Adoption Of Social Networks In Business: Study Of Users And Potential Users In Oman
Ali H. Al-Badi, Sultan Qaboos University, Oman
Wafa S. Al-Qayoudhi, Sultan Qaboos University, Oman

ABSTRACT

Web 2.0 technologies have become effective tools in recent years, being used by people everywhere for everything. One of the most effective types of Web 2.0 technology is online social networks. Social networks, like Facebook and Twitter, are being used in communication and for building social capital between people. However, they have become important tools in the business world, and business people have realized that social networks are applicable tools in their daily business tasks. There is a belief that social networking and social media are going to transform people’s live styles, change their cultures, revolutionize communication, and reform the existing business models. From this standpoint, this research investigates and attempts to understand the adoption of social networks in business.

This research raises three main questions: 1) What is the impact of utilizing social networks in business?, 2) How does business increase opportunities by adopting social networks?, and 3) What are the obstacles that discourage certain organizations from utilizing social networks in their business? The main theoretical objectives of this research are to investigate and explore the opportunities and reasons behind adopting social networks in business, to investigate the impacts of social networks on business and what the consequences are for individual businesses, and to discover the reasons which are preventing certain businesses from adopting social networks.

In order to achieve the research’s objectives about 130 questionnaires were distributed to different private organizations in Oman. Some of the initial findings of this exploratory study are that the majority of organizations that participated fall into the ‘services’ category; 57% of the respondents have face-to-face meetings as well as online/email to communicate with their customers, and 81% of these organizations allow their employees to access/browse the Internet during working hours; 31% of the organizations said that the main gain from utilizing social networking is to encourage and empower employees to discuss ideas, post news, ask questions, and share links; 62% of the organizations agreed that one of the obstacles preventing them from adopting social networking is the lack of quantifiable business benefits.

This study is expected to help businesses that are trying to gain competitive advantage by deploying these new technologies and ideas for the enhancement of their operations.

Keywords: Social Media; Social Networks; Social Networking Sites; Web 2.0

INTRODUCTION AND BACKGROUND

Technological innovation has come a long way since the boom and bust of the dot.com period during 2000 to 2002. Web 2.0 has enabled a new culture of interaction that is being utilised, not just at the personal/social level but increasingly for business and marketing, improving good governance and the flow of information. In some cases, to avoid spamming and information overload, communities of networks have grown online seeking to organise and focus on very specific topics (e.g., defence activities and procurement, medical...
records e.g. those with a specific problem such as diabetes) to ensure relevance and some measure of privacy as their communities are gate-kept by the users (Gachet & Brézillon, 2005). As moderators or administrators to these social networks decide who is permitted entry, such virtual and, importantly, restricted communities are resilient in the face of the increasing commoditisation of the web.

At the same time, commercial marketers and advertisers are reacting to, and with, the evolving use of social media networks. Having noted that people are no longer merely using the virtual world to share photos and chat, businesses, the media, and governments are now more aware of how consumers are using the Internet and the challenges and opportunities that this presents. Many social networking sites have been specifically created for business use. These websites can help businesses to advertise products and services, to connect with other companies and professionals, to create more links to their website and thus improve the website’s rating on Google and other search engines (Moorman, 2009). Businesses can also use social media applications to drive website traffic, generate a buzz around products or services, and increase brand awareness. The most popular social media applications are also free (e.g. LinkedIn, Ryze, etc.), which can be a great benefit to small business owners with tight marketing budgets (Read, 2010). Because nowadays consumers are organized into social networks, they can share their experiences on the use of products, and these networks provide them with an overview of any given product made by different companies. Thus, a company has to 1) develop business intelligence to keep track of what other companies are doing, how their consumers are reacting, and consequently tailor its position and 2) develop a new type of relationship with its consumers for feedback, anticipate consumers’ needs, occupy an empty slot, etc.

Some businesses have entered the world of social networks without reservation, while others are still hesitating due to concerns related to security and privacy, integration with the existing IT systems, and the lack of the involvement of a capable IT department due to these concerns. Business world might see a new breed of social networking applications emerge which can deal with such concerns.

According to SpringAdvertising.co.uk (2010), 99% of the people between 18 and 24 years old have a social media networking site profile and, according to odmgrp.com (2011), more than half of the human race is under 30 years old. Sixty-six percent of all marketers used social media in 2009 - this being up by 330% since 2007 - and 75% of respondents to a recent survey said “they choose a retailer because of what they read on social media sites” (SpringAdvertising.co.uk, 2010).

According to Totalprofit (2012), 90% of customers trust peer recommendations and only 14% trust advertisements, and 93% of the marketers use social media for business. Eight percent of companies use social media for recruitment, 95% of them using LinkedIn. Forty-one percent of business owners said that Twitter delivers ‘great value’ to their company (Totalprofit, 2012).

The following section sets out the methodology used for this research study, followed by an overview of the social media - definitions, classifications, and rate of growth. Some examples of the potential impact of social networks on businesses are then presented, followed by the research findings. The paper concludes with some observations and findings on the impact of social networks on business.

RESEARCH METHODOLOGY

To achieve the aims of this research, two main methods were selected. First, a descriptive/interpretive approach to the existing literature was taken in examining the wealth of information that is available. Hence, hundreds of International journals, conference proceedings, books, published reports, as well as the online resources of well-known sites, were consulted. In particular researchers draw on secondary literature in setting out the discussion on the definitions and classification of social networking. Second, a questionnaire was chosen as a research method. About 130 questionnaires were sent by e-mail to different private organizations. Researchers have chosen this method in order to reach as many of respondents as possible.
LITERATURE REVIEW

Overview of Social Networks

The Internet (the ‘hard’ part of the networks) has evolved from wired connections to cloud computing, through wireless connections. In association, the Web (the ‘soft’ or ‘knowledge’ part of the networks) evolved from static web pages to an interactive cooperative environment. The interactive version of the Web is called Web 2.0.

