a similar set of functions. The role of these websites is to ensure that the individuals from the global community have the ability to community a mass amount of information with each other without any filters. These websites have allowed the overall global population to gain a significant amount of authority and knowledge. The role of the companies has been changed due to the amount of

information power which has been provided to the online community. Instead of the companies providing the information to the consumer market, now the role has reversed where the companies have to monitor the activities of the consumers. Hence the customers have the power to discuss the performance of a company (Fogel, 2010). The advantage that the online community is able to attain from the social media platform is that the sharing of information occurs without any interruptions. This information enhance occurs on a global platform without the experience of any online filters. Hence the customer market of the companies has the power to share a highly diversified amount of data, which has an impact on the demands.

The companies have to critically analyse the demands of the consumer market, rather than developing the demands themselves. The ability of the organizations to react to the changes in the consumer market has an impact on their effectiveness in the industry.

Social media integration is not only the focus on the technology investment of the organization. Rather this is the ability of the company to provide the consumers with a higher level of involvement in the consumption process. The companies have to develop the strategic orientation to be able to make this adjustment. The companies have to possess the ability to react to the changes which are highlighted by the consumers. Social media has caused the consumers to become highly aware of their purchasing power, and the impact of their decision on the business environment (Khang et Al, 2012). As a result through the use of the various option based media tools, these individual can have an impact on the decision made by the company.

### **Innovative Social Media Integration for PR Initiatives**

Social media integration can be developed through an innovative perspective, where the managers if a company can look at the new ways of reaching the consumer market. The advancements in the field of technology have an immediate impact on the social media platform, and the organizational sector has to react accordingly. The companies have to ensure that they are able to provide the consumers with the complete and the latest social media experience. It is also difficult for the companies to be able to differentiate themselves from the rest of the corporate entities present in the market. The ability to innovate in the social media integration process would provide the company with a strategic advantage. The blog tool is a very generic and open communication tool, which allows the companies to interact with the consumers in a highly personal manner. The blog is a social media tool through which the consumers can directly present their own experiences regarding the company or the relevant products. This tool can be utilized as a public relation development opportunity for the company, as it can be used to influence the public opinion. Since the blogs are predominately developed by the individuals from the overall population themselves, they have a different impact on the online community.

The readers of the blog do not associate the information, as a marketing ploy by a corporate entity. Rather the information is regarded as a personalized perspective of a common individual. It is the due to this reason that eh blogs have the power to shape the public opinion. The positive reviews

attend by a company by a well-known blog can have a strategic advantage for the corporate entity (Inversini & Sykes, 2013). In order to attain a positive review from the blog the company cannot rely on the traditional marketing activities. The company has to crucially analyse the objective the blog, and then attempt to create a positive brand image. Even though the blog provides a company with a significant amount of positive publicity, attain the support from an influential blog is a very challenging activity.

The management of the corporate entity has to ensure that the employees at the company have the capability to analyse the attributes of the social online community. The company has to realize that the social media platform is not a conventional marketing medium, and hence the traditional marketing and the advertising strategies cannot be applied. The attempt by a corporate entity to apply the conventional marketing efforts through the social media platforms such as blogs can have a detrimental implication. The negative publicity travels faster than the positive reviews, and the company can experience a global level publicity crisis. Just like the positive news for a company the negative news also has the capacity to go viral. Hence it is important for the corporate entities to understand the objectives of every social media platform and develop the marketing activities, based on the relevant attributes of the social media tool.

The companies present in the contemporary global business environment also have to focus on the development of technology and its impact on the social media platform. The mobility factor is very important for the corporate entities and the relevant marketing activities. The advancements in the smart phones industry have ensured that the individuals present in the global community have an unlimited access to the internet sources. Through the mobile phone devices the people can easily reach their social media communities, and interact with the social circle. The companies must have the capability to move with these dynamic changes in the mobile phone industry (Hernández-Méndez et Al, 2013). The internet access has changed from the predominant laptop and the desktop sector to the high tech smart phone devices. The companies now have to ensure that they can penetrate this segment.

Mobile marketing has emerged as a very significant contemporary tool, for the business sector. In the traditional perspective the mobile phone marketing initiatives were only limited to the short messaging based initiatives, however with the increased capabilities of the mobile phone devices, the companies can now conduct public relations activities on these devices. The mobile phones can be used to conduct the online video conferences, with the individuals who are present at various regions of the world.

Market penetration is the biggest advantage that the mobile phone marketing initiatives have provided the business community (Palmer & Koenig-Lewis, 2009). The issues with the conventional marketing mediums were that the corporate sector had to conduct a large scale campaign to reach the relevant consumer market. However with the presence of the innovative and the high tech mobile phone technology, the modern marketers can simply target the mobile devices



which are readily possessed by a significant amount of the global consumer base.

