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Social Media – the new paradigm of collaboration and communication for business environment

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Abstract

We are currently witnessing a phenomenon of constant and quick growth in the use of the Internet for communication and collaboration between people. The 2.0 version of World Wide Web has become the medium for collaborative projects, blogs and microblogs, virtual communities, socializing networks, group games – all united under the so called „Social Media” concept. The high level of use and interaction of Social Media influences greatly the business environment which is thus exposed to a paradigm shift, where hierarchies fall apart and the communication and collaboration create wider and wider networks for the employees and all the partners of the organisations. In this spirit, the purpose of this article is to briefly review the impact of the Social Media on business, based on the analysis of the relevant literature in the field. There is mentioned the creation of virtual proximities which rely on the transfer of knowledge, production of positive network externalities, increase of business information capital as well as the social and ethical implications related to Social Media.

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Keywords: Social Media; Web 2.0; paradigm shift in business environment.

1. Introduction

After synthesizing the opinions of the most relevant authors in the literature in the field, Erdoğan and Çiçek (2012) define Social Media as the activities, practices and behavior met in the communities which gather to share

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information, knowledge and opinions by means of conversational environments. According to authors Kaplan and Haenlein (2012, p. 62), the concept of Social Media is related to the concepts of Web 2.0 and User Generated Content, but it is different than these. Web 2.0 represents an ensemble of technological platforms which allow the interaction of the users by creating and sharing information and other different online materials. Web 2.0 introduces a new version of the World Wide Web in the Internet network, characterized by novelty, interactivity, possibility to continuously adapt to the users need and the technological discoveries in the field. Web 2.0 is the infrastructure, the technological foundation which makes possible the Social Media phenomenon. The User Generated Content refers to the sum of information the users accustomed to the Internet are uploading on different sites – the examples on the Wikipedia (2013) refer to the personal videos on You Tube channels, photos on sites such as Facebook, Flickr or Instagram, personal views summarized in short texts and posted on Twitter or published on individual or group blog or microblog pages such as the touristic impressions people post on sites such as tripadvisor.com or amfostacolo.ro, mentioned by Cureteanu, Isac and Lile (2010, p. 258).

Kaplan and Haenlein (2012, p. 62) identify the following types of Social Media: collaborative projects, blogs and microblogs, virtual communities, socializing networks, the virtual world of games. The number of users of this type of services is increasing every year. Smith (2013) presents the number of users of top services from the Social Media – we mention only that at the end of 2013, Facebook registers 1,19 billions of active users per month, Flickr has 87 millions of users who share 8 billion photos, Gmail has 425 millions of users, Groupon 43 millions, on Wordpress there are 66 million blogs and the users on You Tube in a number of 1 billion bring 4 billions of visualizations every day.

Starting from these statistics, we can estimate that the Social Media revolution is not only "on the way" to the business environment, but it is also seen in the organizations worldwide due to the incredible speed it enters all the fields of social and economical life. The Social Media impact on the economical environment is presented in what follows.

