Business Transformation: Leveraging Social Media and Social Commerce Technology

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Abstract

Over the last decade, the way people communicate with each other has been changing astonishingly. The extensive new plethora of media has given to customers more options to gather and provide information about products and services. This study attempted to identify and measure the degree to which Social Networking Sites influence people's professional lives, their social skills and work productivity and ultimately boost effectiveness. Quantitative and qualitative methodologies were used for this research. The results reveal that Social Networking Sites play an essential role in employees’ relations with customers, that Instant Messaging (IM) services offered by Social Networking Sites can be a crucial element for organizations in disseminating information, enabling knowledge sharing, increasing productivity and promoting teamwork. It seems that customer engagement and Customer Relationship Management (CRM) are vital tools for organizational effectiveness, not only to maintain loyal clients but also to survive and keep maintaining profitability.

Keywords: Social Media, Social Commerce, Social Networking, CRM, Instant Messaging (IM), Web 2.0, Facebook, Instagram, Linked In, Twitter, Marketing, Social Media Marketing, Cyprus.
Introduction:
Knowledge management is an important business strategy for organizational effectiveness (Hull et al., 2001). Organizations recognize the need for further development of their links with consumers, to serve them the way they prefer. This is called Effective Management Consumers’ Knowledge (Davenport et al., 2001). Businesses have also realized over the last decade that Social Media and Social Commerce are a great weapon in this highly competitive market arena.
Social Media refers to online services that can support users’ social interactions on web based platforms (Chua & Banerjee, 2013).
There are various benefits deriving from Social Media that would benefit any business.

For instance, some of them are:
- Identification of businesses’ target market, improvement of social Return on Investment (ROI), bridging the gap between external networking and internal integration.
- Simultaneously, Social Commerce, taking place on Social Media, is the business process that transforms external and internal links in order to build value for the company and take advantage of market opportunities arising out of the new concept of the connected economy (Damanpour & Madison, 2001)
- Social Commerce gives to organizations that adopt it the competitive advantage to expand into new global markets, improve their brand name, increase profitability and also offer better customer service (Tutorialspointcom, 2015).

Review of Literature:
Over the last decade, the way people communicate with each other has been changing astonishingly. The extensive new plethora of media has given to customers more options to gather and provide information about products and services. “The digital innovations of the last decade made it effortless, indeed, second nature, for audiences talk back and talk to each other” (Hennig et al., 2010, as cited in Deighton & Kornfeld, 2009, pp. 4).
Social Media nowadays have become a great part of people's life. A significant number of people interact with Social Media in several ways, such as keeping in touch with their friends, buying products from many E-businesses’ pages, being informed about their favorite brands and so much more. Also big organizations either national or multinational exploit the majestic power of Social Media, in order to promote their products, to increase their brand awareness, lead the generation, build their brand image, sell products etc. (Uattendcom, 2015). There is no controversy that Social Media has changed the business infrastructure and how marketing was functioning (Smith, 2015).

The Instant Messaging (IM)
The splendid and significant growth of the Internet has made Internet-based Communication Technologies (ICT) the best platforms for communication, that are dedicated for business transformation (Zhang & Fjermestad, 2008). In recent years, Instant Messaging (IM) and mobile social networks have achieved increasing popularity (Hongxiu Li, 2015).
Del Bosque (2013) discovered through a scientific research that librarians who used to have access to Social Media Sites collaborated more with their colleagues and that allowed them to intercommunicate with experts in the company who helped them, increase their knowledge. If social media did not exist, they would not be able to do so.
According to findings of a study about Instant Messaging (IM) offered on Social Networks indicated that "IM promotes teamwork by creating a social network within the workplace, while enabling knowledge sharing thus increasing productivity" (Anastasiou, 2014). IM is a low-cost communication tool that gives the advantage to users to interact with each other instantly (Zhang & Fjermestad, 2008). In addition, another definition of IM according to Nardi et al. (2000) is “a tool which allows for near-synchronous computer-based one-on-one communication”. Great number of popular IM systems are available on the market free of charge including: “Yahoo! Messenger”, “Facebook”, “ICQ”, “Skype”, “Viber”, “Whatsapp”, etc.

