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## **SOCIAL MEDIA BUSINESS CONCEPT, BENEFITS AND CHALLENGES**

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Abstract. *This paper will clarify the concept of social media, then evaluate and review how businesses are using these social networks to make change at the individual's job performance. Lastly, this paper will discuss where the future of Social Media is heading. The purpose of this study is to investigate the development and effects of corporate usage of social media in influencing employees' job performance, focusing mainly on how employees use social media to communicate with family, friends and other coworkers in the workplace was a great incentive for retention – particularly of new hires [16]. A study made by AT&T found that 65 percent of employees believed that using social networking sites in the workplace helped them be more productive [3].*

### **Introduction**

What is Social Media?

Social Media is a revolutionary trend that stems from the concepts of Web 2.0 and User Generated Content (UGC). Web 2.0 evolved in 2004 from the Web 1.0 model of creating and publishing content online. Whereas Web 1.0 limited the control of creating and publishing content to specific individuals, Web 2.0 expanded the capabilities and granted control to all users of the World Wide Web. This model of participatory and collaborative thinking became the platform behind the ideological and technological foundation of Social Media. In short, Web 2.0 is a place for people to share, cooperate and create [10]. Some examples of social networking sites include Facebook, LinkedIn and Twitter.

Similarly, User Generated Content represents all the ways in which end-users of the web use Social Networking. According to the Organization of Economic Co-Operation and Development (2007), UGC should:

- 1- Be publicly accessible to a selected group of people
- 2- Show inventive effort
- 3- Been built outside of professional routines and practices.

Examples of UGC include anything produced by the web user such as text, audio and video. The first condition of UGC requires context to be published on a website and made publicly accessible, this excludes e-mails and instant messaging. The second condition of UGC requires users to upload original content, thus excluding reposted material. The final condition of UGC requires content to be invented out of the desire to connect and express oneself to others as well as to achieve fame and recognition. Therefore, according to the third condition of OCED (2007), UGC excludes content with a commercial market.

### **Main body**

Social Networking Site Use

Technological changes happen every day, and technological evolutions change the way we communicate with each other. Social networking sites or SNS are new ways of communication in which people create online profiles and form networks with friends, family, work colleagues. Social networking sites are the current trend in this revolution. Social networking sites are defined by Boyd and Ellison (2007) as:

- 1- Construct a public or semi-public profile within a bounded system.
- 2- Articulate a list of other users with whom they share a connection with.
- 3- View and traverse their list of connections and those made by others within the system.

Social networking sites are classified into several categories: work-related (LinkedIn.com), romantic relationship (okcupid.com), connecting people with shared interests such as music or politics (MySpace.com) and the college student population (the original launching of Facebook.com).

Social networking sites are mainly divided into two types: public social networking sites and internal social networking sites. Public social networking sites, such as Facebook, Twitter and LinkedIn, are usually free. Internal social networking sites, like Beehive at IBM, Yammer at Microsoft and OneHP at HP.

The social networking sites phenomena started to become popular in the mid of 1990s. One of the first was Classmates.com, launched in 1995. Friendster is another social networking site, it was established in 2002 and focused on dating. In 2003, LinkedIn was founded. It has allowed professionals to make their own profiles and to invite other professionals to join their network. LinkedIn also facilitates business inquiries and expertise requests as well as job posting by recruiters.

Launched in February 2004, Facebook is arguably the most popular social networking site with over 1.3 billion registered users [23]. The typical internet user spends an average of six hours per month on Facebook [20], and more than 60 percent of internet users use Facebook on their mobile phones [2].

#### Purely Personal

Easily the most common use of Social Networking sites, and the main reason for them existing in the first place, is for personal reasons. Most people using Facebook is to keep the «social» label. It is used for its original purpose – to keep in touch with friends [6]. One great way of taking advantage of the personal side of Facebook is keeping in touch with people hundreds of kilometers away, maybe somebody who has moved to the other side of the world. In the past it would have been very difficult to keep in touch, much less keep up to date with what they are doing.

#### Business – Connecting with Customers

With the rise of Internet Marketing, social networking is being embraced by businesses more and more. Innovative ways of utilizing these tools by connecting directly with customers are being found [6]. Companies are seeing that the best way to manage themselves online is to speak to their customers directly using these social networking sites, Twitter being especially useful for this. It increases the reputation of the company, gets them positive reviews and shows that they really care about the customer [6].