2. Social Media creates virtual proximities which support the transfer of knowledge

Through Social Media, virtual proximity becomes a substitute of physical proximity in case of standard transactions. Morgan (2004) warns that this is not viable as well "for the transactions with a high degree of complexity and ambiguity", starting from the premise that normally, within organizations, knowledge is found in a tacit form and decoding and spreading knowledge require the physical proximity and keeping personal relationships between the economical agents. If we consider the organizations as sums of knowledge flows, we notice the major role played by individuals as generators and consumers of knowledge. The individual is a thinking electron who encapsulates knowledge (seen as a fluid mixture of assumed experiences, values, contextual information, understanding and expertise) thus building a frame for the assessment, undertaking and creating new experiences and information. The receptor relates the received knowledge to his own mental frame and creates his own interpretations, generating new knowledge every time, on a greater or smaller scale. Nonaka, together with Toyama and Konno (2000, p. 7) state that the individuals know as a result of a dynamic process, based on the interaction with other people, in a certain spatial and time context whose importance should not be neglected. According to Jennex (2007, pp. 2-3), the transfer of knowledge finds its place in an organization when its members pass on the explicit and tacit knowledge. Obtaining, using and sharing tacit knowledge by individuals is considered essential for the progress of any organization. The features of the modern organizations, based mainly on knowledge (namely the intangible character of input and output, the constant interaction with clients and the different kinds of partners, the strong interdependence of experts and their personal judgement, innovation in the sense of constant renewal and widening of the product and service portfolio, informational asymmetry) have increased the need but also the possibilities to make quick informational and knowledge transfers which together represent the key critical factors in the business environment nowadays which is dynamic and global. In our view, the socializing networks play their role in diminishing the barriers that might come up in the way of knowledge transfer. Nowadays, the cooperation and interconnectivity become more and more important in the research-development and innovation areas and Social Media responds well to these needs. One of the main characteristics of individual agents constantly involved in knowledge flows (called "knowledge workers" in the literature) is the ability to delegate some of their tasks to technology. Freed from the care of repetitive activities, the employees can dedicate their time and efforts to value

adding tasks, which involve creativity and innovation. Moreover, the habit of using ICT devices in the everyday activity makes them open to new accomplishments achieved by technology, such as Social Media. People are attracted to the social networks by the way in which information is crammed – namely in conversations and links, rather than in highly formal data bases and information bodies. In the friendly and easily accepted environment, created in such a way to capture easily unstructured information and knowledge from multiple experiences, the employees can communicate easier, opening channels to transfer knowledge. In order to support this statement, Breschi and Lissoni (2001) notice that the social networks, based on personal knowledge coming from common professional experience are the main channels not only for distribution but also for the creation of information and knowledge (consequently for innovation). Mention must be also made about another important contribution of the two authors: in its tacit form, knowledge represents common property, selectively owned, as club goods shared between the epistemic community members regardless of the place they hold. Schwartz (2009) also states that there have been noted increases in productivity by the employees collaboration to the social networks. In conclusion, the geographical closeness per se is neither a sufficient nor a necessary condition. For inter-organizational learning, social or organizational proximity might be more important than spacial proximity – see also Maftei (2011).

3. Social Media contributes to the creation of positive network externalities

The role of technology in the network has been the object of studies especially in the second half of the 1980's, when the new economical models were analysed by the literature in the field - see Shapiro, Varian (1999), Liebowitz, Margolis (1994), Matutes, Regibeau (1988). One of the most well-known definitions belongs to Varian (2006): network externalities are a special type of externalities in which the personal utility of a particular thing depends on the number of persons who are consuming it.

Generally speaking, network externalities appear when the last person connected to the network, due to his/her participation, ensures the increase in utility for all the users. This situation is considered a positive network externality. According to Top, Dilek, Colakoglu (2011), there might be three possible sources for the positive externalities. In the case in which someone buys a phone, for example, the first positive source of externality is that the other people will be able to communicate with one more person by using that device; the second source – the consumers will be able to find much more easier complementary goods in case that particular thing is sold in a greater quantity on the market; the third source – it is much more easier to find services after the selling, in case the product is popular on the market. Also, the friends' influence might be considered an alternative source which produces network externalities. A person might decide to use a product because he wants to use whatever his /her friends are currently using or because by using that product, he/she might ask for assistance from his friends as regards the usage of that particular product – see Chiaravuthi (2006).

The Information and Communication Technologies do more than to confirm this rule and the important steps taken in the ICT field are considered by many authors as one of the vectors of change in the world economy - see Colakoglu, Dilek (2010). One of the important effects of the revolution made by ICT is definitely the increased percentage of network importance in the economical ensemble.

