

Chapter 20

From Social to Business Networks: A Taxonomy

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ABSTRACT

Internet technology has undoubtedly revolutionised our personal and business lives, however “the ‘killer application’ of the internet turns out to be other human beings” (Kang, 2000, p. 1150). The fusion of the computer and mobile technologies has created a World Wide Web of computer networks, which have brought about limitless opportunities for communication (Rheingold, 2002) and collaboration among social entities (Weaver and Morrison, 2008). Social networks, apart from facilitating user-to-user social interaction, can be seen as a very effective business approach for entrepreneurs, business professionals, and companies (Dimicco et al., 2009). In this chapter we present distinct aspects of networks. Initially, we describe and define social networks, emphasizing upon their key characteristics. Subsequently, we review the different network types and we proposed a holistic network taxonomy based on four distinct dimensions: network focus, network openness, network orientation, and social space. Finally, we examine the strategic perspectives of social networks for business actors, while focusing on organisational benefits and associated risks.

INTRODUCTION

The Internet technology has undoubtedly revolutionised our personal and business lives, however “the ‘killer application’ of the internet turns out to be other human beings” (Kang, 2000, p. 1150). The

fusion of the computer and mobile technologies has created a world wide web of computer networks, which although were initially utilised for transferring data (Harasim, 1993) they have brought about limitless opportunities for communication (Rheingold, 2002) and collaboration among social entities (Weaver and Morrison, 2008). Activities that are mediated by electronic means (such as

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email, mobile phones, social network sites and other Internet enabled forms of communication (Boyd and Ellison 2008; Duck 2008 and Stefanone and Jang 2008)), resulting in a massive shift of power, “driven by people and enabled by social media” (Qualman, 2009).

As such, users have evolved from passive spectators, to active participants and producers of online information, knowledge and content; “democratising” this way information (Maymann, 2008; Bowmand and Willis, 2003), creating a technology-mediated “social revolution” rooted in the advances of the Internet and mobile technologies.

Technology-mediated networking prevails in our contemporary lives. Human communications over computer networks have transformed them into a social space where people connect and collaborate with one another (Harasim, 1993, p: 15). Over the past few years, numerous social networking websites have been growing in popularity and are being used by millions of people around the world, on a daily basis, making social networking a key part of our social and professional life, pointing to an evolution in human social interaction (Weaver and Morrison, 2008).

Since the introduction of the early social networking websites such as Classmates.com (1995), focusing on connecting former school mates, and SixDegrees.com (1997), focusing on establishing indirect ties (Boyd and Ellison, 2007), social networks have grown in popularity worldwide, enabling individuals to connect and network (Newson et al., 2008) with other geographical dispersed members that have shared interests and not necessarily shared locations (Blanchard and Horan, 1998).

This explosive growth and popularity of social networks has made business actors realise the immense potential of these networks of individuals that are partitioned into specific communities for the business domain as well as the importance of leveraging social networks not only to promote their products (Xu et al., 2008) and their brand

image, but also to reach their customers and integrate them into their value chain. This realisation has “prompt many corporations to invest time and money in creating, purchasing, promoting, and advertising SNS” (Boyd and Ellison, 2007).

Social networks, apart from facilitating user-to-user social interaction (i.e., entertainment, social gathering of users that share similar interests, gaming, sharing, etc), can be seen as a very effective business approach for entrepreneurs, business professionals and companies (Dimicco et al., 2009).

Business actors can utilise public networks of social relationships both at a personal and at a corporate level. At a *personal level*, individual business actors can pursue their own professional strategies via *professional-oriented social networks*, such as advancing their careers (i.e., find a job, new business opportunities, establishing new social or business contacts (Hogg and Adamic, 2004), seek experts in particular areas, or make contact with like-minded professionals, join interest groups and get recommended by co-workers, etc), while utilising the business relationships of these networks so as to harvest the collective wisdom of employees, suppliers, clients, prospective customers and collaborators. While at the same time, they can use *social-oriented online networks* (such as Facebook, MySpace, etc) to advance their capabilities of connecting with others and establishing new contacts, creating awareness about their job or project while at the same time enhance their business opportunities for collaboration (O’Murchu, et.al. 2004).

At a *corporate level*, business organisations can leverage *online networks of social relationships* to reach their customers, promote their products (Xu et al., 2008) and influence the perception of the organisation and/or brand via enhanced customer relations and viral marketing (van Zyl, 2009), while integrate them into their value chain and facilitate user-generated innovation to emerge. At the same time business organisations can utilise *online networks focusing on professional*

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