#### Business – Networking

Always, there is an opportunity for many types of business to network and expand their business on the social networking platform. To get a deal is all about knowing the right people, and if somebody that you went to school with owns a multimillion dollar business and your company do what he is looking for, using Facebook could have you on to a winner. A random friend request from somebody you haven't spoken to since you were 11 years old could be the key to your company's success [6]. Social networking sites like LinkedIn exist for this purpose; for people to network within a business environment. It does for businesses what Facebook does for students and teenagers, it lets people connect. It could find you a new business deal or could even find you a new job.

#### Social Networking Sites Pros and Cons

As any other trend, social networking sites have their pros and cons in their usage. Many people use them positively while others use them in a negative way. In the coming section I will show some of the pros and cons of using social networking sites and their effect on our lives.

#### Pros

The main pro of social networking sites is the spread of information faster than any media. Over 50 % of people learn about breaking news on social media [17]. Social networking sites are the top news source for 27,8 % of Americans, ranking close to newspapers (28,8 %) and above radio (18,8 %) and other print publications (6 %) [15]. Social networking sites allow people to improve their relationships and make new friends. 70 % of adult social networking users visit the sites to connect with friends and family (Solis, 2011), and increased online communication strengthens relationships. According to Jobvite (2012) a social recruiting platform for the social web, social networking sites help employers find employees and job-seekers find work. 64 % of companies are on two or more social networks for recruiting because of the wider pool of applicants and more efficient searching capabilities. Corporations and small businesses use social media to benefit themselves and consumers. Small businesses benefit greatly from the free platforms to connect with customers and increase visibility of their products or services. Almost 90 % of big companies using social media have reported «at least one measurable business benefit». For example, large

chain restaurants are using social media to quickly disseminate information to managers, train employees, and receive immediate customer feedback on new items, allowing for quick revision if needed [13].

#### Cons

On the other hand, social networking sites have their cons and some might contradict with the pros stated above. Social media enables the spread of unreliable and false information. 49,1 % of people have heard false news via social media. On Sep. 5, 2012 false rumors of fires, shootouts, and caravans of gunmen in a Mexico City suburb spread via Twitter and Facebook caused panic, flooded the local police department with over 3,000 phone calls, and temporarily closed schools [17]. The usage of social networking sites lacks privacy and exposes users to government and corporate intrusions. 13 million users said they had not set or did not know about Facebook's privacy settings and 28 % shared all or nearly all of their posts publicly [7]. Being a social networking sites user, can leads to stress and offline relationship problems. A University of Edinburgh Business School study found the more Facebook friends a person has, the more stressful the person finds Facebook to use. 36 % of people surveyed listed social networking as the «biggest waste of time», above fantasy sports (25 %), watching TV (23 %), and shopping (9 %) [22]. When alerted to a new social networking site activity, like a new tweet or Facebook message, users take 20 to 25 minutes on average to return to the original task [9]. Using social media can harm job stability and employment prospects. Job recruiters reported negative reactions to finding profanity (61 %), poor spelling or grammar (54 %), illegal drugs (78 %), sexual content (66 %) on potential employees' social media pages. Social networking sites harm employees' productivity. 51 % of people aged 25–34 accessed social media while at work. According to Nucleus Research (2009), even spending just 30 minutes a day on social media while at work would cost 50-person company 6,500 hours of productivity a year. 51 % of American workers think work productivity suffers because of social media [11].

#### Conclusion

##### Business Benefits of Social Networking Sites

People started to realize that social networking site use can be a great source of strategic benefits to businesses. Not all firms allow social networking site use in the workplace. In fact, 39 percent of employers actively block the access to social networking sites [21]. However, with the presence of smart phones, it is even more difficult for companies to block access to social networking sites. In fact, banning the use of social networking sites in the workplace can have detrimental business consequences such as stopping workers from discovering business opportunities, intelligence gathering, and working collaboratively [4].

One of the benefits of social networking site use for businesses is using customer communities for market research to get feedback on products and features, which can be a source of innovation in the product development process. Those customer communities can also be used for recommending, tagging, reviewing, or recognizing products, such as in the case of Facebook where customers click «like».

Some studies list the business benefits of social networking site use in the workplace. For example, [24] reported that the benefits of social networking site use in the workplace can include morale, reputation, communication, advertising, collaboration, social research, networking, transparency, public relations and skill building.

