Social media usage and organizational performance: Reflections of Malaysian social media managers

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Abstract

Social media usage among organizations is growing tremendously. Organizations are now building and maintaining social media public pages to improve their social network salience, enhance interest in their organizations, and build relationships with the online public. The majority of the studies on social media usage are based on the individual perspective while some are from the organizational perspective. However, not many studies have investigated the actual impact of social media usage on organizational performance. Therefore, using the qualitative approach, this study investigates the various purposes of social media usage and its impact on organizational performance. This study however, focuses only on the social media managers’ views. The senior managers of six organizations that are using social media are interviewed from which we find that social media is used for various purposes in organizations, such as advertising and promotion, branding, information search, building customer relations and many more. The results also show that social media has a greater impact on the performance of organizations in terms of enhancement in customer relations and customer service activities, improvement in information accessibility and cost reduction in terms of marketing and customer service.

1. Introduction

Social media are characterized by user generated content, which has been found to be more effective than traditional marketing communications in influencing the attitudes and behaviours of other users (Thackeray et al., 2008). Social media is the product of Internet-based applications that build on the technological foundations of Web 2.0. Web 2.0 is a platform in which software and content are produced and developed by different participants in a continuous and collaborative manner (Laroche et al., 2012). With the wide use of Web 2.0 technologies, such as blogs, wikis and SNS, common users gained the capacity to create web content (to write) (Shi, 2013). According to Berthon et al. (2012), Web 2.0 technologies have had three effects – a shift in the locus of activity from the desktop to the Web, a shift in the locus of value production from the firm to the consumer and a shift in the locus of power away from the firm to the consumer.

Realizing the importance of Web 2.0 applications, organizations are now building and maintaining social media public pages to improve their social network salience, enhance interest in their organizations, and build relationships with the online public. Social media is growing as an important strategic tool among organizations. In the context of Malaysia, the government as well as businesses have started to realize the importance of social media. According to the Burson-Marsteller
Asia Pacific 2011 Report, Malaysian firms use social media for corporate communications and marketing activities. The results of the study reveal that among the Southeast Asian organizations, the Malaysian, Thai and Filipino organizations have invested strongly in social media. It was also found that South Korean, Australian and Malaysian organizations are actively promoting their social media channels through their corporate websites (Slover-Linett and Stoner, 2011). This shows that realizing the importance of social media, most of the Malaysian organizations have already created a social media presence for their organizations. Nevertheless, having a social media presence does not increase the awareness or trigger an increase in participation (Waters et al., 2009). For any technology to be successful and to have an impact on organization performance, it has to be used effectively. Academic research on social media remains less complete in the context of insightful investigations into the various purposes of social media usage and subsequent impacts on organizations (Schultz et al., 2012). Hence, in order to understand the potential of social media, it is critical to investigate the various purposes of social media usage and its impact on organizational performance. Consequently, the questions that arise then are: ‘Why do organizations use social media?’ and ‘What is the impact of social media usage on organizational performance?’ To answer these questions, this study aims to investigate the organizational usage of social media and its subsequent impact on the performance of the organization. The data for the study were collected from six organizations operating in Malaysia that use social media for their business activities through semi-structured in depth interviews.

The next section of the paper reviews the literature on the organizational usage of social media and previous studies related thereto. The methodology and the six research sites that are investigated are discussed, followed by the research findings, describing the experiences of the organizations. Then, the discussion section follows, integrating the specific concepts and attempts to provide in depth discussion on the research findings. The conclusion then describes the contribution of the research and also provides guidelines for future research.

2. Literature review

Social media is a platform that facilitates information sharing and participation from users of the media in order to create and/or distribute the content (Steenkamp and Hyde-Clarke, 2014). These platforms have shifted the emphasis of Internet services from being consumption-based towards becoming more interactive and collaborative, thereby creating new opportunities for interaction between organizations and the public (Henderson and Bowley, 2010). Distinct from old forms of media, social media can include both web-based and mobile technologies (Mou et al., 2013). Organizations should consider using social media because of the changing trends among consumers. Mangold and Faulds (2009) claimed that marketing managers should recognize the power and critical nature of the discussions being carried out by consumers using social media. Due to the advantages of social media in connecting businesses to end-consumers directly, in a timely manner and at a low cost (Kaplan and Haenlein, 2010), by facilitating various areas of marketing, such as promotions, marketing intelligence, sentiment research, public relations, marketing communications, product and customer management (Akar and Topcu, 2011; Tanuri, 2010), social media has become the center of attention in many industries.