These new tools, as listed in this research paper, have become extremely popular in many countries around the globe; for example, an online survey (Newspaper, 2011) in Oman shows that 56% of the readers are using social networks to express their opinion. In 2006, Forrester Research (Charron et al., 2006) released a report called ‘Social Computing’ where the authors identified a trend happening online. They call this trend ‘groundswell’ and they define it as “A social trend in which people use technologies to get the things they need from each other, rather than from traditional institutions like corporations.”

The groundswell trend includes blogs and member-driven news sites, such as digg.com, and other social networks, such as MySpace and Facebook, and user-generated content sites, such as YouTube and Helium. Tools like Delicious, which lets people see and share their bookmarks with each other, are part of the trend, as are sites like Wikipedia, where people build a content resource together that emerges from a consensus. However, Li & Bernoff (2010) talk about the fact that the roots of the groundswell reach back before MySpace. They give examples such as eBay, Craigslist, Linux, Rotten Tomatoes, and others. In a recent study, Li and Bernoff (2010) introduce the notion of “Social Technographics” as a way to analyze the market's social technology behaviour. The authors classify technology users into the following groups: Creators, Conversationalists, Critics, Collectors, Joiners, Spectators and In-actives.

Definition of Social Networks

There are diverse opinions and numerous definitions for the terms ‘social networks,’ ‘social networking,’ ‘social media,’ and ‘social networking sites.’ In many cases, these definitions overlap; i.e., there is no unified, unique, agreed definition for each term. In this section, researchers differentiate between these different terms.

Before attempting to define the social networks on the Internet, some basic ideas related to social networks, in general, ought to be explained. Social networks are traditionally defined as groups of people who, for example, share interests and/or activities (Aevermann, 2010). Social networking is the act of participating or interacting with one another within these social networks. If this participation is carried out online; i.e., through the worldwide web, then these virtual societies are called ‘online social networks’ (Howard, 2008; Cheung et al., 2011; Leskovec et al., 2008). They can also be called ‘web-based social networks’ (Golbeck & Hendler, 2006), ‘computer-supported social networks’ (Wellman et al., 1996) or ‘virtual communities’ (Castells, 2001; Adamic & Adar, 2003). Aevermann (2010) compiled these definitions as outlined in Table 1:

<table>
<thead>
<tr>
<th>Social Networks</th>
<th>Definitions</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer-Supported Social Networks</td>
<td>When computer networks links people as well as machines.</td>
<td>(Wellman et al., 1996)</td>
</tr>
<tr>
<td>Web Communities</td>
<td>Web page collection with a shared topic.</td>
<td>(Kazienko, 2007; Huberman et al., 2009)</td>
</tr>
<tr>
<td>Virtual Communities</td>
<td>A group of people who are linked to one another by hyperlinks placed on their homepages.</td>
<td>(Adamic &amp; Adar, 2003)</td>
</tr>
<tr>
<td>Web-Based Social Network</td>
<td>In this kind of network the following conditions need to be met: Users must explicitly establish their relationships with others, the system must have explicit support for making connections, and relationships must be visible and browsable.</td>
<td>(Kazienko et al., 2011; Kazienko, 2007)</td>
</tr>
<tr>
<td>Online Social Network</td>
<td>The definition of online social network is not really established and different researchers use this term to describe different networks in which people interact with each other by means of different services on the Internet (e-mail, forums, blogs, social networking sites, etc.).</td>
<td>(Donath, 1999; Jung et al., 2007; Lazer et al., 2009; Yang et al., 2006)</td>
</tr>
</tbody>
</table>
Social networking sites are the websites where the interaction happens (Cohen, 2011; DigitalLikeness, 2008; Kazienko et al., 2011). Many websites could be classified as being ‘social networking sites.’ Examples of the most popular and well-known social networking sites are Facebook, Twitter, Blogger, MySpace, Digg, Google+, Stumbleupon, LinkedIn, Second life, YouTube, and Flickr. Social networking sites deliver content through communication, collaboration/authority-building, multimedia, reviews and opinions, micro-blogging, publishing, photo sharing, entertainment, and brand monitoring (Bard, 2010). They propose techniques and technologies such as aggregators, audio, video, live-casting, RSS, mobile, crowd-sourcing, virtual worlds, gaming, search, conversation apps, and Wikis (Wikipedia, 2011c; Wikipedia, 2011b; Wikipedia, 2011a).

However, there are also differences between the terms ‘social media’ and ‘social networking sites,’ even though these two terms are sometimes used interchangeably. This section will first explore different definitions and then propose one encompassing definition. Cohen lists 30 definitions for social media that have been articulated by many other researchers (Cohen, 2011). Kaplan and Haenlein (2010) define social media as “a group of Internet-based applications that build on the ideological and technological foundations of Web 2.0, and that allow the creation and exchange of user-generated content” (Kaplan & Haenlein, 2010).

To expand on this, one might argue that social media is just like other media - a means of communicating and exchanging information. Social media offers the opportunity to create or disseminate facts, opinions, arguments, etc. in many forms (video, audio, image, text); i.e., the social media platform provides the tools for self-expression in various forms. Groups of people with common interests are associated together on social media (SocialMediaToday, 2010).

Ellison (2007) gives another definition of social networking sites as “web-based services that allow individuals (1) to construct a public or semi-public profile within a bounded system, (2) to articulate a list of other users with whom they share a connection, and (3) to view and traverse their list of connections and those made by others within the system” (Ellison, 2007).

Clearly, the terms ‘social networking sites’ and ‘social media’ are used interchangeably. Therefore, the two terms will be considered as having the same meaning and, for simplicity, throughout this paper, the term ‘social networks’ will be used to reflect this new phenomenon and the term ‘social networking site(s)’ will be used when talking specifically about websites, tools or applications.