Social networking sites, just like other means of communication, TV, radio, newspapers, and telephone, can be used by companies to communicate their offerings to customers. Social networking tools can be a much faster means of communication, as information can be posted and retrieved quickly through them and feedback can be exchanged instantly between companies and their customers and clients.

Another use of social networking sites generally in the marketing area and particularly in advertising and branding. For example, advertising can be targeted since social networking sites collect personal information such as gender, age, level of education and job title.

Businesses can use social networking sites to find expertise. Locating an expert on is very important as sharing expertise is important for enabling organizational learning, knowing and judging people's competencies, making teams to solve time-critical problems, providing better technical assistance, maintaining customer relationships and developing social capital.

Social networking sites are used by several organizations as a means of recruiting and hiring. Some employers say that they use social networking sites as a quick, no-cost source of background information on job candidates, and some social networking site users use their pages as personal «billboards» to market themselves to employers. Some social networking sites allow internet search engines to search the names and profiles of their users which allow some employers to access information about prospective employees. A survey was conducted by CareerBuilder.com in 2012 that asked 2,303 hiring managers and human resource professionals if, how, and why they incorporate social media into their hiring process. They found that 37 % of employers use social networks to screen potential job candidates. That means about two in five companies browse your social media profiles to evaluate your character and personality – and some even base their hiring decision on what they find.

A few companies realized the benefits of social networking site use in the workplace. A European study authorized by AT&T in 2008 found that 65 percent of employees believed that the use of social networking sites helped them be more productive [3]. The key sources of productivity, according to.

#### Business Challenges of Social Networking Sites

Several companies are doubt about the value social networking sites use can bring to the table, and they are concerned about the risks associated with adoption of social networking site use in the workplace. According to a survey by Robert Half Technology (2009), more than half of US companies block access to social networking sites to keep employees from wasting time, but it is also in order to reduce risk. The most common concerns of the use of social networking sites in the workplace according are: perceived loss in staff productivity; data leakage from staff tweeting freely in an open environment; malware and phishing scams, the open access potentially offered to the company servers by outdated passwords.

Several studies show the biggest concern of social networking site use in the workplace is the loss of staff productivity from time wasted at work. Nucleus Research reported that the use of Facebook at work results in a 1.5 percent decrease in productivity [18]. This wasted productivity adds up to money lost to wages and economic costs in the forms of decreased efficiency. [1], a staffing service firm specializing in accounting and finance, reported that 59 percent of 1400 interviewed chief financial officers (CFOs) listed employees wasting time as their greatest concern of social networking site use in the workplace. Statistics show the average Internet user spends on average six hours (12 minutes daily) per month on Facebook, which raises managers' concerns that those six hours may be spent in the workplace. Another report, by Robert Half Technology (2009), claims some workers spend around two hours a day on Facebook in the workplace.

Information security is one of the biggest challenges when it comes to the use of social networking sites in the workplace. Employers tend to worry social networking site use in the workplace will expose the organization to phishing attacks which can start with finding a user's work password. Social networking sites, such as Facebook and Twitter are used by hackers to distribute malware and spam by hacking user accounts and then sending spam and malware using trusted accounts because users tend to open links sent by their friends without thinking of possible risks. This breaches an organization's security if employees click on that malicious site link. An example of a malware component is key-logging software which records and reports the keystrokes of users, revealing passwords and other confidential information.

The obvious challenge of social networking site use in the workplace for businesses is the difficulty of differentiating whether the employees are posting personal views or the views of the company they work for. Several companies have established in their social networking site use policies, clear guidelines to reduce such risks and protect the company and employees.

Because networking in online social communities is still a relatively young online trend, whether or not «social networking is harmful» is still unknown. Like any other type of networking or social club with which individuals become involved, it is a good idea to do your homework and make sure that you know what you are getting into. Understand the terms of use, the rules and regulations, and be clear on issues like security and privacy [8].

Privacy is a major concern in using social networking sites in the workplace. Social networking site use encourages users to provide information about them without giving much consideration to

privacy issues. For example, information collected from users' profiles can be potentially misused by social networking sites that can use them for targeted marketing. Users' detailed information is likely vulnerable to identity theft, stalking, and abuse. Managing privacy issues pose a challenge for organizations since digital communications can a part of the system.

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