The much higher level of efficiency of social media compared to other traditional communication channels prompted industry leaders to state that companies must participate in Facebook, Twitter, Myspace, and others, in order to succeed in online environments (Kaplan and Haenlein, 2010). The growing trend of social media has also encouraged many authors to conduct research in this field. However, most of the studies on social media are conducted based on an individual perspective (Agarwal and Mital, 2009; Coyle and Vaughn, 2008; DeKay, 2009; Gangadharbhatla, 2008; Pelling and White, 2009). Studies based on organizational adoption of social media are quite limited; some of the studies that investigated social media usage among organizations are discussed below.

Authors like Curtis et al. (2010), using the Unified Theory of Acceptance and Use of Technology (UTAUT), identified the use of social media by non-profit organizations. The results of this study indicated that social media tools are becoming beneficial methods of communication for public relations practitioners in the non-profit sector. Organizations with defined public relations departments are more likely to adopt social media technologies and use them to achieve their organizational goals. In addition, public relations practitioners are more likely to use social media tools if they find them credible.

On the employees side, Koo et al. (2011), by applying the media richness theory and social theories investigated how social communication technologies (SCTs) can be used by an employee to fit his/her task characteristics. Additionally, it also examined how the employee’s social relationships moderated media usage in the current job environment and how this usage influenced the task performance. The results showed that task characteristics were related to media usage, whereas social factors (social influence and social affinity) moderated the degree of the relationships. Moreover, the usage of social technologies results in positive task performance. Okazaki and Yagüe (2012) examined the effects of an advergame on perceived brand value in the context of mobile social networking sites (SNS). They found that brand-game fit had a positive effect on perceived brand value and electronic word-of-mouth (eWOM) intention; similarly SNS engagement has a positive effect on eWOM intention. Some authors have also examined social media using qualitative approaches. Tikkanen et al. (2009) qualitatively analyzed the key factors facilitating the growth and success of marketing in virtual worlds. They found that telepresence, flow, virtual experience and consumer learning are important underlying elements of virtual worlds and virtual world marketing. They also suggested that social networking can be used, especially for connecting with customers, thereby contributing to customer learning and getting customer input.
On the other hand, Harris and Rae (2009), using a case study approach, investigated the use of new technologies, such as Web 2.0 by entrepreneurial businesses in West London and found that social networks will play a key role in the future of marketing; externally they can replace customer annoyance with engagement, and, internally, they help to transform the traditional focus on control with an open and collaborative approach that is more conducive to success in the modern business environment.

As can be seen from the above studies, most of them investigated the general use of social media for businesses, with very few having investigated the actual impact of social media usage on organizations. According to Torkzadeh and Doll (1999), in general, the impact of technology can be viewed from the system of the value chain perspective, which is based on the attitude–behaviour theory. Impact is the most important variable in the chain of a system to value construct as it has a direct consequence on usage, which, subsequently, determines the organizational impact. Based on the system to value chain and downstream research concept, this study investigates the various purposes for which organizations use social media and also identifies its impact on organizational performance.

3. Research methodology

In order to answer the research questions and to achieve the objective, this study uses an interpretive, naturalistic approach to its subject matter in which the researchers study things in their natural settings, attempting to make sense of, or interpret phenomena in terms of the meanings people attach to them. Moreover, inductive analysis was conducted as it helps to discover patterns, themes and categories in one’s data (Patton, 1990). This qualitative approach facilitates an in depth examination of the phenomenon in its organizational setting (Benbasat et al., 1987). The method was chosen for various reasons; firstly, organizational usage of social media is quite new (Akar and Topcu, 2011) and also there is a lack of literature concerning the field of organizational usage of social media, which calls for an exploratory research that can be best achieved through qualitative methods. Secondly, the main objective of this study is to identify how the social media usage affects the performance of organizations, as social media is still in its early stage, its impact measures can only be identified through in depth discussion with the organization. Therefore, the qualitative semi-structured interviews, were chosen as part of the study. This method is the commonest in qualitative work when there is a desire to hear what informants have to say on the topics and areas identified by the researcher (Arksey and Knight, 1999).