Social Networks Categories/Classifications

The Web 2.0 technologies helped shape the Web that is currently being used. There are numerous social networking sites which have been classified, categorized, or taxonomized in different ways. For example, Shrivastava et al. talk about the major Web 2.0 services and applications, grouping them into blogs, wikis, tagging and social bookmarking, multimedia sharing, audio blogging and podcasting, RSS and syndication, and social networking (Shrivastava et al., 2011). Kietzmann et al. (2011) talk about social media functionality and they draw up what they term a “honeycomb” of social media as it relates to business. Their categories are ‘sharing,’ ‘presence,’ ‘relationships,’ ‘reputation,’ ‘groups,’ ‘identity,’ and ‘conversations’ (Kietzmann et al., 2011). Nicholas and Rowlands, in their 2011 study, come up with the categories of social networking, blogging, microblogging, collaborative authoring, social tagging and bookmarking, scheduling and meeting tools, conferencing, and image or video sharing (Nicholas & Rowlands, 2011). Communities.gov.uk puts forth the idea of categorizing social networks based on the categorization developed by Digizen - profile-based social networks, content-based social networks, white-label social networks, multi-user virtual environments, mobile social networks, microblogging/presence updates, social search, local forums, and thematic websites (Communities.gov.uk, 2008). Many other researchers and practitioners (Kassel, 2011; Andersen, 2007; Safko, 2010; Culnan et al., 2010) also talk about the categorization of social networks. In this regard, Wikipedia (Wikipedia, 2011a) lists more than 125 social networking sites, putting them into some categories, and indicates that even this list is ‘non-exhaustive’ and ‘limited to some notable, well-known sites.’

The researcher sifted through and reviewed these and other related online and printed material about social networks, aiming to come up with a more encompassing taxonomy of them. After careful consideration, the study...
yielded a categorization/classification that is based on the functionality of social networks. Having noted some prominent examples of the definition and classification of social networks, Figure 1 illustrates this preliminary taxonomy or classification that exists today.

Obviously, there are different categories of social networks and each category contains a large number of social networking sites that, in many cases, are increasing in number as well, but which perform similar or slightly different functions. Furthermore, each social networking site provides many services that address the different needs of both people and organizations, and the functionality of each site can overlap with another. Indeed, over time it was observed that a kind of convergence in the proposed services. For example, the ‘gaming’ category has a number of social networking sites that might be considered as part of the ‘virtual world’ and vice versa. Similarly, Facebook, MySpace and LinkedIn can be used to promote research, innovation, and collaboration between researchers as well as business managers. Hence, different researchers might come up with slightly different classifications.

As has been noted by Culnan et al. (2010), businesses can utilise ‘virtual customer environments’ (VCEs) to form online communities of interest around firms, brands or products (Culnan et al., 2010). Thus, many of the above-listed social networks are for different purposes such as social marketing, customer feedback, the monitoring of competitors and market research, etc.

Some new social networking sites provide a large spectrum of services, such as Google+. Any new service proposed by a medium is immediately taken up by other providers; only the features of the service are slightly different. For example, ‘Circles’ in Google+ was immediately followed by ‘Groups’ in LinkedIn, ‘Networks’ on Ryze, and ‘Lists’ in Facebook.

New services generate new needs for users. For example, Facebook allows users (customers) to have one list of all contacts. This worked fine at the beginning, but then another need was generated in which users/customers wanted to have different lists for different purposes such as Friends, Family, Acquaintances, Following, and Followers. Any person or organization can now create a group to meet its own needs and requirements.

<table>
<thead>
<tr>
<th>Social Networks 4 Business (e.g. Ryze)</th>
<th>Social Networks 4 Research and Collaboration (e.g. academia.com)</th>
<th>RSS (e.g. Reddit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Video-Sharing (e.g. Youtube)</td>
<td>Blogs (e.g. Blog)</td>
<td>Live-casting</td>
</tr>
<tr>
<td>Wikis (e.g. Twiki)</td>
<td>General Social Networks (e.g. Facebook)</td>
<td>(e.g. UStream)</td>
</tr>
<tr>
<td>Virtual worlds (e.g. SecondLife)</td>
<td>Gaming (e.g. Worldofwarcraft)</td>
<td>Micro-blogging</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(e.g. Twitter)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Mobile Social</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Networks (e.g. wadja)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Podcasting (e.g. Podcast)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Photo-Sharing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(e.g. Flickr)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Social Networks</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 Healthcare</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(e.g. DoseofDigital)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Social Networks</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 Business</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(e.g. Ryze)</td>
</tr>
</tbody>
</table>

Figure 1: Preliminary Taxonomy of Social Networks
Growth Rate of Social Networks

The social networks have grown rapidly and, as a matter of fact, there is exponential growth both in the number of social networking sites and their functionalities. Facing this fact, people have difficulty in choosing among the large number of sites and their different combinations of functionalities. Indeed, it is easy to find comparisons of products (e.g. when you want to buy a new car or TV), but such a comparative evaluation of social networking sites is still to be created. The main goal of this study was to provide a guideline to social networks. The difficulties of such an analysis arise from the facts that (1) new social networking sites appear almost each day, (2) social networking sites evolve continuously (are modified or new features are added), and (3) the population using social networking sites is increasing exponentially (Wikipedia, 2011c). Table 2 provides a snapshot of the population of some well-known social networking sites (SNs) at the time of writing this paper (March 2012).

