Analyzing the Strategic Role of Social Networking in Firm Growth and Productivity

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Social media companies have increasingly used global stock exchanges to raise fresh capital needed to expand and commercialise their business models. Despite the soaring proliferation of social media interactions and improving economic fundamentals, many of the high-profile IPOs have underperformed on debut and in secondary trading. This chapter seeks to identify success and failure factors of social media stock market flotations from the operational, industrial and financial perspectives. The research features flagship social media IPOs comprised by the most representative social media Exchange Traded Fund (ETF), the Global X Social Media Index ETF (SOCL), which replicates the price and return performance of the globally recognised Solactive Social Media Total Return Index. The analysis sums up the early evidence of IPO organisation with regard to social media issuers and posits three decisive factors in this process related to: flotation timing, pricing and pre-IPO business integration. The research offers some practical recommendations for future social media IPOs as well as directions for further academic studies at the interface of social media industrial, economic and capital market activity. The following takeaways concerning social media IPOs emerge from the study:

1) Staging and timing: social media companies should mull flotations when a clear-cut path toward cash generation and accrual profits is observable (chronically cash deficient and unprofitable social media tend to underperform on debut and in post-IPO trading) and amid protracted bull markets so as to raise the odds of a propitious IPO climate; 2) Organisation and management: the success of social media going public decisions is a function of seamless IPO organisation (including conservative pricing, share dilution tied to envisaged liquidity and capital expenditure as well as trading and clearing system reliability); 3) Issuer characteristics: social media IPOs are facilitated by businesses commanding a dominant position on the home market, having a diversified core business (including exposure to non-media operations), coming on the stock market either as industry trendsetters or in the wake of successfully executed IPO benchmarks; 4) Factor coalescence: no isolated factor discussed in this chapter can fully explain the performance of a social media IPO – it is rather their combination and interconnectivity that can comprehensively attest to the success or failure of a going public strategy employed by a social media company. From the investment standpoint, the case study analysis demonstrates that a case-by-case (rather than sectoral) approach needs to be adopted for investors seeking to derive gains from social media IPOs, as passive exposure to the entire industry (e.g. via index tracking) is not per se a guarantor of market competitive investment performance.
Chapter 2
Strategic Role of Consumer Moments of Truth: A Marketing Challenge in Mobile Communities
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Contemporary consumers obtained many possibilities to search for goods and they are very active in this field. Although specialists know that it’s difficult to state how, where this process of search takes place. Multi-channel marketplace is a very complex environment where brand battle for the customer attention. This chapter helps to understand consumer behaviour and reveals many facts concerning mobile and social world of marketing. The authors present the idea of micromoments and their place in the mobile and social channel of communication with the market. Among definitions and examples explaining the idea of micromoments Authors also try to answer questions that can help to understand how micromoments should be handled. Main aim of this chapter is to present behaviour of a modern consumer and factors influencing his decisions as being a part of mobile consumer communities.

Chapter 3
Social Media in Crisis Communication: The Lance Armstrong Saga
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Social media engagement is changing the relational dynamic between organizations - and individuals - and their publics. This is particularly evident in the world of elite sport where the market value of an elite athlete is measured by their public reputation which is pinned on healthy relationships with stakeholders, such as fellow athletes, team managers, coaches and, importantly, fans. In fact, social media analysts have attributed much of Twitter's growth to early adopters in the sports world. As a continually expanding global business, sport has to grapple with the challenges of how to harness this uncontrolled medium to best advantage, particularly in times of crisis. This chapter examines the bond between fans and sport in the context of social media in order to examine how this relationship could foster forgiveness for elite athletes who confess to transgressions, thus having enduring implications for the athlete’s sport and sport business generally.

Chapter 4
The Business of Advocacy: A Case Study of Greenpeace
Kiru Pillay, University of Witwatersrand, South Africa
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Online advocacy is big business. Online advocacy organisations need to structure themselves along business lines for fund raising, and to strategically utilise their online and traditional resources to achieve their goals. The growing influence of civil society organisations has been fuelled largely by an increase and ubiquity of emerging technologies. There is no evidence of a detailed analysis of social media led advocacy campaigns in the literature. The global environmental justice organisation, Greenpeace is used as a case study. The rise of online social media has provided the organisation with an alternative to traditional mass media. There have been some notable successes for Greenpeace. The most recent of which has been its efforts to halt the drilling for oil in the Arctic. Equally the Greenpeace campaigns have sometimes provoked the public ire, for example in their miscalculation of the fallout over their recent Nazca plains intrusion. It is clear that to attain any level of success the organisation needs to structure itself on sound business principles and strategies.
Chapter 5
Social Media, Participation, and Citizenship: New Strategic Directions

