

# Social Media and E-Personalization as Essential Business Tools: A Case Study

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## INTRODUCTION

### Importance of Social Media

There is a global information revolution fundamentally changing the methods that people communicate to each other. This communication revolution is being fueled by the exponential growth of people needing to gather and share personal and consumer information via social media (Keramati & Behmanesh, 2010; Kim & Tadisina, 2010; Marthandan & Tang, 2010; Shukai, Chaudhari, & Dash, 2010; Sundarambal, Dhivya, & Anbalagan, 2010). The Internet is well-recognized as an asset to the execution of business tasks including communication and commerce. However, it also creates a climate in which users can access an infinite variety of distractions, from videos on YouTube to personal online banking and social networking. From a more positive perspective, numerous researchers (Blake, Neuendorf, & Valdiserri, 2005; Bourlakis, Papagiannidis, & Fox, 2008; Brynjolfsson & Smith, 2000; Fiorito, Gable, & Conseur, 2010; Smith, 2008, 2011) have examined the roles of retail consumers and e-personalization through the lens of technological advances in sharing how such consumers gather and communicate with each other in making their ultimate purchase decisions. Some authors (Smith, Smith, Gopalakrishna-Remani, & Offodile, 2012; Smith, Synowka, Clark, & Smith, 2012) have examined the various uses of knowledge-technology and its impact on e-personalization techniques on consumer behavior patterns. Much of this research have pointed to the dependency of the retail world on relying on large-scaled data warehousing of its customers' profiles. Such electronic marketing techniques as personalized permission e-mail and recommendation services, via relatively sophisticated algorithms, should continue to help retailers determine the products/services that might be of greatest interest to particular targeted customer segment. The basic purpose of this chapter is to explore these interrelationships associated with social media e-personalization and the roles that social media helps define such data gathering activities in enhancing customer satisfaction.

The rise of social media has its foundations with the acceptance of Facebook and MySpace and has evolved into many other forms, such as Twitter and LinkedIn. Originally these websites provided people with the ability to keep in touch over time, despite distance and otherwise stay connected to their social world. As the number of users rose (i.e., Facebook surpassed 500 million in 2010) it became apparent that this was not just a passing fad. The acceptance of social media has extreme staying power and continues to provide businesses with an innovative and unique way to connect to its consumers with the world of e-commerce and m-commerce.

Typically, many social media sites are plagued with an overabundance of ads. Some new social networking offerings are being offered that has no ads, but they are in their infant stage. Social media is an essential tool in the business world, and most management understands that if one wants to gain a strategic advantage in this new marketing arena, social media platforms are required. Social media platforms uniquely provide an opportunity for all firms, large and small. Social media is cheap and effective and allows the marketer to focus its marketing on potential customers rather than mass distributing it. Facebook provides the opportunity to focus marketing campaigns based around key words like addresses or perhaps a person's interests. Nikon, Inc. would advertise to people with an interest in photography, for example, but this narrowing down to a specific target market used to require millions of dollars of research. Though the e-personalization of social media, firms can simply add a keyword to the form it fills with its advertisement submission and pay only pennies each time it is shown. This makes it possible for practically anyone to initialize a strategic marketing campaign.

Social media allows for a quick and effective connection with its consumers. The use of message boards is ubiquitous and many firms have even installed them on their own corporate website via appropriate search engine protocols. These features allow for instant feedback from consumers about a new product or service and allow the firm to adapt quickly to complaints or inconsistencies. This instant feedback provides a wealth of information and makes it possible for a firm to mold itself into the perfect business in the eyes of the consumer (Smith, 2012; Stafford, Stafford, & Schkade, 2004; Wu, Wang, & Tsai, 2011).

## Growth of Media Technology and Strategies

One of the major questions still revolving around social media is whether such technologies truly level the playing field and allows small firms to compete with large firms; or in the end, does this simply act as yet another advantage to the large firms who can better fund their social media campaign? This chapter attempts to analyze this question and considers strategic advantage as well as corporate foresight in the world of social media. Has this revolution begun to level the playing field between Wall Street and Main Street, or will small business be overwhelmed with this fast-paced environment and fall victim again to big-business capital? Facebook is the largest online social network, with over 1 billion active users. Founded in 2004 by Mark Zuckerberg, Facebook's mission is basically to empower users to share ideas in a global environment that is increasingly becoming more interconnected. Facebook began by being exclusive to college students only, but through the years has opened memberships up to everyone over the age of 13 with an email address. Facebook helps people stay connected with friends and family, learn what is happening around them, as well as share moments.

In 2014, Facebook leads the social media industry with 1 billion active users, the next closest competitor, Twitter, has 560 million users (Bennet, 2014). Facebook not only has the most active users in social media, but Facebook has the most social logins. In the first quarter of 2014, Facebook led the social media industry in user logins with 53% of social media users logging into Facebook (Finn, 2014).

While Facebook is the leader in the social media industry, there are competitors who are gaining ground on Facebook users by creating niche social media sites. Websites such as Twitter, LinkedIn, and Instagram cater to specific needs. Twitter allows users to follow others and send micro messages containing 140 characters. LinkedIn allows professionals the opportunity to connect and build working relationships and connections. Instagram caters to pictures, allowing users to post pictures and message one another. Facebook must be aware of the competitors and find ways to retain users. Facebook has begun this by actually buying Instagram for US\$1 billion (Raice & Ante, 2012).

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