Table 2: Populations of Some Popular Social Networks

<table>
<thead>
<tr>
<th>SNS Name</th>
<th>Year Created</th>
<th>Created By</th>
<th>Description/Focus</th>
<th>Population (Active Users) Million (In 2011)</th>
<th>Population (Active Users) Million (In 2012)</th>
<th>References</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facebook</td>
<td>2004</td>
<td>Mark Zuckerberg</td>
<td>General social networking site</td>
<td>800</td>
<td>900</td>
<td>(Facebook, 2012)</td>
</tr>
<tr>
<td>Twitter</td>
<td>2006</td>
<td>Jack Dorsey</td>
<td>Mobile social networking site, Micro-blogging</td>
<td>200</td>
<td>300</td>
<td>(Twitter, 2012; Aevermann, 2010)</td>
</tr>
<tr>
<td>LinkedIn</td>
<td>2002</td>
<td>Reid Hoffman</td>
<td>Business and professional</td>
<td>135</td>
<td>150</td>
<td>(LinkedIn, 2012)</td>
</tr>
<tr>
<td>MySpace</td>
<td>2003</td>
<td>Specific Media and Justin Timberlake</td>
<td>General social networking site</td>
<td>100+</td>
<td>-</td>
<td>(MySpace, 2012)</td>
</tr>
<tr>
<td>Google+</td>
<td>2011</td>
<td>Larry Page and Sergey Brin</td>
<td>General social networking site</td>
<td>50+</td>
<td>170</td>
<td>(Google+, 2012)</td>
</tr>
<tr>
<td>Plaxo</td>
<td>2002</td>
<td>Justin Miller</td>
<td>Aggregator, address book</td>
<td>15</td>
<td>-</td>
<td>(Plaxo, 2012)</td>
</tr>
<tr>
<td>Bebo</td>
<td>2005</td>
<td>Michael Birch and Xochi Birch</td>
<td>General social networking</td>
<td>117</td>
<td>-</td>
<td>(Bebo, 2012)</td>
</tr>
<tr>
<td>Baboo</td>
<td>2006</td>
<td>Andrey Andreev</td>
<td>General social networking site</td>
<td>86</td>
<td>133</td>
<td>(Baboo, 2012)</td>
</tr>
<tr>
<td>Flickr</td>
<td>2004</td>
<td>Ludicorp</td>
<td>Image/Video</td>
<td>32</td>
<td>-</td>
<td>(flickr.com, 2012)</td>
</tr>
<tr>
<td>delicious</td>
<td>2003</td>
<td>Joshua Schachter</td>
<td>Social Bookmarking</td>
<td>8</td>
<td>-</td>
<td>(delicious.com, 2012)</td>
</tr>
<tr>
<td>Orkut</td>
<td>2004</td>
<td>Orkut Büyükköktén</td>
<td>General social networking site</td>
<td>100</td>
<td>-</td>
<td>(Orkut.com, 2012)</td>
</tr>
</tbody>
</table>

The popularity of each social networking site changes according to the features/services provided by that site in comparison with other sites. For example, Ebizmba (2011) listed the 15 most popular social networking sites as Facebook, Twitter, LinkedIn, Google Plus+, Pinterest, Tumblr, Flickr, VK, Instagram, DevianArt, MySpace, CafeMom, Tagged, Meetup, and LiveJournal.

The study also highlighted the fact that some social networking sites experience more growth in the number of active users; for example, Facebook (which, if it was a country, would come third in the world in terms of population), Google+ and LinkedIn, while some other sites, such as Elluminate (www.elluminate.com), have ceased to exist and DimDim (www.dimdim.com), which has been acquired by Salesforce.com. Table 2 shows that the pace of change for some social networking sites has increased considerably in a small space of time. In some cases, users more than doubled between late 2011 and very early 2012, as with Google+.

Clearly, as Table 3 shows, social networking populations have been growing much faster, especially when compared with other media/tools in recent history. For example, Facebook added over 200 million users in less than a year, and IPOD application downloads hit 1 billion in 9 months (Totalprofit, 2012).
Table 3: Growth of Different Media/Tools

<table>
<thead>
<tr>
<th>Media/Tool</th>
<th>Years To Reach 50 Million Users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Radio</td>
<td>38</td>
</tr>
<tr>
<td>TV</td>
<td>13</td>
</tr>
<tr>
<td>Internet</td>
<td>4</td>
</tr>
<tr>
<td>IPod</td>
<td>3</td>
</tr>
<tr>
<td>Facebook</td>
<td>&lt;1</td>
</tr>
</tbody>
</table>

The fact that each social networking site has different features and that some of them regularly expand their features and functionalities makes it difficult (for individuals and groups) to choose a specific social networking site and, as a consequence, people tend to register (belong) to several social networking sites to satisfy different needs (Flickr for photos, blogs for discussion, delicious for bookmarking, and ResearchGate for communicating to a research community, and so on).

Types of Social Networking Used in Business

Various social networking sites exist in today’s online communities. Hundreds of social networking websites have been created on the Internet and new ones continue to pop up every day. A list of the more notorious social network websites that might be beneficial for many businesses and start-ups is found in Table 4.

Table 4: Types of Social Networking Used in Business

<table>
<thead>
<tr>
<th>SNs Name(URL)</th>
<th>Short Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aboutus (<a href="http://www.aboutus.org/">http://www.aboutus.org/</a>)</td>
<td>This is an interactive internet domain directory. It lists websites along with information about their content. It is known to be the Wikipedia of websites, which precisely defines its functions.</td>
</tr>
<tr>
<td>APSense (<a href="http://www.apsense.com/">http://www.apsense.com/</a>)</td>
<td>This is a forum where people can go to find help and support for their businesses. It is largely based on users helping each other through problems and issues that arise in one's business. Sharing experiences about one’s own business issues to someone who is going through a similar issue is common in the community.</td>
</tr>
<tr>
<td>Biznik (<a href="http://biznik.com">http://biznik.com</a>)</td>
<td>Biznik is an online community for entrepreneurs and small businesses.</td>
</tr>
<tr>
<td>Ecademy (<a href="http://www.ecademy.com/">http://www.ecademy.com/</a>)</td>
<td>This is a social network for business people. It was founded in 1998. It provides the networking tools for business people to find alliances, advice, mentors, new contacts, and find jobs.</td>
</tr>
<tr>
<td>EFactor (<a href="http://www.efactor.com/">http://www.efactor.com/</a>)</td>
<td>This is the world's largest entrepreneurial community.</td>
</tr>
<tr>
<td>Entrepreneur (<a href="http://www.entrepreneur.com/">http://www.entrepreneur.com/</a>)</td>
<td>This provides people with useful information on how to start a business. It helps entrepreneurs shape their business ideas, structure a basic business plan, name the business, find a suitable location/space, locate good vendors and suppliers, and network with other entrepreneurs online.</td>
</tr>
<tr>
<td>Facebook (<a href="http://www.facebook.com/">http://www.facebook.com/</a>)</td>
<td>Facebook is the most famous social networking website. Networking is essential in business and Facebook is one of the most effective and convenient ways to do this.</td>
</tr>
<tr>
<td>Foursquare (<a href="https://foursquare.com/">https://foursquare.com/</a>)</td>
<td>A layman’s definition of Foursquare would be a combination of Google maps and Facebook. It is a location-based mobile platform that makes cities easier to use and more interesting to explore.</td>
</tr>
<tr>
<td>Hubze (<a href="http://hubze.com/">http://hubze.com/</a>)</td>
<td>Hubze is a new business site for personal branding and social media aggregation.</td>
</tr>
<tr>
<td>i-meet (<a href="https://i-meet.com/">https://i-meet.com/</a>)</td>
<td>This is a worldwide professional and social network for people who plan meetings and events.</td>
</tr>
<tr>
<td>LinkedIn (<a href="http://www.linkedin.com">http://www.linkedin.com</a>)</td>
<td>LinkedIn is a social networking website geared towards companies and industry professionals looking to make new business contacts or keep in touch with previous co-workers, affiliates, and clients. With LinkedIn, members can create customizable profiles that detail employment history, business accomplishments, and other professional accolades. LinkedIn also works as a two-way Craigslist platform in that members can search for jobs and companies can search through profiles if they are interested in hiring new employees.</td>
</tr>
<tr>
<td>Ning (<a href="http://uk.ning.com/">http://uk.ning.com/</a>)</td>
<td>Ning is a large, global social website. It allows users to create their own social websites. Businesses use it to create their own websites that best fit their company’s needs, in order to reach their customers.</td>
</tr>
</tbody>
</table>
Table 4 cont.

