

# Chapter 8

## Use of Social Media by Companies: An Exploratory Study

**Amir Manzoor**

*Karachi School of Business and Leadership, Pakistan*

### **ABSTRACT**

*There is no doubt that social media (SM) has changed the fundamental nature of customer-company interaction and communication. The extant literature on SM use is focused on the mechanics of SM use and the possible benefits that companies can achieve. The literature has also identified number of managerial challenges associated with SM use in companies. However, the literature is fragmented when it comes to the question as to how these benefits can be realized by companies. This study attempts to provide a comprehensive coverage of the SM use by the companies. This study also reviews various managerial challenges associated with SM data use and provides recommendations to deal with these challenges.*

### **INTRODUCTION**

The SM has provided companies a platform that has change the nature of interaction between companies and their customers. As such, a growing body of literature has focused on the use of SM by the companies (Gallaughner & Ransbotham, 2010; Aydin et al., 2021). A review of literature reveals that there is no clear, comprehensive, and agreed-upon definition of SM. Majority of the empirical literature has focused on how individuals use SM with little attention paid on SM use by the companies. Therefore, the main objective of this study is to investigate how companies use social

DOI: 10.4018/978-1-6684-6454-0.ch008

## ***Use of Social Media by Companies***

media (SM) data (DesAutels, 2011; Ngai, Tao, et al., 2015). SM data use refers to processes used to monitor, process, act and use SM data (Baidokhti, 2019; Zamani & Brady, 2012). One of the focus areas of this study is the various managerial challenges associated with use of SM data.

The processes of SM data use have been examined using model of relational information (Evers, et al., 2017; Tseng, 2020) and SM analytics (Bekmamedova & Shanks, 2014). The main difference between these two perspectives is that first perspective looks at SM data use in companies at conceptual level while second perspective looks at SM data use at aggregate level. A review of extant literature reveals that there exist seven stages related to the use of SM data: Reciprocity, Monitoring, Analysis, Integration, Dissemination, Utilization, and Storage (Baidokhti, 2019). However, literature provides limited coverage as to how companies can apply these stages for SM data use. This leads to the need to conduct further research to gain deeper insight of the SM data use by the companies and its associated managerial challenges.

## **REVIEW OF SOCIAL MEDIA LITERATURE**

### **Role of Information Technology (IT) in Marketing**

The role and impact of IT in the marketing is a focus of researchers for long time (O'Driscoll, 2008). The researchers view modern marketing as largely driven by data and information and argue that IT-enabled marketing practices are the need of the hour (Brinker & McLellan, 2014; Mauti, 2021). In this context, the term decision-driven marketing has been coined to reflect the interaction of IT and marketing practices in the companies (Harrigan & Hulbert, 2011). The researchers have used various theories to explore the relationship between marketing and IT. These theories include The Stages Theory of IT adoption (Nolan, 1979), Theory of Paradoxes of Technology (Mick & Fournier, 1998), and the Technology Acceptance Model (Davis, et al., 1989). These researchers stress the urgency of adopting marketing practices to the new technology era and recommend that IT should be an integral part of the marketing practices of companies (Brady, et al., 2008; Johnson, Bardhi, et al., 2008; Muk & Chung, 2015).

### **Social Media (SM)**

SM is diverse and dynamic and users use variety of SM platforms and applications. Companies use SM to interact directly with customers, collect and analyze customer information, and tailor their products/services. Customers use SM for variety of

21 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/use-of-social-media-by-companies/322197](http://www.igi-global.com/chapter/use-of-social-media-by-companies/322197)

## Related Content

---

### A Survey of Nature-Inspired Algorithms With Application to Well Placement Optimization

Jahedul Islam, Pandian M. Vasant, Berihun Mamo Negash, Moacyr Bartholomeu Laruccia and Myo Myint (2020). *Deep Learning Techniques and Optimization Strategies in Big Data Analytics* (pp. 32-45).

[www.irma-international.org/chapter/a-survey-of-nature-inspired-algorithms-with-application-to-well-placement-optimization/240334](http://www.irma-international.org/chapter/a-survey-of-nature-inspired-algorithms-with-application-to-well-placement-optimization/240334)

### Hope, Nihilism, and Faith in the World of Professional Wrestling and Its Data-Driven Monetization

Mitrajit Biswas (2026). *Data-Driven Monetization Strategies for Economic Insights* (pp. 411-440).

[www.irma-international.org/chapter/hope-nihilism-and-faith-in-the-world-of-professional-wrestling-and-its-data-driven-monetization/393322](http://www.irma-international.org/chapter/hope-nihilism-and-faith-in-the-world-of-professional-wrestling-and-its-data-driven-monetization/393322)

### Business Data Analytics Applications to Online Product Reviews and Nationalism

Charles C. Willow (2021). *International Journal of Data Analytics* (pp. 27-39).

[www.irma-international.org/article/business-data-analytics-applications-to-online-product-reviews-and-nationalism/285466](http://www.irma-international.org/article/business-data-analytics-applications-to-online-product-reviews-and-nationalism/285466)

### Unstructured Healthcare Data Archiving and Retrieval Using Hadoop and Drill

Hang Yue (2018). *International Journal of Big Data and Analytics in Healthcare* (pp. 28-44).

[www.irma-international.org/article/unstructured-healthcare-data-archiving-and-retrieval-using-hadoop-and-drill/223165](http://www.irma-international.org/article/unstructured-healthcare-data-archiving-and-retrieval-using-hadoop-and-drill/223165)

### An Improved Estimation of Parameter of Morgenstern-Type Bivariate Exponential Distribution Using Ranked Set Sampling

Vishal Mehta (2022). *Ranked Set Sampling Models and Methods* (pp. 1-25).

[www.irma-international.org/chapter/an-improved-estimation-of-parameter-of-morgenstern-type-bivariate-exponential-distribution-using-ranked-set-sampling/291276](http://www.irma-international.org/chapter/an-improved-estimation-of-parameter-of-morgenstern-type-bivariate-exponential-distribution-using-ranked-set-sampling/291276)