

# Editorial: Improving firm processes, strategies and success using social media

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Sebastian Spaeth

Jetta Frost

In 2013, the renowned journal *Information Systems Research* published a special issue dedicated to Social Media. At the time of writing, two out of the top three most read articles in that journal consist of articles from that issue, followed by two articles examining the spread of user generated content across social networks<sup>1</sup>. This demonstrates the impact of “social media” on and its importance for organizations and as a research topic. In their editorial, Aral et al. (2013) forcefully argue that social media are fundamentally changing the way we communicate, collaborate, consume, and create. Social media can and is being used for a multitude of reasons by various actors (McAfee, 2006) and can be examined from different perspectives by researchers of many disciplines. The political sciences, for example, investigated social media usage during the Arab spring (Wolfsfeld et al., 2013), while computer scientist explore better tool designs. While interdisciplinary research is necessary to understand new phenomena (Raasch et al., 2013), this issue focuses on management and attempts to advance our understanding of how firms (can) use social media for their purposes.

We agree that social media cause an important and disruptive transformation of our private and work life, yet social media is a broad and all-encompassing topic that remains difficult to grasp. It has been shown that users of social media behave and purchase differently than non-users (Boley et al., 2013) and firms lose control over their marketing communication (Mangold and Faulds, 2009). While social media generally has positive connotations, it is not necessarily good for all. Research has identified situations where community feedback led to less creative user designs and designer satisfaction (Hildebrand et al., 2013), thus an understanding of the

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<sup>1</sup> According to the journal's „most read“ counter. (as of August, 2015)

processes, benefits, pitfalls, and risks is essential. Aral et al. are right: more detailed research is certainly needed. This special issue takes up that task. It assembles a set of six articles representing the multi-functional and multi-disciplinary nature of the topic at hand, yet mostly stays at the firm level in order to remain focused. The main focus is on two aspects. First, firms' use of social media to improve processes and strategies: recruiting (Rode and Süß, 2015), customer relationships (Landherr and Pflieger, 2015), public relation strategies (Blaschke and Veh, 2015), word-of-mouth promotion (Weiber and Wolf, 2015), and startup success (Pakura, 2015). Second, we advance our theoretical frameworks and tools proposing new analytical perspectives (Blaschke and Veh, 2015; Hauptmann, 2015) that can be used to analyze social media settings.

Rode and Süß (2015) examine the impact of organizations' internal use of social media as a means to signal employer attractiveness. The positive perception of social media in the public and the *war for talent* (Beechler and Woodward, 2009) intuitively suggest a positive relationship. Interestingly, they find a generally negative relationship between organization-internal use of social media and employer attractiveness to young potential employees. While the specific effects are a bit more complex (read the full paper for the details), employers worldwide should take note of the fact that the apparent "use social media" checkbox is not something that HR departments should blindly follow or be proud of. Measuring the value of social media use remains one of the difficult topics in research and practice.

The study conducted by Landherr and Pflieger (2015) does not focus on potential employees, but on existing customers.. They examine companies' usage of social media as a means to improve customer relationship management. In a world where social media can be used to connect to existing customers, existing CRM solutions have often provided add-on applications allowing the integration of social media for CRM purposes. Finding the right level of IT usage is difficult in general (Brynjolfsson, 1993), so when should companies invest? Landherr and Pflieger derive a formal model of the optimal usage of social CRM modules based on customer cash flows and illustrate the usage by means of a fictional CRM module.

Weiber and Wolf (2015), who analyze the word of mouth effect through social media usage of customers, have in mind both existing and potential customers.. In their study they differentiate between consuming, participating, and producing users and

ask whether their integration in a firm's communication can enhance the positive word of mouth effect. In a survey of 395 users, they find that, in general, the perceived involvement in an organization's communication, perceived impact on the organization's communication and the perceived "product involvement" increase users' willingness to perform positive word of mouth but not negative word of mouth discussion. A more fine-grained analysis demonstrates varying strengths of the effects between different user types.

Strategies that firms can employ to actually integrate users via social media are being identified in the article by Blaschke and Veh (2015). Adapting literature from public relations management, they derive four communication strategies: broadcast, information, response, and engagement. Against the backdrop of a communicative construction of organizations' perspective (Cooren et al., 2011), they use the concepts of turn receiving and turn claiming (Gibson, 2005) to map an organizations' Twitter conversations to these strategies. Analyzing the Twitter behavior of all 30 publicly listed blue chip companies (DAX), they conclude that most large companies pursue a broadcasting or information strategy, with just two companies acting in "response" mode and three companies engaging with users. Providing a methodology to categorize a firm's social media strategy is helpful for both managers and further research building on these findings.

A higher-level perspective than single processes or facets of strategy is pursued by Pakura (2015), who analyses the success of small startups depending on the social media usage by the entrepreneur. Specifically, examining the effects of Facebook activities of 1,971 small enterprises in the German crafts sector, Pakura evaluates four hypotheses surrounding social network usage on firm performance. She finds that Facebook activities significantly impact on their dependent variable, the more so if firms exhibited higher levels of marketing capabilities. Her large scale empirical analysis of real-world companies underlines the importance of an active social media strategy even for small firms.

Finally, and somewhat different from the remaining studies included, the study by Hauptmann (2015) advances our theoretical understanding of social media by proposing to combine genre and speech act analysis against the backdrop of structuration theory. Given that (often terse and with little context) single social media messages often are ambiguous with regard to their genre, Hauptmann posits that

using knowledge of the context of social media conversations can help to determine the genre of messages nonetheless. He argues that using genres as context of speech act enables researcher to better assess and analyze these, thus contrasting the view of some previous research (Herring, 2004). Theoretically, the perspective is well aligned with that of Blaschke and Veh (2015), assuming that organizations are to a large extent constructed and determined by communication and language. However, it argues that both genre and speech acts interplay and should not be seen in isolation from each other.

Altogether, we believe this issue has managed to cover many aspects of a firm's interactions with social media while staying focused on the management of social media by firms. Most of the findings have clear implications on firms and managers, rendering the question of practical relevance moot. At the same time, the articles provide a theoretically sound backdrop and advance our understanding of applicable theories and tools that can be used to analyze social media settings. We hope you will find the article as interesting and stimulating as we do.

Lastly, we would like to express our gratitude to all contributing authors and the many anonymous reviewers who have helped to select appropriate articles and increase their quality during the revisions. We also thank Mrs Kühne at the editorial office for her patient and professional handling of the processes involved.

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