The sources which lead to network externalities can be identified in relation to two aspects: direct and indirect effects. The direct effects start from the principle that an increase in the number of users of a product or service will increase the benefits of each user. The direct network externalities appear when the utility of a consumer depends directly on the total number of compatible services - Top, Dilek, Colakoglu (2011). For example, in the case of an online site such as Groupon, the more users ask and offer, the greater the chances to be able to choose from a wider variety of products and services and the transaction volume will also grow. The indirect effects are the ones related to the complementary products: a growing number of Facebook users will lead to an increase in users for the Facebook application for smartphones. Consumers believe that variety, availability and the number of complementary products are positively influenced by the products' market share.

Gartner considers that by 2016, the social technologies will have been integrated into the majority of the commercial applications, increasing the potential influence of the externalities created by this category of technologies. Tapscott and Williams (2006) state that the managers see the socializing devices as a means to reorganize the companies in order to capitalize on the human wish to collaborate and to make a profitable use of the network externalities. The pioneers in collaboration paradigms take advantage of the common use of resources with

the clients and even with the competitors, in order to reach the so-called "win-win situation". The same authors note that the people in marketing see the new socializing instruments as an ideal way of making their message heard, of promoting their products and services and to take their relationship with the clients to a new level. The online consumer has different requirements in comparison to the usual consumer, the online buying activity becomes more and more private, more personal and the expectations of the person browsing for a certain product are harder and harder to predict and rank in the general purchase behaviour rules. The Social Media strategies and instruments should be adopted to attract more consumers, to develop quick, interactive, personal and longlasting relationships with them, so that their satisfaction might be positively influenced and be permanently on an upward trend.

4. Social Media increases the informational business capital

Contemporary economy is no longer totally dependant on natural resources. They are gradually replaced by the intellectual ones: the informational capital proves to be as important as the financial capital while the company targets are reached. It allows a better evaluation of the company's abilities regarding generating profit than the conventional standards. There have been made many proposals to apply more adequate systems to estimate the potential of a company, in the age of an economy based on knowledge. This is seen in the attempt to include the intellectual capital (meaning the intellectual potential of a company employees) and the informational one in the balance sheet of a company.

Social Media supports the informational capitalization by spreading the information about the organization with ease as well as by acquiring valuable information and in considerable quantity about employees, suppliers and clients. The social networks can be a source of information about a certain business for the consumers. They might offer essential data about a business without the need to pay expensive publicity. Apart from the networks such as Facebook, blogs are also a type of Social Media worth exploiting by the companies. @DellOutlet was one of the most successful stories on big companies which use Social Media. @DellOutlet is a user account on Twitter, kept by Dell which informs the consumers on the major discounts for the Dell computers and products. The company said that only due to their presence on Twitter, where they have almost 1.5 million adepts, they have earned 6.5 million dollars - Parr (2009). The very precise information thus obtained about the clients' preferences allows them to make a well-targeted publicity. Starting from the data from the users' profiles, the companies can post oriented adverts on different websites in order to reach those who might have an interest in the products they offer. The geographical position, hobbies and even career of a person might allude to what advertisements the user is going to watch. Another way in which social networks might help businesses is that they allow the clients and potential clients to leave a feedback about the products/services of the company. The forums give people the opportunity to express their views on certain topics, Facebook allows the users to post comments and show their likes. The use of the Social Media channels forces the companies to have a constant, diligent and consistent activity. The observations made by the clients should not be overlooked and there should be given feedback whenever it is required. In case there are noticed aberrant behaviors or replies, they should be cooled off.

5. Social Media has serious social and ethical consequences

The comfort of the socializing environments, the easiness in use, and their intuitive and friendly character makes the users to overuse them and neglect the dangers they might involve. Often, the persons who are strongly connected do not separate clearly their personal from their professional life. The attraction towards the socializing networks is rooted in the similar way from real life in which they collect information, as conversations and links. These friendly environments might host social, ethical, security issues which need special attention.