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Social media is a worldwide phenomenon with applications like Facebook and Twitter credited with everything from Obama's 2008 election victory to the Arab Spring. But alongside claims of a social media inspired 'revolution' lay more nuanced questions around the role and impact of digital tools, smartphones, and social media in 'every day' contexts. The chapter discusses the role and impact of social media in organisations through two case studies where social media and digital technologies were used to increase energy awareness and environmental citizenship within organisations. Encouraging findings are presented that show the potential of such tools to facilitate change within individuals and organisations yet a cautionary note is offered with regards implementing and measuring such campaigns. Results from the interviews are discussed revealing how claims of social media on participation can be tested, and recommendations offered on how to design interventions for future social media and environmental communication initiatives.

Chapter 6
Generation Y and Internet Privacy: Implication for Commercialization of Social Networking Services

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This chapter addresses the issue of privacy settings with a focus on Generation Y from a technological, social, generational, cultural and philosophical point of view. After introducing the issue of Internet privacy and other relevant areas—generational and cultural differences, the philosophical framework, the postinternet condition, the possibilities of processing and (mis)using personal data, and privacy policy—the authors present their perspective on the issue, drawing implications for individuals and organizations based on their own research and other relevant studies. The authors discuss the possible implications in terms of a prospective use of personal data by companies (e.g. for marketing and management) and possibility of processing user data. Such perspective will allow them to formulate a critical basis for further assessment of social networking and Generation Y's attitudes to privacy. The chapter concludes by outlining several recommendations concerning the commercialization of social networking services with respect to the constantly changing conception of privacy.

Chapter 7
Social Media for Growing Collective Intelligence in Online Communities

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Scientific society argues that human group demonstrates higher capabilities of information processing and problem solving than an individual does. Collective Intelligence (CI) is the general ability of a group to perform a wide variety of tasks. The new channels of social media enable new possibilities to be involved in collaborative activities for broader groups of people without limitations of time or geographical zones. The scientific problem in this chapter is defined is relationship between social media technologies and collective intelligence in networked society. The subject of the research are online community projects
(collective intelligence ecosystems) which include social media tools allowing and encouraging individual and team creativity, collective decision making, on-line collaboration, entrepreneurship, etc.

Chapter 8
A Tale of Two Banks: Customer Services on Facebook

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By focusing on Facebook as an emerging Social Media (SM) customer services channel, this research provides an insight into social media service encounters. Data were collected from the Facebook pages of two British banks. Evidence is presented on the discrepancy between what customers expected of SM and what banks were prepared to offer, a discrepancy which resulted in customer frustration. The findings also demonstrate that, apart from banking regulation, a bank's own SM policies and the training and empowerment of its staff are likely to impact on the quality of firm-customer interactions on SM. It is challenging for financial institutions to develop strategies to address customer queries satisfactorily on their SM pages and at the same time to work within the rules of compliance regulations. Moreover, many customers who put up a complaint on SM are observed to have developed rather negative feelings about their banks and to have lost their trust, suggesting a lack of clarity about the limited role of banks' Facebook channel among customers.

Chapter 9
With a Little Help from My Friends: The Irish Radio Industry's Strategic Appropriation of Facebook for Commercial Growth

Daithi McMahon, University of Limerick, Ireland

Ireland has faced significant economic hardship since 2008, with the Irish radio industry suffering as advertising revenues evaporated. The difficult economic circumstances have forced radio station management to devise new and cost effective ways of generating much-needed income. The answer has come in the form of Facebook, the leading Social Network Site (SNS) in Ireland. Using Ireland as a case study, this chapter looks at how radio station management are utilising the social network strategically in a bid to enhance their audiences and revenues. Radio station management consider Facebook to be an invaluable promotional tool which is very easily integrated into radio programming and gives radio a digital online presence, reaching far greater audiences than possible through broadcasting. Some radio stations are showing ambition and are realising the marketing potential that Facebook and other SNSs hold. However, key changes in practice, technology and human resources are required to maximise the profit-making possibilities offered by Facebook.

