Chapter 14

# Social Network Sites:
## Modeling the New Business–Customer Relationship

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## ABSTRACT

*The internet and the emergence of social technologies and platforms are at the origin of new consumer trends. The growing empowerment of customers is having a restructuring impact in business-consumer relationships and it is pressing businesses to uncover new strategies to engage their clients. This chapter argues that the presence of the corporate sector in Social Network Sites (SNSs) presents a successful method of building proficient relationships with customers that are more compliant with the new facets of consumers' profile and behaviour. This research crosses classical academic literature with case studies available in social media to gather a compilation of challenges and potential solutions to the application of SNSs to business-consumer relationships. This compilation is preceded by an introductory section, which explores the definition and possible applications of SNSs in business, and a section dedicated to an overview of the novel consumer trends.*

## INTRODUCTION

The consumer behaviour and profile has been changing in light of the innovations brought initially by the Internet and more recently by its new, more interactive and user-centred, version Web 2.0. Besides the rising demand of online delivery and offer of products and services, in online contexts, contact is not only with marketers or the companies advertising, but with online communities and users (Constantinides & Fountain, 2008). Web 2.0, also known as Social Web, introduces numerous interactive tools that revolutionise the way people navigate and perceive the internet. Social Network Sites (SNSs) are one of the most admired productions of the Social Web. Studies have showed that participating in SNSs is only second to email on the ranking of the most popular activities on the internet (Beresford Research, 2009). SNSs are powerful because they mimic real life situations such as cooperation, competitiveness and alliances (Maamar & Badr, 2009). The immediacy and extent of online social networks allied with their diversity in terms of interactive features have earned them the loyalty of millions of internet users.

The successful proliferation of online social networking has important repercussions at a corporate level. The adoption of SNSs by businesses began hesitantly, but it has evolved into an almost obligatory practice, deeply connected with the term Enterprise 2.0, which relates to the adoption of Web 2.0 tools by enterprises (Bughin, 2008). Some SNSs are already specifically directed at professionals (DiMicco, Millen, Geyer, Dugan, Brownholtz & Muller, 2008). Companies use social networks for multiple reasons: marketing, public relations, to provide information and to relate with customers. The exposition that the age of internet collaboration offers to businesses has immense potential, but it equally presents many challenges. The openness and publicity that give companies the opportunity to present their products and services to a wider audience are also increasing their vulnerability. Online environments are fundamentally different from traditional business venues, mainly because there are many aspects that corporations cannot control. Moreover, employing social technology in the corporate sector may sometimes require dismissing part of the traditional principles that reign business.

Notwithstanding the questions SNSs raise, this chapter aims to argue that they can be viable solutions for addressing the new demands of business-customer relationship building created by transformations in consumers' profile and behaviour. The analysis of business-customer relationships and the specificities of having to maintain these relationships outside the moulds of classical business venues, are central to understanding how they can be successfully transposed to an online, interactive and user-centred environment. This ensures that these changes do not compromise a core aspect of corporate proficiency, a good liaison with customers. Hence, this chapter begins by examining the definition of SNSs and their several applications to the corporate sector and moves on to explore the new facets of customers and their behaviours. The final section provides an insight on the implications of having a business presence in SNSs, using several case studies available in social media. It approaches the advantages and the disadvantages of having a corporate account on platforms designed for social interaction and assembles a compilation of best practices deriving from classical business theory and current case studies.

## BACKGROUND

SNSs are a widespread phenomenon, presently integrated in the day to day of many internet users (Boyd & Ellison 2008). There are approximately 900 platforms of tools classified for the purpose of social networking and this number grows every day (Wilson, 2009). These online social networks

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