SOCIAL MEDIA – WHAT IS IT AND WHAT CAN IT DO FOR YOUR BUSINESS?

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ABSTRACT
The paper attempts to question the importance of "social media" for present and future business. After a brief history and identification of the main types and modes of expression - both in Romania and abroad - the authors present some benefits of using and integrating "social forms of media" versus "possible losses by ignoring" this global phenomenon. Finally, managerial implications are identified for companies involved in the use of certain types of "social media".

KEYWORDS: *management, social media, communication, virtual community, Facebook, Internet, strategy, management responsibilities*

JEL CLASSIFICATION: *A13, D71, F23, J5042*

1. INTRODUCTION

Every day there is a new way for us to connect with each other, to share, to learn, to do business. Change is the most stable principle that governs the world we live in.
A popular saying among social media users is that "if you don't use social media, you don't exist". And most probably they are right – at least in the "online community" you do not. And as there are social networks with user bases larger than the population of most countries, you do want to be part of the "social media phenomenon".
There are websites to share photos, videos, professional information, status updates, websites for meeting new people or to reunite old friends, to get answers to your questions or to give an answer to other people's questions – and these are only a few examples for the many forms which social media takes. As a whole, it forms a giant puzzle expressing almost any social need a person can have.

2. SOCIAL MEDIA – WHAT IS IT?

So what is social media? Probably it is the form of communication of the century. It is the means of interaction among people in which they create, share, and/or exchange information and ideas in virtual communities and networks. Social media differentiates from traditional/industrial media in many aspects such as quality, reach, frequency, usability, immediacy and permanence.
Social media is the convergence between human interaction and Internet-based technologies, allowing people to share content and personal opinions, swap perspectives or swap insights. It is an integral part of modern society.

3. SOCIAL MEDIA – SHORT HISTORY

The history of social media begins in 550 BC – when in Ancient Persia a true postal system was developed, with man travelling by horse, carrying mail from one station to another. By mail people

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were exchanging information, ideas, revealing events from their lives, intimate thoughts, forming a community without geographical limits.

Next was the telegraph (1792), telephone (1844), the radio (1891), email (1965), IRC (originally used for file sharing, 1988) until 1990 when LiveJournal was developed (social network built around constantly updated blogs; it encouraged its users to follow one another, to create groups and interact).

After 2000, the development of the today's largest virtual communities began: Wikipedia (2001), Linkedin (2003), Facebook (2004), Youtube (2005), Twitter (2006), Google+ (2011). There are many others that were popular for a period and that were discontinued – such as Yahoo 360^0, Google Buzz or MSN Spaces.

What is next? Social media experts think that (and this may seem ironic) most probably – personal life. And of course, there is a social network for that – Path, a mobile-only platform, where you have a limited number of friends, with whom you can share personal status updates and photos.

4. SOCIAL MEDIA – TYPES OF SOCIAL MEDIA

There are hundreds of social media applications, and the number is increasing day by day. In this sense, a classification of social media platforms may be used by a company to decide what approach to take. It is recommendable to find three or four social media platforms on which to build the strongest presence that will be the most beneficial for the business.

A classification by social presence/ media richness and self-presentation/ self-disclosure has been developed by Andreas M. Kaplan and Michael Haenlein:

Table 1. Classification of social media by social presence/ media richness and self-presentation/ self-disclosure (A. Kaplan, M. Haenlin).

		Social presence/ Media richness		
		Low	Medium	High
Self-presentation	**High**	Blogs	Social networking sites (e.g. Facebook)	Virtual social worlds (e.g. Second Life)
Self-disclosure	**Low**	Collaborative projects (e.g. Wikipedia)	Content communities (e.g. Youtube)	Virtual game worlds (e.g. World of Warcraft)

4.1. Collaborative projects

The main idea underlying collaborative projects is that the joint effort of many actors leads to a better outcome than any actor could achieve individually. Two of the applications from this category are Wikipedia ("A free encyclopedia built collaboratively using wiki software") or Delicious ("A social bookmarks manager. Using bookmarklets, you can add bookmarks to your list and categorize them.").

4.2. Blogs

Blogs represent one of the first forms of social media. Blogs were defined by OECD as special types of websites that usually display date-stamped entries in reverse chronological order. They are usually managed by one person only. However, two or more people can post on a blog. The subjects vary from a diary form, revealing the author's life, to summaries of all relevant information in one specific content area (e.g. travelling, photography, fitness).

4.3. Content communities

The main objective of content communities is the sharing of media content between users (Kaplan, 2009). Examples of applications in this category are Youtube (videos), Flickr (photos), Slideshare (presentations).

4.4. Social networking sites

Social networking sites are applications that enable users to connect by creating personal information profiles, inviting friends and colleagues to have access to those profiles, and sending e-mails and instant messages between each other. These personal profiles can include any type of information, including photos, videos, audio files, and blogs. According to Wikipedia, the largest social networking site is Facebook.

4.5. Virtual game worlds

Virtual worlds are platforms that replicate a three-dimensional environment in which users can appear in the form of personalized avatars and interact with each other as they would in real life. World of Warcraft, with over 7 million subscribers is an example of this type of application.