The data were collected through in depth semi-structured interviews. Under the purposive sampling method; the intensity sampling technique was used to select the organizations that are using social media effectively. Intensity sampling involves selecting very informative cases that represent a phenomenon of interest intensively (Teddlie and Tashakkori, 2009). Organizations were selected from the list of firms listed in the main market of Kuala Lumpur Stock Exchange. Preliminary analysis was carried out to identify firms that have been using social media. They were then contacted, and, subsequently, six organizations agreed to participate in the study. The six organizations were interviewed using the protocol for semi-structured face-to-face interviews. Interview questions were prepared after reviewing the literature on social media. A general interview guide was used in which the topics and issues were specified in advance, in outline form; the sequence and wording of questions were altered during the course of the interview.

The senior manager or the head of social media team was interviewed. In most organizations the social media comes under either marketing or the corporate communication department, except for one that had its own social media department. For two organizations, the senior manager along with the social media executive participated in the interview session. The organizations interviewed represent five different industries – consumer products, telecommunications, airlines, manufacturing and finance. Once the interview session was completed the data were transcribed. After transcription, the process of unitizing and categorizing was carried out to make sense of the data. Unitizing is the coding operation in which information is isolated from the text. Thus, the unit of analysis is the interview segment, which ranges in length from a few words to several paragraphs. The emerging themes for various sections were identified from the transcripts (Schulenberg, 2007).

After identifying the themes, the process of categorization was carried out, which involves taking the information units (themes) derived from the unitizing phase and organizing them into categories on the basis of similarity in meaning (Schulenberg, 2007). For the creation of categories, the constant comparison method was used, which entails continual revision, modification and amendment to the category until all new units can be placed into an appropriate category, and the inclusion of additional units does not expand existing categories or create new ones – that is, empirical indicators from the data of the six organizations are compared for similarities and differences and grouped accordingly. This process is also referred to as open coding whereby all the interview transcripts are reviewed in their entirety for descriptive categories (Glaser and Strauss, 1967).

Terms like reliability and validity from quantitative research do not fit the qualitative research as the nature and purpose of the two types of research are different (Krefting, 1991). The validity of the qualitative research can be assessed by three measures – credibility, confirmability and transferability (Albrechtsen, 2007; Thagaard, 2002). The credibility of the results is supported by the description of the research process. The data transcribed must portray exactly what was said by the respondent during the interview and the reporting of the data should also be accurate. In order to ensure this, the transcription was done word by word after listening to the interview recording several times. Furthermore, since accurate data from the respondent are needed, during the interviews the researcher acted as a discussion partner just listening to the informants and questioning them when necessary without influencing the informants. In the paper, thick descriptions were also given to ensure the credibility of the research.
Secondly, confirmability is created by developing research questions from theory and by continuous control during interviews and exact transcription (Albrechtsen, 2007). In order to assess confirmability, before the interview sessions the researcher conducted an in depth literature review and content analysis of various theories and factors and developed the research questions accordingly. Moreover, the summary of the interview transcripts was sent to the informants via e-mail to get their acceptance. No major comments or corrections were specified by the informants. Next, in order to ensure validity, the measure for transferability was investigated. Since the qualitative results are not generalizable, consideration should be given to check whether the results are transferable to other contexts. This study was conducted among organizations that are using social media. Purposely, organizations from different industries were selected and interviewed. The information about the context and the organizations studied are clearly described in order to provide an understanding of the context, thus strengthening the possibility of transferring the results to other contexts.

3.1. Background of organizations

Organization A is Asia’s leading Airline Company. Organization A started to use social media in 2008; they started with a blog and then moved onto Facebook and Twitter. The organization also uses support platforms, such as Instagram, Flickr, and YouTube. The participants for the study were the senior manager of social media commercial and the executive from the social media team.