## **Methodology**

In order to assess the effectiveness of the social media integration on the marketing, advertising, public relations and the consumer services functions of the company; the majority of the research would be conducted through the secondary sources. The impact of the social media in the contemporary business environment is a very important subject in the current environment, and there exists a significant amount of researched which have been conducted in this area. In order to develop the conclusions for this research, the prior researches would be critically analysed. These researches have been developed for various applications of the social media sector in the business environment, and they would provide with a significant amount of relevant information. The online sources would be utilized to conduct the research activity, with other mediums such as the newspapers, magazines, books and etc. would also be availed for the research activity. This research for this study was primary conducted through the secondary sources, where the information was attained using the various platforms. The internet provided an easy access to the previous researches which had already been conducted on the subject area.

## **Discussion & Analysis**

### **Issues in Social Media integration for Smaller Companies**

There are a significant amount issues which are present in the integration process of the various social media tools. The companies can make the mistake of developing an unstructured approach and not developing strategic perspective. It is important for the small scale companies to highlight the marketing or advertising goal of the company and then develop the integration plan. The social media platform is highly diversified in nature and the marketers have to analyse the impact of each tool. Every social media tool also caters to a different type of consumer market which has differentiated attributes. The company cannot develop a marketing plan which does not cater these important factors. The organization also has to develop the technological infrastructure in the facility. The level of investment also has to be based on the long term vision of the corporate entity (Kaplan & Haenlein, 2012). If the company believes that the consumer market is highly dependent on the online community, hence it has to invest adequately. The scale of the organization has an impact of the investment decision. The small scale companies have access to a limited number of resources and hence cannot invest too heavily in the technological infrastructure. Another issue present in the investment phase is the rate of progress. If the companies invest too heavily in the technological infrastructure, there is a risk that the technology might become obsolete. The technology develops rapidly and a small scale company cannot spend too much capital in technological development process, which might not provide long term returns. Hence there are several factors which have to be considered by the companies in the social media related technological investment phase.

## Customer Service Role

The social media development initiative by the company can help the organization create a greater relation with the consumer market. It can also be defined as a significant opportunity to develop the consumer service function. The consumer service activities are based on the ability of the organization to interact with the consumers and provide them with immediate support. The social media platform is an ideal solution for the contemporary organizations which can be used to provide the cost efficient and timely support to the consumer market. The companies have to analyse the social media attributes of the consumer market, and enhance the visibility on the relevant websites. The majority of the organizations present in the contemporary business environment have already realized the significance of social media as an essential consumer service tool. The reason for the social media orientated initiative of the corporate entities is to ensure that the support can be provided to the consumers at a highly personalized and convenient manner.

## Strategic Advantages of Social Media Integration for Small Businesses

The integration of the social media tools for the corporate entities can help provide several strategic advantages for the small scale companies. Firstly the company can differentiate itself from the rest of the competition. In the current business environment the level of completion has been enhanced due to the globalization phenomenon.

The companies in the current business environment have to compete with the other international entities, which are targeting the same consumer markets. Hence the ability of a company to develop a significant presence on the social media sector, can allow it to become more attractive to the consumers (Bruhn et Al, 2012). The majority of the global population has access to the latest technologies through which they can access the internet. It is due to this reason that the social media websites are attain a massive online traffic. If the company is able to enter this segment, it can provide the consumers with a highly personalized level of support. The consumers would develop a positive image regarding the company.

## Hypothesis & Result

The hypothesis of this research was based on the conclusion that the integration of social media can have a substantial positive impact for a corporate entity. The smaller companies can achieve a strategic advantage through the adoption of the social media communication and the marketing initiatives. The results of the research indicated that in the context of the contemporary global business environment the social media factor has become an essential component of the company operational strategy. This aspect is required by the company to be able to effectively reach its global consumer market and make a significant change initiative. The primary reason why the small companies benefit from social media is because they can save a significant amount of monetary through the integration process. The conventional marketing initiatives which are based on television or outdoor adverting initiatives are highly cost initiatives. Modern research has also highlighted that the effectiveness of these marketing tools has decreased drastically. The consumer

are aware of the fact that the television ads or the bill boards are developed by the corporate sector to influence their consumption behaviour, hence they form a defensive attitude regarding these advertising mediums. These individuals have a more open orientation on the online community, as it is an innovative marketing platform.

### **Conclusion & Recommendations**

The corporate entities present in the current business environment have to ensure that they integrate the social media tools. The attributes of the current business environment have changed drastically, where the consumers have now shifted to the online social community. There are several important factors that the companies have to consider while developing their strategic approach. They have to ensure that they develop the social media strategy which is in line with their short and long term objectives. The companies also have to critically analyse the attributes of their relevant target markets, and hence focus on the social media websites which have the greatest impact on the consumers. The development of the social media business model is not only a technology oriented initiative by the company; rather it has to be based on the holistic approach. The management of the company has to ensure that the company has the ability to capitalize on the strategic opportunities created by the social media business model. The model would provide the company with the opportunity to have a greater interaction with the customer base, and hence have the ability to create a positive brand image. However with the greater interaction with the customers, the business faces a risk of exposing itself to a high amount of public criticism. If the company is not able to highlight and alleviate the issue faced by the consumers in an effective manner, the consumers can lead a negative social media campaign against the organization. Hence the management of the company has to develop the relevant organizational capabilities so as to ensure that the social media integration process is effective, and the core function such as marketing, advertising, public relations and customer services can be enhanced.

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