IM has unique elements, for example, real time exchange of text messages, files and images, a contact list, notification-features as a "pop up", and simultaneously interconnects with more than one digital conversation at once. IM is a popular choice among small organizations with limited budget and technological expertise. The use of IM can promote real-time interactions with both internal and external clients, employees and also partners. The basic idea behind this, is to make the business more responsive and at the same time more competitive (Zhang & Fjermestad, 2008).

Furthermore, research done by AMAPI (2006), figured out that 35 percent of the workers used IM at work environment. Whereas, a survey conducted by Mann (2008), indicated that the number of organizations which sees the value of Social Media Sites is still small (Anastasiou, 2014).

**How Facebook Reached the top**

Another aspect is that organizations must create experiences that can distribute tangible value to their customers in return for attention, time, data and endorsement, in order to have the maximum positive impacts from Social Media platforms.

In 2010, with active users of Facebook exceeding the 500 million from which the 70% being located outside the United States, and more than 10 billion Tweets by 2006, firms are feeling extremely pressured to capture consumers’ attention (Baird & Parasnis, 2011).

The numbers are rapidly increasing with M. Zuckerberg's invention reaching 1,310,000,000 in total, of monthly active Facebook users by 2015 of which the 680 millions are mobile users (Statisticbraincom, 2015).

Through all Social Networking Sites, Facebook is the most popular virtual social network. Facebook is a social network that is severely attached to people’s everyday life.

The most common features are “likes” and “comments”, with users worldwide posting 300 million photographs per day. Facebook permits the interaction among people who already know each other or it gives them the opportunity to make new friends. Also consider that Facebook is a mean of exchanging knowledge, information and expertise with Facebookers globally who work in a similar field of study.

Users of this social platform have the possibility to join in a great number of groups and fan pages of their interests in order to receive and update or share their data. Additionally, Facebook provides significant functions to its community members like games, gifts, digital pets, farms and so much more. Furthermore, Facebook might be the platform for many individuals who demand entertainment for their resting period and to develop their social or emotional milestones (Ramírez et al., 2015).

**Social Commerce**

Today, internet shopping and Social Commerce are growing in number and size, but what is Social Commerce? Social Commerce is a new rising trend which businesses and sellers are connected to a web-based social network platforms to sell their products or services. It is crucial to mention that without Social Media and Web 2.0 applications, Social Commerce would not be functioning. Through Social Media platforms, sellers seek customers directly to buy their products or services. Social Commerce helps sellers to reach customers all over the globe with only one click (Stephen & Toubia, 2010).
Some of the most vital advantages that Social Commerce can offer to any organization are: Businesses can expand into new international markets with minimum investment, improve brand awareness, increase their productivity, offer better customer service and reduce costs (Tutorialspoint.com, 2015). Furthermore, examples of Social Commerce platforms are “Soldsie” and “Chirpify”. “Soldsie” is based on consumers’ interaction with merchants, for example: a merchant posts on Facebook the product and its details, then the consumer comments on that post “sold” and the transaction is completed. On the contrary, “Chirpify” allows consumers to buy products using hashtags (Popescu, 2013).

The adoption of Social Commerce
The high development of Web 2.0 applications promotes the intercommunication among customers, and gives them the incentive to use Social Networking Sites (SNSs) for their transactions.
According to literature the next generation of E-Businesses will be installed on Social Media platforms in order to attract new potential customers. As a consequence, it is crucial for organizations having a unique business model, to adapt the Social Commerce. There are researches that indicate that consumers are not giving great emphasis on product information, but on other people's recommendations, online rating and voting for an existing tangible or intangible merchandise. In addition, that movement could be beneficial to maximize the amount of trust and minimize perceived risk. Trust is the key element for Social Commerce, which improves the efficiency of society (Hajli, 2013). Chow and Shi (2014) outline that trust is vital in the Social Commerce environment because it builds a structure for customers to evaluate the information of an organization’s products. Also, gaining individual's confidence is essential because it forms the master key for stable and trustable relationship between the buyer and seller.