<table>
<thead>
<tr>
<th>Software/Service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plaxo</strong> (<a href="http://www.plaxo.com">http://www.plaxo.com</a>)</td>
<td>Plaxo is an online address book and social networking service. Plaxo provides automatic updating of contact information. Users and their contacts store their information in the cloud on Plaxo's servers.</td>
</tr>
<tr>
<td><strong>Ryze</strong> (<a href="http://www.ryze.com/">http://www.ryze.com/</a>)</td>
<td>Ryze is a social networking site that is focused around business networking which has similar goals and features to LinkedIn.</td>
</tr>
<tr>
<td><strong>SalesForce</strong> (<a href="http://www.salesforce.com">http://www.salesforce.com</a>)</td>
<td>SalesForce is a global enterprise software company, best known for its Customer Relationship Management (CRM) product.</td>
</tr>
<tr>
<td><strong>Socialtext</strong> (<a href="http://www.socialtext.com">http://www.socialtext.com</a>)</td>
<td>Socialtext accelerates business performance by making it easier for employees to find the colleagues and information they need to solve challenges new and old. By simplifying people's ability to share expertise, ideas and corporate data, Socialtext removes knowledge silos that have traditionally hampered companies' ability to respond to change and serve customers efficiently.</td>
</tr>
<tr>
<td><strong>Spoke</strong> (<a href="http://www.spoke.com/">http://www.spoke.com/</a>)</td>
<td>Spoke is a source for timely, relevant and comprehensive information on companies and people, designed to meet the needs of business managers, sales and research professionals.</td>
</tr>
<tr>
<td><strong>StartUpBiz</strong> (<a href="http://sta.rtup.biz/">http://sta.rtup.biz/</a>)</td>
<td>This is a website for those people who want to start up a business. People use it to chat, to list an event, to create a group, to post a blog, or to promote their businesses.</td>
</tr>
<tr>
<td><strong>Twitter</strong> (<a href="http://twitter.com/">http://twitter.com/</a>)</td>
<td>Twitter connects people in real time. Twitter allows users to communicate messages up to 140 characters. The messages users send out are public, and can be sent via a computer or a mobile/smart phone. Twitter is a quick and convenient way to communicate.</td>
</tr>
<tr>
<td><strong>XING</strong> (<a href="http://www.xing.com/">http://www.xing.com/</a>)</td>
<td>XING is a social network for business professionals. It has recently passed ten million registered users.</td>
</tr>
<tr>
<td><strong>Yelp</strong> (<a href="http://www.yelp.co.uk/">http://www.yelp.co.uk/</a>)</td>
<td>Yelp is an online urban city guide that helps people find cool places to eat, shop, drink, relax and play, based on the informed opinions of a vibrant and active community of locals in the know.</td>
</tr>
<tr>
<td><strong>YouTube</strong> (<a href="http://www.youtube.com/">http://www.youtube.com/</a>)</td>
<td>YouTube is a great media for marketing. It is a provider of web-based videos, where website visitors can access and upload video for free. It is also free for commercial use, allowing companies to market their businesses freely.</td>
</tr>
<tr>
<td><strong>Zoho</strong> (<a href="http://www.zoho.com/">http://www.zoho.com/</a>)</td>
<td>Zoho.com offers a comprehensive suite of on-line business, productivity &amp; collaboration applications. Customers use Zoho Applications to run their business processes, manage their information and be more productive while at the office or on the go, without having to worry about expensive or outdated hardware or software. Zoho.com has launched 22 online applications - from CRM to Mail, Office Suite, Project Management, Invoicing, Web Conferencing, etc.</td>
</tr>
<tr>
<td><strong>Zoominfo</strong> (<a href="http://www.zoominfo.com/">http://www.zoominfo.com/</a>)</td>
<td>Zoominfo is a provider of business information and verified, in-depth profiles on millions of businesses and employees.</td>
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Obviously, social networking websites are very popular, which leads to the belief that “businesses cannot exist without engaging with these websites.” Hence, many companies have started the shift towards utilizing this new phenomenon. It seems that they are experiencing some benefits or else there wouldn’t be the exponential growth in social networking sites that can be clearly noticed today.

**Brief Overview of the Impacts of Social Networks on Business**

This section outlines preliminary investigations of selected examples of some business-related areas that are affected by social networks.