Chapter 10
How Social Media Offers Opportunities for Growth in the Traditional Media Industry: The Case of Travel Journalism

Andrew Duffy, Nanyang Technological University, Singapore

Under threat from social media and interactive Web 2.0, the traditional media industry seeks new models to maintain its viability. This chapter studies both consumers and prospective producers of one genre—travel journalism—to advocate a model that could help arrest the industry's decline and return to growth. It argues that one way forward for traditional media would be a new model of curatorship, in which a professional journalist collaborates with amateur contributors. It suggests that such a hybrid arrangement...
will be recognisable neither as professional newsroom nor as amateur social media, but a new model with features of both. This offers a way forward so that rather than contributing to the declining fortunes of the traditional media industry, as many journalists fear, social media can instead encourage progress.

Chapter 11
Social Media in Micro SME Documentary Production

Friedrich H. Kohle, University of Applied Sciences, Germany

Micro SME documentary producers are challenged to understand, adapt and apply social media technology in the creative economies. This paper examines the technological premise of social media, applications and limitations in documentary filmmaking. Drawing from other fields such as psychology, the author proposes a Real- and Virtual World Networking Model (RVNM), theorizing on how documentary producers can connect via social media networking to generate strong system support for their documentary project. RVNM helps documentary filmmakers make sense of the complexity of social media from development to distribution in order to further stimulate significant growth within the creative industries.

Chapter 12
The Role of Social Media in Shaping Marketing Strategies in the Airline Industry

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Tourism is one of the leading sectors based on other people’s views and comments found on the Internet. Prior to deciding where they would like to go, individuals obtain information about the travel agencies they will use, the hotels they will stay at and the regions they would like to visit, plus the views and experiences of others in terms of these issues, which are largely shared via social media environments. Accordingly, it has become a necessity for establishments to follow the main social media platforms, such as Facebook, Twitter, Instagram and so on, and develop their goods and services in line with the comments shared on these platforms. In this study, how national and international airline companies implement the 4Ps of marketing (product, price, place, promotion) in social media environments is investigated through examples and analysed through data obtained via interviews.

Chapter 13
Can the Use of Social Media be Useful in Universities’ Career Services? An Overview of Five European Countries

Ginevra Gravili, University of Salento, Italy

Social media tools are becoming an important presence in recruitment processes, transforming them. They allow an instant sharing of ideas, opinions, knowledge and experiences, creating a new “space-time” dimension that could be translated in a new way (additional) to “recruit” workers. Although there are many benefits and promises from social media, however several risks are associated with their use. The ambiguity related to legal and ethical issues of social media, at the same time, contains the enthusiasm related to the potentialities that social media offer. In particular, this chapter aims at analysing the perceived risks and benefits of social media by students to understand if it can be useful for University Career Services (referred to UCS) to use these tools in job placement. The analysis is conducted in five countries: Netherlands, Sweden, Lithuania, Bulgaria and Croatia. It can be useful for managers of universities and firms to understand whether the presence of Universities on social media by students and firms is positive or not.
Chapter 14
Strategic Role of Social Networking and Personal Knowledge Management Competencies for Future Entrepreneurs

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The mission of this chapter is to explore the role of social networking and knowledge management competencies combined with social networking strategies as an essential component and support for the development of co-innovation and business co-creation processes for future and potential entrepreneurs enrolled in higher education programs. Business students are active users of social networks but usually do not have clear business-focus priorities when devoting their time to social networking. Social networks enable virtual communities which allow knowledge sharing and collaborative learning at different stages of new business development. These networks have the potential to create ties for cross-border business initiatives that cannot be created in face-to-face networks. Innovative ideas often emerge from combining different sources of knowledge. Social networks can be used for action learning and cross-border knowledge sharing in the academic context in order to enhance cross-border entrepreneurship.

Chapter 15
Key Success Factors of Using Social Media as a Learning Tool

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Students are dedicated and innovative users of Social Media; in the context of Higher Education they use such media in a pragmatic fashion to enhance their learning. Higher Education institutions are thus in a position to facilitate their students' learning by embedding Social Media in their teaching and learning pedagogy. This chapter will discuss the Key Success Factors of using Social Media as a coordinating, managing, and learning tool to enhance students' education in the context of Higher Education. The Key Success Factors are mapped along the communication and activity flows of the student's study enterprise as viewed from an Actor-Network Theory lenses.

