

Chapter 39

Social Media: An Enabler in Developing Business Models for Enterprises

N. Raghavendra Rao
FINAIT Consultancy Services, India

ABSTRACT

Rapid changes are taking place in global business scenario. It has become a necessity for enterprises to adapt to these changes. Social media facilitates business enterprises to make use of the opportunities in the global market. Social media has become an important source of information for the stakeholders of business enterprises. Structured, semi-structured, and unstructured data from social media provide a good scope for developing business models for enterprises. This chapter mainly talks about developing the conceptual business models in the sectors such as automobiles, textiles and software developing companies. Further, this chapter explains making use of the concepts such as virtual reality, multimedia and cloud computing with the data from social media in developing conceptual business models.

INTRODUCTION

The existing ways of doing business are constantly changing and opportunities in the present global markets have to be exploited at a rapid pace (Evans 2010). Business enterprises need to realize that managing technical knowledge as well as innovative process in conducting business in the way that is required to remain competitive in the global market is necessary. Every business enterprise has unique challenges to face in its sector. It is high time they take advantage of making use of social media for their business (Choudhary 2012). Even the most stable industries and the strongest brands can be blown to bits by the emerging concepts in information and communication technologies. Technology is forcing business enterprises to rethink their business models and organizational designs. Further the technology facilitates to rebalance their share in the market place. Smaller organizations that are fast and flexible can now outmaneuver the traditional large enterprises by employing new technology. The new technology enables them to deliver goods and services to their customers at a faster pace and lower cost. This

DOI: 10.4018/978-1-5225-9615-8.ch039

chapter talks about the three conceptual business models developed by making use of the concepts such as multimedia, virtual reality and cloud computing along with the data from social media. The essence in these models is the importance of the data and information from social media.

Need for a Business Model

The problem arises when the organizations are spending too much time tinkering with the existing business models of their organizations instead of relaying their teams around the potential to do something extraordinary in the market place (Alpert 2012). Tinkering is like painting a car when the engine is weak. The challenge today is to develop sustainable business that is compatible with the current economic reality. Now it has become imperative for every business enterprise to make use of data from social media that will help them in developing conceptual business models for their products and services (van Belleghem 2012). Developing a conceptual business model is nothing but identifying the relevant concepts in information and communication technology and making use of them with data from a social media in developing a business model suitable to a business enterprise (Brogan 2010).

Trends in Management Concepts

One can find from the analysis of trends in management in every decade a new concept has been emerging. The moment it emerges, it is considered as “Next Big Thing” or “Next Important Concept”. In 1950’s “Brain Storming” concept has become popular. It was considered to be very important factor in involving the employees in business enterprises to generate new ideas. In 1960’s and 1970’s sensitivity groups have played an important role in business enterprises. Group leaders of this group were considered to be ‘Gurus’. They were expected to lead group managers. Then it was a practice ‘Gurus’ would make brief opening remarks and they would wait for response from the group managers. Then the ‘Gurus’ would facilitate them to express and try to clarify. It was a hope that ‘Inner Manager’ would emerge. More research would follow on their deliberations. The era 80’s was considered as the age of quality management. During this period quality control, quality circles, six sigma and other related approaches were followed for enhancing workers performance. Later the focus has been shifted to production and operation costs. The idea has been to reduce production and operation costs through total quality management, just in time, inventory, flexible manufacturing systems and efficient supply chain management. However reduction in cost alone is no longer enough being an effective strategy. Later retaining and developing customers has become critical. Then the focus has been shifted customer relationship management.

Data in the Present Marketing Scenario

Traditionally the major source of data has been from expanding customer relationship management application. In the present business scenario, the complexity of data sources is on increase. The data sources which contribute to complexity are 1) Primary Data 2) Secondary Data 3) Internet Data 4) Device Data and 5) Supply Chain Data.

Primary data provides data related to surveys, experiments, and observations. Secondary data is based on business data, reports from industries, market place and competitors’ data. The source of internet data is from social media, and social networking. The data from the device are such as mobile phones, sensors and RF Data. Vendor data and pricing form supply chain data are considered as another important source.

7 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

www.igi-global.com/chapter/social-media/232831

Related Content

Modern Healthcare Systems: Unveiling the Possibility of AIoT for Remote Patient Monitoring

Kunal, Ayushi Prakash, Sandhya Avasthi, Kadambri Agarwal and Mohammad Hussain (2024). *Developments Towards Next Generation Intelligent Systems for Sustainable Development* (pp. 180-203).

www.irma-international.org/chapter/modern-healthcare-systems/343778

Women's Representation in Selected Ethiopian Electronic Media and Its Implication for Sustainable Development

Wubalem Arefaine Hagos (2018). *Handbook of Research on Sustainable Development and Governance Strategies for Economic Growth in Africa* (pp. 182-202).

www.irma-international.org/chapter/womens-representation-in-selected-ethiopian-electronic-media-and-its-implication-for-sustainable-development/197591

Blockchain Technology for Corporate Responsibility: A Revolutionary Method

Sabyasachi Pramanik (2024). *Building Sustainable Human Resources Management Practices for Businesses* (pp. 16-29).

www.irma-international.org/chapter/blockchain-technology-for-corporate-responsibility/342744

Opportunities and Challenges in Solar Photovoltaic Waste Management

Bhanu Prakash Saripalli, Adip Krishna Guduru and Jayaditya Reddy Yeruva (2024). *Sustainable Solutions for E-Waste and Development* (pp. 217-238).

www.irma-international.org/chapter/opportunities-and-challenges-in-solar-photovoltaic-waste-management/338705

E-Development and Sustainable Management Education for Effective Leadership and Sustainable Society

Suplab Kanti Podder and Debabrata Samanta (2022). *International Journal of Social Ecology and Sustainable Development* (pp. 1-18).

www.irma-international.org/article/e-development-and-sustainable-management-education-for-effective-leadership-and-sustainable-society/301254