SMCRM Strategy for Social Media (SM) and Social Customer Relationship management (CRM)
Through digitization over the past decade the market arena faces a lot of challenges in the name of Social Media. In this modern world, customers become social customers, who are interconnected with other people and organizations globally. Social consumers are consciously expecting transparency and authenticity from those people and organizations. The great empowerment of consumers has obviously provoked new challenges for Customer Relationship Management (CRM) (Sisko & Lippiäinen, 2015).
Laurence Buchanan explained Customer Relationship Management strategy, firstly as the way business has to treat different customers with different rapprochement. And secondly, refers to CRM as an organizational approach that has as its core aim to develop long term and mutual beneficial relationship with their clients (Schaeffer, 2015).

Consumers are indeed the imperative and most important part of an organization. So, Customer Relationship Management has to be a basic element of an organization. A research taken from SugarCRM that is a commercial open source of CRM software in Cupertino, California, indicated that firms which use social platforms had an enormous return on their investment by the year 2010. Also, 72% of the participants revealed that they will link the data from social networks to their CRM software in the period of one year after. Up to 80% of growth in the organization is based on Web 2.0 technologies to handle consumer engagement projects in 2010.

As a consequence, the findings of the above research reveal that the combination of Social Networking Sites (SNSs) and Customer Relationship Management (CRM) is crucial for organizational effectiveness. Despite the fact that the combination of both SNSs and CRM is a new phenomenon for many businesses, the organizations that implement it, improved their performance, boosted their company's reputation and overall brand loyalty, got a step up from their competitors and also grew their market share by creating a lucrative enterprise strategy. Further, as stated by Arman (2014) the strategic integration between SM (Social Media) and CRM introduced the acronym SMCRM.
However, organizations should use Social Media as a channel for their consumer engagement that can raise magnificent benefits for conventional customer relationship management. CRM strategy is invented by using technology and processes to manage consumers’ relationships as a measure to have the greatest value of lifetime customers. The strategy concentrates on operational responses that are needed to coordinate consumers. Social CRM understands that the core responsibility of an organization is to support their customers’ confidence with firms’ collaborative experiences and discussions. By recognizing what the consumers value while they are connected with the special environment of a virtual platform, organizations can achieve the first step towards building a social customer relationship management (Baird & Parasnis, 2011).

Chaffey (2011) described customer engagement as the level of consumer interactions that reinforce the emotional, psychological or physical investment a customer has in a brand. The purpose of customer engagement is to evaluate the interests, aspirations and expectations of the target clients. This is very important due to the fact that every customer is unique and may prefer different media to interact with a specific venture (Kaushik, 2013). According to Kaltcheva et al. (2014), recent researches explore the business side of customer engagement, for example the customer lifetime value and the share of wallet while the earlier studies were dealing with the engagement of the customer from a customer perspective, neglecting the perspective of the service firm.

**Research methodology:**

*The population, sample and sampling*

A combination of both quantitative and qualitative methods was used in order to investigate the extent to which the usage of Social Media and Social Commerce could leverage business effectiveness. For the quantitative part of the study information was collected from a sample that lived and worked in Cyprus. The research focused on randomly selected individuals within the age group of 20 to 64. Data was attempted to be collected from a sample of 300 individuals who were invited to respond to a survey uploaded on the internet, on the topics related to Social Media and Social Commerce. From the completed online questionnaires only 112 questionnaires were considered valid and were used for the analysis. For the qualitative part of the study, three professional Social Media executives were interviewed separately by the use of semi-structured interviews. The objectives of the study were: to examine the extent to which organizations in Cyprus use Social Networking Sites to communicate with clients and colleagues, and to also investigate which ones are most widely used in enabling knowledge sharing, assisting in increasing productivity and promoting team work. Additionally the study was designed to further examine whether the use of Social Networking Sites assist in relieving work stress.