**Social Networking Benefits for Business**

**Marketing**

Social media are marketing methods which, if compared to traditional marketing, are just as effective and cheaper, or even free. Hence, it can be said that, from a business perspective, new media advertising and marketing creates a win-win situation. Businesses can access and reach out to numerous customers or potential customers that they may not otherwise have access to, while simultaneously saving a tremendous amount of money on advertising campaigns. Social networking is also advantageous for businesses because they can market the product on a single page on Facebook without having to pay someone to go out and market it.
Recruitment and Job Hunting

Many companies are now using social networking websites for job recruiting. This makes hunting for candidates for jobs easier. “Social networking technology is absolutely the best thing to happen to recruiting ever” (Langfitt, 2006). Popular social networking websites like LinkedIn have a network of 150 million professionals across the world who are able to reach and email each other. Facebook is also used by employers when recruiting new employees. Social network sites allow recruiters to screen their candidates through information found on Facebook and LinkedIn. Of course, the recruiters should not rely completely on such information as it is not always accurate but it can act as a starting point or for validating material. According to Sachoff (2010), among employers who conduct online background checks of job candidates, 43% use search engines, 12% use Facebook, 12% use LinkedIn, 3% search blogs, and 4% follow candidates on Twitter.” Furthermore, the study claims that 38% of candidates were rejected based on information obtained from social networking sites and 31% of the candidates were rejected based on the poor communication skills they displayed online (Sachoff, 2010).

Business Setting and Customer Feedback

Through social networking websites, businesses can create global collaboration, which enables them to discuss issues and concerns virtually and make the best business decisions. Also, a business can keep their employees up to date through a social network. For example, when a company wants to introduce new products, they can first demo the product in a virtual world and ask for feedback from people through social network sites. This can help the business reduce the cost of producing a product.

If companies don't connect to each and every one of their customers, they are in danger of losing them. People are looking for personal attention; they want to feel valued, taken care of and most importantly, heard. In order to do this, a company must understand the needs of its customers and provide them with what they are looking for. Social networking can be an amazing tool in the accomplishment of this difficult feat (Sannino, 2010).

Impact on Crisis Management

When stakeholders create and share information online, social networks become 'Consumer Generated Media (Nail, 2006; Bell, 2011). Information-sharing makes social networks a key issue for crisis managers. The sharing of bad information about an organization can spread very fast to a large number of people; for example, the Kryptonite Locks case. When Kryptonite Locks suffered from a consumer-generated video demonstrating how to disable their locks with a 'Bic' pen, they waited too long before giving a response. Meanwhile, the video and related stories circulated online and offline, ultimately costing the company $10 million in hard cost for a recall and untold millions in brand value (Bell, 2011). According to Coombs (2009), there are three primary causes of crisis (Coombs, 2009):

- Rumours - false information about the company/organization that circulates on the Internet and through social media and which needs to be dealt with. In fact, some organizations have websites that address rumours.
- Complaints about the products - Consumers are upset if the product is not working as it should; hence, companies need to do something about it.
- Challenges - where some groups, maybe companies’ own stakeholders or activists, think that what the company is doing is morally wrong and should be rectified.

Social networks could make crisis management and crisis communication more complicated, but its monitoring is an excellent way of receiving feedback on the company and evaluating its resonance with audiences. This is an important opportunity for getting feedback from audiences. Considering how the social media is impacting crisis management, it can be said that there are negative and positive impacts of social media (Mclintic, 2009).
Some negative impacts are:

- **Frequency** - Due to the huge amount of available information, it is more likely to contain countervailing, negative comments or just miss-information.
- **Speed of reach** - This means that crises tend to break more quickly. Any important issue or news item that occurs in a specific area might have immediate global reach through social media.
- **Visibility** - If a business has financial problems or product defects, their staff, customers, prospects, and partners are going to hear about them, which means that there is much more transparency.
- **Permanent** - Search engines always retain the information that has been uploaded to the internet as long as it is stored somewhere. This makes it easy to retrieve old history of company pitfalls.

Some positive impacts are:

- **Measurability** - Seeing the traffic coming into a website, it is easy to measure the impact of crisis. It can be measured, for example, by the analytical tools that are available almost free, such as Google Analytics.
- **Open dialogue** - You engage directly with the source of information using social media. For the first time, this opportunity is provided by social networks.
- **Duration** - News can be disseminated rapidly. Crises tend to be quite quick and then the tension moves on because of so much information moving around.

**Social Networking Drawbacks**

**Authenticity of e-Content or Misleading Information**

Social networking sites on the Internet, when uncensored, unedited and unrestricted, basically open Pandora’s Box to all that may go awry. One major downfall of the internet’s unrestricted platform is the excess of information that is inaccurate, biased, or even extremist propaganda. It is difficult to choose between the huge number of online resources, and a mechanism is required to filter all this data in order to be able to choose that which is more close to reality.

**Recruitment Process**

The fact that potential employers are looking at social networking sites, along with professional ones such as LinkedIn (where you actually want the employer to look), is, in fact, disturbing. Employers are looking at various social networking sites, such as Facebook, which individuals use for personal and leisure purposes. The employers do this in order to verify that the candidate is fit for the position they are offering. Thus, what individuals post on social networking sites might work against them when applying for jobs.

**Time-Consuming and Decreased Productivity**

Bernoff (2010), in their groundswell ecosystem (or social Techographics ladder), categorised social networking users as creators, critics, collectors, joiners, spectators and inactives (Bernoff, 2010). It is obviously necessary that creators spend a considerable amount of time on the Internet, but even spectators who only read blogs, watch video from other users, listen to podcasts, read online forums and customer ratings/reviews, can waste large amounts of time.

Many employees use social networking for personal use during working hours. They use company computers and time to access their personal social networking sites. It seems that with the younger generation entering the labour market, companies inevitably need to compromise and let employees use social networking sites. Hence, new guidelines/policies need to be put in place to deal with this new phenomenon.

**Privacy Concerns**

Social networking may affect customers’ privacy rights, which is a very crucial issue. For example, cloud computing proposes to put data in a cloud where it can be access from any computer anywhere. This is important for...
people, but nobody can measure the real dangers that may arise. Another example comes from 2008 when AOL decided to make public a database of traces left by its customers after publishing anonymous information. In two months, it became the game of the summer to identify specific persons with a problem from their requests on the web. The danger comes from the ease of the spread of rumours and lies. Keeping data on the servers of these social networks makes many people hesitant to use social media. This is perhaps one reason that some people do not provide real data in their profiles (Ohm, 2010).