4.6. Virtual social worlds

The second group of virtual worlds, often referred to as virtual social worlds, allows inhabitants to choose their behavior more freely and essentially live a virtual life similar to their real life. The most preeminent example is the Second Life application. Besides doing everything that is possible in a real life (e.g. speaking to other avatars, taking a walk, enjoying the virtual sunshine), Second life allows users to create content (e.g. to design virtual clothing or furniture items) and to sell this content to others in exchange for Linden Dollars, a virtual currency traded against the U.S. Dollar on the Second Life Exchange. (Kaplan, 2009).

5. SOCIAL MEDIA – WHAT CAN IT DO FOR YOUR BUSINESS?

The primary reason for a business for using social media is to better engage with clients and with the world through a meaningful digital dialogue. Clients are using social networks to research services and connect with brands.

A study conducted by Ernst&Young in the period 22 August-10 October 2013 - "Social media and the Romanian business environment" revealed the following facts:

- 94% of respondents who use social media say they use Facebook (92% globally), 43% use YouTube (56% globally) and 41% Linkedin (70% globally).
- 52% of respondents say they have used social media marketing for 1-3 years.
- 78% of respondents say they use social media to promote the company. Similar studies show that globally the percentage is 97%.
- 83% of respondents use social networks to present new products and services.
- 49% of respondents post information about their company on a daily basis.
- 45% of respondents consider that social networks are a recruitment tool.
- 36% of respondents remain reluctant to recruit candidates using social networks in the future. But 18% say they intend to use them.

Following the results we can conclude that not only globally but also locally, there is a high level of awareness of the potential that social networks have for promoting a product/ service. They are considered a very fast and efficient way to promote a company's products and services, and the importance given to them within companies has increased in the last few years.

A large majority of Romanian companies have started to use social media as a marketing tool in the last 3 years – reflecting the increased impact in our society of social networking. Both local and global companies that have used social media for at least 3 years allocate around 1-10 hours per

week to promoting their businesses. Companies that have used social media for more than 3 years have more time allocated, reaching 40 hours per week in some cases. However the importance of social media strategy policies is not reflected in the organization of companies' structures; only a small number have a special department for social media communication. But, given the high number of positive responses to the use by companies of social media, it is expected that many will set up a dedicated department in the near future. Locally, the majority of the companies surveyed consider this an activity for the marketing department.

For only 45% of respondents social networks are a recruitment tool, reflecting that respondents see the primary relationship as being between social media and the marketing function. 36% of respondents remain reluctant to recruit candidates using social networks in the future. But 18% say they intend to use them, reflecting a trend toward companies becoming more open to the idea of recruitment through social media.

6. SOCIAL MEDIA - APPLIED BENEFITS

6.1. Business exposure
A strong social media presence will showcase your business and consolidate your reputation. By regularly updating potential and existing clients on your company's activity, it will be seen as an authority in its industry.

6.2. Developing a loyal community of prospects
An immediate result of using social media platforms is that it creates an online community for your company. Having a strong presence in several platforms will eventually lead to a massive community of loyal and active customers. This will increase your brand awareness and generate new business for you.

6.3. Increased digital exposure
Social media leads to massive exposure due to its worldwide access, sharing capabilities, and huge amount of daily users. It delivers instant information in the digital marketplace, thus giving businesses the ability to advertise their products, going beyond distance.

6.4. Enhanced company trustworthiness
Social media channels are proactive tools when it comes to increasing your company's trustworthiness. By closely communicating with your clients on a social media level, you become a trusted source of information which makes it a great asset when creating company awareness and brand credibility.

6.5. Expansion of sales
Social medial can help you to better understand your customers' preferences, which is the key to good business. It can help you focus on meeting their special needs and expectations, gain proficiency in that exact niche, enhance your product list, and research your competitors. The reward is great: you increase your customers' loyalty and you gain additional business as a result of their recommendations.

7. SOCIAL MEDIA – GOLDEN RULES

A company using social media platforms to promote itself must ensure that its activity protects its reputation and the equity it has built in its brand.

Consequently, a company should put in place a Risk Management team and develop policies that specifically define how can the brand can be protected in the company's marketing and communications. Within the company, a dedicated department should be set up, with direct

responsibilities for the company's social media activity. A strategy must be put in place, with clear objectives and purposes.

"Golden rules" of using social media to create a positive impact are:
1. Keep things simple and professional.
2. Always use common sense. Think carefully about what you post.
3. Never share confidential information.
4. Be honest. Be polite. Be transparent and truthful.
5. Never take a defensive posture. Be a good steward of the company.

8. CONCLUSIONS

Social media has become an imperative for all brands looking to be a part of the digital market and create buzz around their business. Although the importance of social media in today's business landscape is indisputable, businesses are still not making the most of its full potential. It simply takes creativity, passion, and consistency to keep your social media campaigns ruling and rolling. Regardless of how serious the competition is, there are millions of people waiting to be reached. We can conclude that because social media is still in its early stages, adopting it now is vital for your future and the future of your business. You must join this global conversation.

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