**Research Findings:**

From the data analysis, we can identify that 98.1% of the sample, is using Social Networking Sites for a variety of reasons. Also, slightly more than half of the sample are male, 50.9 %, while the other 49.1% female. This can reflect the proportion of the population between male and female in Cyprus. According to Cyprus’ population history in 2015 the male population reached the 594,492 while the female 570,808 of the overall population that is 1,165,300 citizens (Cyprus population 2015, 2015). The participants that responded were from age ranges 21 to 53. Furthermore, from the responses we could conclude that when the participants were asked to prioritize the Social Networking Sites they use (multiple responses), Facebook got the first place with an overwhelming
response rate of 90.9%, and s YouTube scored second place with 79.2%. Lastly, Instagram gained a greater resonance in comparison to Twitter and LinkedIn. It seems that the numbers are representatives according to literature review the numbers of Facebook users are rapidly increasing. Mark Zuckerberg's invention reached the 1.310.000.000 in total of monthly active Facebook users by 2015 (Statisticbrain.com, 2015). On the contrary, according to statistics portal (2014), Twitter comes second with 96.3%, YouTube third with 94.2% while Instagram fourth with 90.8% as the social platforms that are the most essential for brands around the world. It is a fact that Facebook comes first with 100% as a must Social Networking Site globally (Felix, 2014).

According to the responses of the present study, 32.1 % of the participants answered that their organizations use SNSs as part of their activities. This may infer that numerous organizations in Cyprus still have not recognized completely the overall advantages of using Social Networking Sites. This comes in contradiction with literature reviewed, that says that businesses have realized over the last decade that Social Media sites are a great weapon in this highly competitive market arena. Moreover, it is no surprise that the number one chosen Social Networking Site by companies in Cyprus is Facebook. Maybe this tendency from organizations to choose Facebook as the most preferred Social Networking Site can be due to the fact that Facebook is the most famous SNS globally.

Surprisingly, 43.4% of the participants appear to be using Instant Messaging (IM) to share ideas, knowledge and files with their colleagues. A research conducted by Anastasiou (2014) on the similar question only 33% replied positively (Anastasiou, 2014). These results indicate that the working population started to recognize the benefits of IM messaging. These indications might prove the claims of Anastasiou (2014) that "IM promotes team work by creating a social network within the workplace, while enabling knowledge sharing thus increasing productivity" (Anastasiou, 2014). Hence it is very important for all of the organizations either national or multinational to keep closer links with their clients. Social Networking sites can be used as a basic tool in order to communicate with customers and have closer links with them.

Additionally, 45.3% of the participants stated that they do not use Social Networking Sites to communicate with clients. Those results come in conflict with the global literature review and also with the answers of one of the Interviewee (Y). These results confirm the fact that only 32.1 % of the participants answered that their organization operates though Social Networking Sites. It is clear that the majority of the organizations in Cyprus do not exploit the majestic power of Social Networking Sites to the maximum of their potentials. It is good to considered for further research the investigation of ‘why’ organizations in Cyprus still do not use the Social Networking Sites the way they should.

Furthermore, as far as the most widely used Social Media Sites among others, Facebook, Twitter and LinkedIn are concerned, as the result have shown, YouTube and Instagram are considered to be more popular Social Networking Sites in Cyprus in comparison to Twitter and LinkedIn. Moreover, it is also observed that Tumblr, Flickr, Skype, Viber, Oovoo and WhatsApp are in the choices of the participants. Still, again Facebook has been chosen as the most widely used Social Networking Site. These results lead the investigators to propose to organizations in Cyprus, to ‘expose’ more their operations through Facebook, YouTube and Instagram instead of Twitter and LinkedIn.

Also, as the results indicated, the Cypriot employers appear to be ‘rather flexible’ in the case of using Social Networking Sites while at work. A significant 34% of the participants reported that their organization have no blocking-no policy concerning the access of Social Networking Sites at work. Only
5.7% replied that in their workplace the access in SNSs is completely blocked. It is a fact that Cypriot employees believe that is very advantageous for both business and non-business (35.8%) to have access to their Social Networking Sites while at work. Lastly, the close to half (49%) of the participants voted Facebook and second the YouTube when asked which Social Networking accounts they use at work.

As Bernard (2015) stated, the results of a new research show that the frequent users of SNSs experience less stress in their lives than non-users. Indeed, the usage of Social Networking Sites can increase productivity in the workplace by giving to employees the sense of freedom from the work stress. In the present study a significant number of participants 37.7% confirmed that a short-break from work to access their SNSs relieves them from work stress. While a small number of 7.5% believes that is not helpful for them. In the question that asked if the participants will be more productive at work if their employer/company allowed them to access to their SNSs for an average of 30 minutes a day, 26.4% replied positively; 18.8% of them answered negatively and the rest reported 'neutral'. Consequently, the indications above could lead us in saying that the use of Social Networking Sites could help in relieving work stress and consequently increase productivity.