As regards the social problems, Social Media affects the human brain as it urges to excessive use of the Internet. The addiction to Internet connection and decrease in concentration ability are described in detail by Carr (2012). He states that the online presence encourages skimming, reading in haste and lacking concentration. A person reading an article on the Internet is easily distracted by the notification of a new email, the advertisements on the Internet page, a new Like on Facebook and so on. Consequently, according to Greenfield (2009), the cognitive processes are weakened, the vocabulary gets abstract, and the reflection ability, critical thinking and imagination are to suffer. As for the behavior, there are changes in the socializing habits, way of expressing thoughts, degree of freedom and

others. The excessive use of Social Media might even isolate from the social point of view namely physical interaction with people in real life. People tend to prefer virtual life where they can create identities with the desired qualities, thus they have the tendency to become estranged from the family, friends, work colleagues and the interpersonal communication is impeded. From another perspective, anonymity on the Internet together with the possibility to post critical comments, evil reviews or rude messages contribute to the development of a negative environment as well as impolite, aggressive and vicious behaviour on blogs, forums and social networks.

Beyond the negative connotations presented above, Brookes (2011) mentions the change in profile of the future employees. The generations born and raised on the Internet have a high level of expectations as regards the technology and equipment provided at work (iPad, smart phone, laptop, and tablet). Access to applications like Facebook, Google+ and Twitter will also be very important for establishing networks, collaboration and communication in future UK workplaces, but not necessarily with management. This supports the “mirroring” effect of technology, as teenagers seek to replicate the tools and communication channels they already use at home, when they move into the workplace.

From the ethical point of view, Social Media allows the proliferation of plagiarism, piracy, identity theft, hacker attacks. Web 2.0 can be seen as a global village with millions of inhabitants where the ill-doers can disguise under false identities and get lost, sharing in an invisible way more and more advanced fraud techniques.

This unethical behavior leads to the appearance of new security issues in Social Media. Referring only to the mostly used social network, i.e. Facebook, Popescu and Georgescu (2013) mention possible dangers such as:

- Creating fake profiles – which might lead to identity theft;
- Rummaging Facebook posts to find out information such as phone number, email and other sensitive data and information;
- Attacking on Facebook chat;
- Click jacking – a type of attack conceived to make the users click on links which lead to pages from where the hackers are able to obtain confidential information or compromise privacy;
- Unrequired posts on the wall, sending messages in Inbox or chat, invite users to join groups or community pages promising to offer prizes or enter competitions. Also, some messages created by spammers aim to take compassion on counterfeit medical or social cases, so that money would be sent to the fake victims.
- Games on Facebook which might hide spyware applications behind an apparently legitimate interface.

6. Conclusions

Nowadays the socializing environments are the services which are mostly used on the Internet. This is due to their obvious advantages – easy to use, friendly, and non-discriminatory, allow the presence of everyone, regardless of age, incomes, language, geographical position, access terminal and operating system and allows the people with similar interests to find one another and meet easily. From a business perspective, after the consumers had received a voice by means of the informational and communication technologies, the companies created various channels to collect and understand the requirements of these voices and we are witnessing a trend in which organizational models tend to include the Social Media applications. There are conceived governing policies and rules in the field and the social openness becomes an essential feature of the organizational culture. According to a study made by InSites Consulting (Vidru, 2012), the companies which have been integrated in the Social Media use in average three different channels of communication and their employees and clients seem more content and willing to recommend the company to other people. The impact of Social Media on the activity of the contemporary organizations is major and profound and it can be seen on managerial, marketing and ICT level. On the other hand, there are certain disadvantages, such as addiction to the Internet and decrease in concentration, changes in socializing habits, ways of expressing opinions, weakened cognitive processes, abstract vocabulary, impeded reflection ability, critical thinking and imagination, developing a negative environment and rude, aggressive, vicious behavior on blogs, forums and social networks, proliferating plagiarism, piracy, identity theft, hacker attacks, appearance of new threats and security issues. These disadvantages should be known and understood by the users, which should be cautious about their health and getting exposed to unethical and troublesome behavior and security

issues. The managers in their turn should show careful forethought as they have and will have employees who are very used to the socializing networks, are influenced by them and should be treated according to their new profile.

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