The seller/company usually owns customers’ information for legal business purposes, such as mailing products, billing, and other customer services. However, sellers may use these private information for illegal purposes. Goodwin, (1991) argues that consumer privacy includes ‘information disclosure’ and ‘consumer transactions’ (Goodwin, 1991, p. 150). This information includes consumers’ addresses, phone numbers, social security numbers and so forth. If there is no protection of privacy of information by a company, consumers may receive junk mail, disruptive phone calls, or experience theft of identity, among other things.

However, Mark Zuckerberg – Founder of Facebook, claims that “the rise of social networking online means that people no longer have an expectation of privacy” (Johnson & G. D., 2010)

Scams, Spam, and Viruses

According to the report by Gewirtz, “a quarter of businesses have been the victim of spam, phishing or malware attacks via sites such as Twitter, Facebook, LinkedIn, and MySpace” (Gewirtz, 2009).

Hackers can send harmful material, such as messages and videos that contain viruses, to the users of social networking sites. This material can damage the companies’ computer systems, leading to loss of communication between the companies and customers, and this can have many other consequences.

Speed of the Spreading of Opinions and Thoughts

Social networking sites make it possible for users/customers to share their opinions and thoughts. Before social networking sites became as popular as they are today, word of mouth spread very slowly amongst consumers within local social networks. During that time, a company had some time to realize what was happening and fix the problem. However, social networking sites today have changed the way consumers spread their opinions and thoughts. They can spread them instantly using both real and virtual social networking members. Mobile phones and Smartphones dramatically shorten the time required to spread such news. Even before the company has begun to attempt to solve the problem, it can end up losing customers and bearing massive consequences.

Impact for Website Accessibility

Web 2.0 is a new approach to Web content, making it more interactive and allowing users to participate in the creation of online content. That is why Web 2.0 is called ‘User-Generated Content.’ This change in paradigm brings new challenges to people with disabilities. Some of these challenges involve whether or not the social networking sites fully support the assistive tools and the level of accessibility of such websites. A study conducted by Discapnet (2011) indicates that the current social networks have a low level of accessibility.

Therefore, accessibility advocates must develop new guidelines and solutions rapidly in order to make websites accessible for all. Semantic Web technologies address some of these requirements, and accessibility innovation may be part of a convergence of Web 2.0 and the Semantic Web (Cooper, 2007).

High rankings on Google and other search engines are crucial to the success of any online business. If a website can be found on the first Google result page for the right keywords, the traffic and sales will increase. User-Generated Content (through social networks) could include links back to the content the business is promoting, which can increase search visibility. Business owners can use social networks as monitoring tools to identify communities where people are having conversations related to their keyword targets. For this reason, Web 2.0 technologies and social networks are clearly important drivers which can be used to increase website traffic and,
hence, website ranking. Search Engine Optimization (SEO) is employing different tactics to improve a website ranking in organic or unpaid search results to ultimately increase visibility and accessibility. Hence, SEO needs to give high importance to the new paradigm shift of web technologies; i.e., Web 2.0 and social networks.

Impact on Information Overload

‘Information overload’ refers to the difficulty a person can have in understanding an issue and in making decisions which is often caused by access to too much information. Although the problem of ‘information overload’ has existed for many years, in recent years it has become more widely recognized and experienced. This is due to the multiplicity of information sources available, of which online sources are considered to be the major culprit, but there are others, such as newspapers, magazines, and space TV channels. This has been caused by the expansion in the Telecom and Internet bandwidth. Each source mentioned here has proliferated and evolved; for example, website evolved from static websites into dynamic participatory websites (i.e., social networking). The latter have exploded into many specialized categories of interest to people from many walks of life. Social media allow everybody to publish anything they like, unlike the traditional ways of publishing which provide filters for quality. This inevitably means that it is difficult to determine which contributions are more valuable - authoritative, novel, or authentic work. Many researchers have paid great attention to this issue (Kovach & Rosenstiel, 2011; Konstant, 2008; Bartold, 2010; Melgoza et al., 2002; Natchez, 2009; Noorin, 2011; Wade, 2010).

FINDINGS AND DISCUSSION

The existing literature and this exploratory study highlight the fact that social networks are being used extensively by businesses worldwide. People started using social networks because they are effective and cheap to use and many businesses have started adopting them to communicate with their customers in order to measure their satisfaction with their products and services.

This section outlines the research findings and provides some discussion around them. The questionnaire was answered by 33 private sector organizations in Oman. It was distributed to organizations which are adopting social networks and those who have the potential to adopt them. The majority of organizations (45%) that participated in this survey fall into the ‘services’ category, 18% in the ‘sales’ category, and 6% in marketing and ICT service provider categories. The organizations in the services category are adopting social networks effectively and efficiently in their departments. On the other hand, the organizations in the marketing category are not much interested in adopting social networks, although using them could help these organizations promote their products.

Organizations and Their Relationships with Customers

When the researchers asked the participants about their relationship with their customers in the current situation, 58% of the respondents said that they preferred face-to-face meetings, as well as going online, to communicate with their customers. In addition, 27% of them said that they knew their customers by name and tried to be friendly and approachable at all times. Furthermore, 2% of the organizations claimed that they followed up critical customer comments regarding products and services.

When the researchers asked the participants about what type of relationship their organization was looking for with customers when using social networks, among the surveyed organizations 30% of them said that they were hoping to promote the relationship between their organization and its customers and 26% were looking to involve customers in building products and services in order to increase the number of loyal customers. In addition, 13% were planning to cultivate close links with their customers. Although having close links with customers was very important for an organization, it was chosen as a last alternative. These links encourage customers to find out everything about the company, which gives them a good idea about what are they doing. These links help organizations gain loyalty and reach many more customers.