To further discuss the interview analysis, it seems that all three interviewees agreed that the use of Social Networking Sites could be for promotional purposes; while only the third interviewee said that he used SNSs to sell products and build relationship with their clients. This claim could confirm the literature reviewed above that says that significant entrepreneurs used Customer Relationship Management (CRM) to exploit the generic means to attract any potential and loyal customers. To the question about how the three interviewees measure the return on investment (ROI) unanimously they said that they see the numbers of the clients that come to their organization after their promotional campaigns. It seems that in Cyprus YouTube has not joined yet, great popularity as a Social Networking Tool in a business perspective. It is also clear that for someone who wants to deal with Social Networking Sites for a business has to be an outgoing person with a background at least in Marketing or Business Administration. It is a great competitive advantage if employers recruit employees with deep knowledge in Social Networking Sites. Generally, organizations must have their own Social Media manager to coordinate the Social Networking Sites of their company. Obviously, the three participants who were interviewed, agreed that their organizations have a unique strategy, according to their Social Networking Sites. However, at the last question ‘What do you think triggers a consumer to seek out your organization or brand through Social Media Networkings’ X and Z interviewees responded that what triggers a consumer to seek out their organization or brand through Social Media sites is their reputation. Only the last interviewee Y said a quite different answer, he stated that their clients go back to purchase their products again and again because they are satisfied. Also, he mentioned that if customers are happy then they will introduce the organization to more people and then the organization's brand awareness will be increased instantly. It is very important to mention here that in almost every question interviewee Y highlighted the meaning of building social relations with their clients. This verifies the claims of Writing (2015) who claimed that CRM has the advantage to improve customer service. He further stated that corporations want to maintain strong bonds with their clients while at the same time increase their profits (Writing, 2015).

To conclude the discussion of this research, the data that have been collected indicated that the majority of the sample participants use Social Networking Sites. While only the minority is not registered to any Social Networking Sites. Further, indisputably Facebook seems to be the most preferable Social Networking Site in the market arena. Instagram on the other hand gains greater popularity than Twitter and LinkedIn. These sites according to the participants of the present study are used more for chatting and socializing instead of playing games and work. Closer links with the clients are always vital not only to
have loyal customers, but also to survive and keep being a profitable organization. Additionally, the use of SNSs at work appears to help out with reducing work stress and ultimately increase productivity.

**Conclusion and Recommendation:**

The study indicated that some of the evidence from previous researches is valid for Cypriot organizations. On the contrary, some of the findings of the literature are not applicable yet. Generally, it seems that there is a long road for companies in Cyprus in order to reach their maximum potential by the usage of Social Networks. Facebook comes first and YouTube second among the most preferred Social Networking Sites. While surprisingly Instagram got the third place. According to those results organizations in Cyprus must invest more time on Instagram instead on Twitter and LinkedIn.

In the following years it is expected that Social Networking Sites will replace all the other media. The newspapers globally recognized that they are in the saturation stage so they have to be adaptive to changes; as a result they upload their articles into their SNSs.

Without controversy the Social Networking Sites are necessary tools to facilitate open communication. Also, allows employees to collaborate, discuss, and share ideas and knowledge. Additionally, they provide the advantage to widen business contacts and also target wide audience. Further, they improve business reputation and minimize the costs for advertisements. Finally, they help build a strong bond with organizations’ clients, thus they could be more productive and profitable.

The structure of the usage of Social Networking Sites is diffusive and it is continually changing. As well as that, the market trends are changing in a rapid tendency. In order to increase the validity of the above study the research should be re-conducted, to identify any possible changes in opinions or process adjustments. A consideration of a new larger sample and more interviews it is recommended.

Finally, a last form of investigation can be a further research on Social Commerce technology despite the fact that Social Commerce is new technological idea. There is an increasing trend in the organizations that use Social Commerce as their basic mode of operation.

**References:**


