Adoption of Online Social Media Innovations

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INTRODUCTION

It has become a daily routine for many people to start their day by logging onto any online social networks (Stone, 2009). Over the last few years, online social media (OSM) have attracted millions of users, many of whom have integrated these sites into their daily practices. For example, Facebook marked its sixth anniversary in February 2010 with a population of 400 million users (Facebook.com). These digital applications are defined as those that enable interaction, collaboration and sharing between users (Pascu, 2008). They include applications for blogging, podcasting, collaborative content (e.g. Wikipedia), social networking (e.g. MySpace, Facebook), multimedia sharing (e.g. Flickr, YouTube), professional network (e.g. Linkedin, Skillspage), social tagging (e.g. Deli.cio.us) and social gaming (e.g. Second Life).

The explosive growth of today's social media and networking connections has far surpassed many predictions, and set numerous records or milestones (Liebrenz-Himes, Dyer, & Shamma, 2009). According to Nielsen, people spend twice as much time (22.7%) using social networking sites (SNS) as compared to any other online activity (NielsenWire, 2010). Further, social networking is displacing other forms of online communication. E-mail usage fell from 11.5% in June 2009 to 8.3% in June 2010. In addition, instant messaging usage declined 15% last year (Ostrow, 2010). Many companies consider OSMs as very attractive communication tool, especially because because data in users' profiles and messages provide valuable marketing information (Pai & Arnott, 2013); for example, Facebook's database has been termed "a crystal ball for future consumer intentions" (Casteleyn, Mottart, & Rutten, 2009, p. 440). One study by the Darmouth Center for Marketing Research, University of Massachusetts, 2007-2008, found that Inc 500 companies more than doubled their own blogs in one year, and that companies using social networking went from 8% in 2007 to 49% in 2008, for just two examples (http:ymedialabls.com/gblog/?p=60).

In terms of popularity, the use of OSM is skyrocketing for personal, professional and business purposes. By its very nature, continuous changes and innovations are common phenomena in OSM platforms. How the different users respond to these changes and innovations in OSM need to be explored in order to use this promising media for business purposes. More specifically, identifying different user categories in terms of their responses to OSM innovations might be greatly useful for target marketing. In line with this practicality, the core objective of the paper is to establish an adoption of innovation spectrum for the OSM users that would incorporate not only the timeline of adoption, but also the level of adoption expected by different OSM user groups. To achieve the core objective and ensure validity of the study, some other objectives are also appeared to be relevant. These are, identifying the types and magnitudes of innovations that might take place within the OSM and symptomatically estimating the pace and magnitude of innovation adoption by different user groups based on their respective profiles.

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BACKGROUND

The increased importance of technology platforms for social interactions has raised the interest of product marketers who seek to explore these as new advertising/promotion media (Katona, Zubcsek, & Sarvary, 2010). Indeed, social networks' revenue models are primarily based on advertising, although, so far, the use of (mostly) banner-type advertising has produced disappointing results¹. Increasingly, marketers believe that the efficient way of using social networks for marketing relies on harnessing word of mouth, by analyzing the network of members' connections (Katona et al., 2010). For example, Google has recently filed a patent for an algorithm that identifies so-called "influencers" on social networks (Katona et al., 2010).

Mentionable studies have already been conducted on the rapid growth of the use of social media and its impact on people's social life. Significant studies have also been found in categorization of different social media, their uses and their implications in business in general. Although the distinguishing feature of online social media is 'User Generated Content', few studies have been found in this dimension. Another strong area of online social media that demands for researchers' attention is the adoption of online social media and its changes. Although few studies have focused on the adoption of online social media, no specific study has been found so far on different types of users based on their profiles and their status in the spectrum of diffusion of innovation theory developed by Rogers (2003).

Several studies have already recognized the importance of such research, though no study concentrated on both aspects of online social media – user profile and adoption. According to D. Kempe, Kleinberg, & Tardos (2003), of interest in all these studies is how one might maximize the spread of influence through a social network by selecting a subset of influential individuals to initially infect with an idea or product. It is equally important, however, to understand communities from the perspective of the individual users to examine what motivates them to join and to participate in social media communities, to understand what influences their behaviors within and towards their fellow community members, and to observe the various stages of development and sophistication through which their engagement with social media communities may move (Bruns, 2009).

Social networking sites, popularly termed as 'Online Social Media' (OSM), have been identified in the literature as very important for both individuals and businesses, since they support the existing social ties and the formation of new connections and networks between users (Donath & Boyd, 2004; Ellison, 2007; Ellison, Steinfield, & Lampe, 2007; Ellison, Heino, & Gibbs, 2006; Lampe, Ellison, & Steinfield, 2006 and 2007). In addition to commercial marketers, other organizations can also benefit from using the OSM. Waters, Burnett, Lamm, & Lucas (2009) analyzed the use of an OSM, namely, Facebook as part of the communication strategy of non-profit organizations and concluded that, a well planned social network based communication strategy can be beneficial. Thus, it has become a near-must for organizations to use online social media for being connected with the consumers/clients with a view to achieve communication and other objectives. Eventually, since users are in the drivers' seat, knowing the 'riders' and their adoption status calls for attention from researchers and practitioners.

ONLINE SOCIAL MEDIA AS A TOOL FOR E-COMMERCE

In the conventional pre-e-commerce business transaction, the highly involved customers were to consult reviews, magazines and other reports for information. The advent of Internet, undoubtedly, has made the customers "powerful" with the availability of data and information of all kinds. The rise of social media

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