The Internet within Organizations

Using the Internet within organizations may act as an enabler for using social networks. The World Wide Web (Internet) - a great invention that was maintained for a period of time by the US Department of Defense who
did not allow others to use it - is now used worldwide. The surveyed organizations indicated that their main use of the Internet within their departments was for sending and receiving E-mail (39%), getting information about goods and services (24%), getting information from government organizations/public authorities, and providing customer services (9%).

When asked whether they encouraged their employees to access the Internet, Intranet, Extranet and websites, it was clear that the surveyed companies were putting a great effort into setting up polices and encouraging their staff to use Internet technology and that there was no restriction on its use, although there was some monitoring - probably mostly for ethical reasons. The majority of organizations (85%) stated that they allowed the employees to access/browse the Internet during working hours and 55% of these organizations had no control/restriction on Internet usage during working hours. In addition, they had policies for using the Extranet and Internet. Fifty-four percent of the organizations that replied do not encourage employees outside the company to access company information systems through the Extranet, but 58% of these organization stated that they encouraged employees to use the Intranet to do their daily work.

The Adoption of Social Networks within Organizations

These organizations are using the Internet in their daily work, which enables them to adopt social networks easily. The main objectives of the organizations using social networks within their organizations are 1) for advertising to increase sales & ROI and 2) for external communications and interaction with the public. Some companies stated other aims, such as the generation of new business leads and customers services.

When asked about how seriously they are taking social networks, it was clear that the CEOs considered social networks to be important for business (60%). Some organizations have a social network team (52%).

The most popular social networking site is Facebook, and 54% of the organizations that responded have used Facebook for their businesses. The second most popular site used by businesses is Twitter, with 23% of the respondents declaring that they were using Twitter in their businesses.

The Challenges and Opportunities That Present Themselves in Adopting Social Networks in Business

When the question was raised, “What are the benefits/opportunities that your organization has gained by using social networking?”, it was apparent that companies were not yet clear about the expected benefits/opportunities of these tools. However, they highlighted some very important issues, such as:

- Allowing employees to discuss ideas, post news, ask questions and share links
- The collection of positive and negative comments on articles that are posted online
- To be able to target a wide audience, making it a useful and effective recruitment tool
- Increasing profit
- Gaining a high reputation for the company’s brand
- Gaining a better understanding of customers perceptions of their brands
- The ability to monitor conversations about the organization

When the question, “What are the obstacles or reasons preventing you from using social networks to their full capacity in your organization/enterprise?” was raised, the following obstacles were highlighted, although in varying degrees:

- Lack of executive/management support
- Lack of quantifiable business benefit
- Social networks are difficult to use and require some skills.
- Social networks are not for my age group.
- Lack of interest in social networks
- Terms of service (legal) issues
- Lack of control over providers
- Record retention issues
- Preferring to wait and see
- Social networks are only for games, friendship and entertainment.
CONCLUSIONS, LIMITATIONS, AND FUTURE LINES OF RESEARCH

Clearly, web evolution has, and will continue to have, an increasing influence on businesses - information is available immediately, expertise is shared, and habits are continually being modified. People order and buy on the web; personal contacts may be thousands of miles away. Hierarchical structures become more flexible, allowing inputs on decisions from below and outside the normal channels of decision-making. Perhaps one of the most important effects of social networking is that almost everyone can join an online group or groups and share communal experiences and content (photos, videos, etc.). Moreover, Web 2.0 has empowered individuals to find solutions to their problems using the ‘power of the crowd’; i.e., other individuals and communities can now participate in helping each other to develop a solution to a particular problem collectively.

The amount of information on the web is already huge; it cannot be underestimated and is increasing daily. This, in itself, can cause a different problem - information overload, which needs to be overcome through the use of trusted filters. One consequence of all this is that people need to be fully aware of the implications of the new technology, such as the change brought about by the invention of Web 2.0. Other areas that have been most affected by the new technology of Web 2.0 include research, collaboration, and project management, which have been enhanced by the availability of different sets of social networking tools and applications. Business must pay more attention to feedback from customers and potential customers as expressed through the use of these new tools, as opinions on products and services can immediately spread worldwide. This can have negative, as well as positive, implications.

A great transformation is taking place in many aspects of people’s lives as the influence of social networks on Web 2.0 becomes more widespread. In one sense, it can be said that ‘real life’ is becoming a ‘cyber-life.’ If you are not on the web, it is no exaggeration to say that it is as if you do not exist.

This research has investigated the impact of social networks in business and the opportunities and challenges they bring to organizations, and it is clear that the social networks have some positive impacts on businesses. The greatest benefit that using social networks brings to organizations is that are is allowing employees to discuss ideas, post news, ask questions and share links, thus gaining a good reputation for the company’s brand and a better understanding of customers’ perceptions of their brands. The challenges that were considered the most important reasons for preventing some organizations from using social networks in their departments were security and privacy concerns.

Regarding the limitations of the study, first it should be noted that the sample size was small due to the time constraints. Hence, to obtain better results, it would be advisable to increase the sample size. Second, all the participating organizations were from Oman. It would be interesting to conduct a survey in different countries and carry out a comparative study in this field.

AUTHOR INFORMATION

Dr. Ali Al-Badi is an Assistant Professor in the Department of Information Systems at Sultan Qaboos University (SQU), Muscat, Oman. Ali has more than 19 years of practical and academic experience in Information Technology. After obtaining his B.Sc. in Computer Science from Reading University, UK in 1991, he worked in the Center for Information Systems, SQU, where he gained most of his practical experience. Ali joined the academia in 1999 and
completed his PhD in UK in 2005. Ali’s research interests: social media, web usability & accessibility; portal development; IT disaster recovery, and business continuity. Ali has more than 73 papers in refereed journals/conferences. E-mail: ualbadi@squ.edu.om (Corresponding author)

Ms. Wafa Al-Qayoumhi is a student in the Department of Information Systems at Sultan Qaboos University (SQU), Muscat, Oman. She finished her diploma degree from Secondary School in 2008. Wafa's research interests include the current issues in information systems, social media, technology adoption, mobile technologies, and mobile banking. Wafa is an active young researcher, where she managed to publish several journal and conference papers. She also participated in a number of international conferences. E-mail: u086516@squ.edu.om

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