Chapter 16
Desperately Seeking Customer Engagement: The Five-Sources Model of Brand Value on Social Media

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Since 2004 when Myspace was converted from a file storage service to a social networking site, social media has become an integral part of people’s everyday experiences. Social media has also come to play an influential role in business. The purpose of this chapter is to introduce the Five-Sources Model of Brand Value that illustrates the importance of functional, emotional, self-oriented, social, and relational brand consumption experiences helping different organisations get a clear sense of where they can add value to their marketing communication strategies on social media. The model is consumer-centered and is grounded in consumers’ experiences collected through interviews and Facebook focus group. This chapter is based on an on-going project that first started as a Masters research in 2011. It has continued with conferences and academic papers, in conjunction with consulting and lecturing on social media applications in New Zealand business and education context.
Chapter 17
The Emergence of Social Media as a Contemporary Marketing Practice .................................................. 314

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R. Peter, Massey University, New Zealand

In this era of rapid technological change, Social Media has emerged as a key marketing practice in the ICT sector in India. In this chapter, the authors examine the emergence of Social Media as a marketing practice, its application in Relationship Marketing and Market Research and the influence of these on Customer Satisfaction in a B2B market. This research integrates Social Media with the widely prevalent Marketing Management and Relationship Marketing paradigms. A web-based survey was used to collect data from a sampling frame of ICT firms in India. Factor analysis evidenced the emergence of Social Media as a unique and distinct factor. It also clearly shows the use of Social Media for Relationship Marketing and Market Research purposes by these ICT firms. Multiple regression analysis showed a significant positive relationship between the independent variables - Social Media, Relationship Marketing and Market Research and the dependent variable Customer Satisfaction.

Chapter 18
Getting New Business Contacts in Foreign Markets through Social Networking Sites: Perspectives from Professionals of Basque Region in SPAIN ................................................................. 334

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Being able to find information, people and expertise helps business to grow and remain competitive. Professional networking using the web 2.0 is providing entry opportunities into international markets, allowing professional workers to interact with both workers and companies in markets worldwide. For that reason our research seeks identify the Social Networking Sites (SNSs) used with business purposes by professional workers, as well as to test the importance given by workers of the Basque Country region in Spain, to the use of social networks, particularly SNSs, to find new professionals around the world and help the workers network. Business Networking is a valuable way to expand knowledge, learn from the success of others, attain new clients and tell others about the business.

Chapter 19
Manually Profiling Egos and Entities across Social Media Platforms: Evaluating Shared Messaging and Contents, User Networks, and Metadata ................................................................. 352

Shalin Hai-Jew, Kansas State University, USA

Social media accounts on various social media platforms represent the public-facing Web presences of egos (individuals) and entities (groups). On the surface, these may be understood based on their profiles, their shared contents and postings, and their interactions with other user accounts online. A number of software tools and analytical techniques enable further analyses of these accounts through network analysis, content analysis, machine-based text summarization, and other approaches. This chapter describes some of the capabilities of "manual" or semi-automated (vs. fully automated) remote profiling of social media accounts for insights that would not generally be attainable by other means.
Chapter 20
Finding Information Faster by Tracing My Colleagues’ Trails: A Reference Algorithm for Enterprise Search

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Knowledge workers are confronted with the challenge of efficient information retrieval in enterprises, which is one of the most important barriers to knowledge reuse. This problem has been intensified in recent years by several organizational developments such as increasing data volume and number of data sources. In this chapter, a reference algorithm for enterprise search is developed that integrates aspects from personalized, social, collaborative, and dynamic search to consider the different natures and requirements of enterprise and web search. Because of the modular structure of the algorithm, it can easily be adapted by enterprises to their specificities by concretization. The components that can be configured during the adaptation process are discussed. Furthermore, the performance of a typical instance of the algorithm is investigated through a laboratory experiment. This instance is found to outperform rather traditional approaches to enterprise search.

Chapter 21
Professional and Business Applications of Social Media Platforms

Kijpokin Kasemsap, Suan Sunandha Rajabhat University, Thailand

This chapter provides an overview of the challenges and benefits of social media across various industries. The use of social media has created the highly effective communication platforms where any user, virtually anywhere in the world, can freely create the content and disseminate this information in real time to a global audience. The chapter argues that professional and business applications of social media platforms can enhance business performance toward reaching strategic goals in the digital age. What are keeping various industries awake these days? Why are social media applications important to various industries? How do social media platforms apply for professional and business perspectives across various industries?

Compilation of References

About the Contributors

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