Organization B is a Malaysian mobile network operator headquartered in Kuala Lumpur, Malaysia. It provides a variety of mobile communication products and services. The company primarily operates across the Asia–Pacific region. Organization B started to use social media in 2009; it was initiated by the digital team of the marketing department. The organization’s primary channels comprise Twitter, Facebook and YouTube. They also have their organizational forum. The participant was the head of web sales and services, who was managing a couple of teams that looked after the organization’s website, customers’ self-service technologies, organizations’ ecommerce, and social media activities. The participant had more than 10 years working experience with technology companies.

Organization C is a regional universal bank operating in high growth economies in ASEAN. It is one of the Malaysia’s largest financial services providers. With the idea from the head of group marketing and communication department, organization C started its social media presence in March 2010, which started with a Twitter account and followed by a Facebook fan page in July 2010. They also have a CEO blog, which is the internal blog to communicate with employees within the organization. Apart from these social media channels, they also post videos about their organization on YouTube. The participant was the head of marketing and communication department who was also the head of the social media team with 10 years’ experience in the banking industry.

Organization D is Malaysia’s leading automobile manufacturer. Over the years, the organization has increased cost-efficiency, reliability and quality through the use of automation and robotics in the manufacturing processes. They are also continuously trying innovation in design and creative engineering methods through the launch of research and development facilities. The organization started its presence in social media in June 2011 with Facebook. The social media usage was initiated by the digital marketing team, which is responsible for all the digital touch points in the organization. The organization also uses Twitter, posts videos on YouTube for advertising their products, and an internal forum, which is used internally to share knowledge among employees. The head of the digital marketing team of the organization was interviewed for this study.

Organization E is an integrated manufacturer and retailer in gold and jewellery. The group has taken great strides and was accredited with the International Organization for Standardization (ISO) in Quality management system for its retailing in jewellery. The social media presence was established in the organization during mid-2010 with its first presence on Facebook, after that they also started to use other channels such as Twitter and YouTube. Apart from the general social media tools, the organization also has an online jewel club where consumers can communicate with the organization online, via an email blast and also by Short Messaging System (SMS). The participant for the study was the senior manager of the marketing department who has more than 10 years of work experience and who handles the social media division in the organization.

Organization F is one of the government linked organizations in Malaysia. It is an award-winning airline with a fleet of more than 100 aircraft, servicing more than 110 destinations across six continents. The airline started to use social media in 2009 and it was initiated by the communication and media relations department. Currently, the organization uses Facebook, Twitter and Blogs to communicate with customers. In 2011, they introduced a social seating plan that allows passengers to pick seatmates before their flight. The plan lets passengers share their social network profiles and photos with other passengers on the same flight. The senior manager of media, issues and crisis management, who has more than 10 years of experience, as well as the senior executive of media relations were interviewed for this study.

Overall, all the organizations that were interviewed had a Facebook page, followed by Twitter, Blogs, and YouTube, etc. It can be concluded that the organizations started to initiate the usage of social media in 2008. An initial review of their social media sites illustrated that they all use English as the primary language, as English is the accepted official business language in the country. Four of the firms also have postings in Bahasa Melayu and Chinese. In this study, the emphasis was the impact of the social media in general without considering the multilingual effects; hence, it is suggested that future research should investigate it further.
4. Research results

The themes originating from the interview data revealed that social media is used for various purposes in organizations, such as for branding, advertising and promoting the products and services, as well as for conducting market research, which helps organizations to determine customers’ wants and needs, and also to get customer opinion and feedback about the existing products and services. Organizations also use social media for word-of-mouth marketing. The unique feature of social media allows organizations to obtain referrals from one customer to another. Furthermore, social media is used for sharing the organizational information with the public and to obtain information about customers and competitors. More in-depth discussion about the usage of social media is provided below.

4.1. Social media usage

4.1.1. Advertising, branding, research and referrals

The results of the study showed that social media is used by organizations for branding, advertising and promoting their products, for conducting marketing research and also to obtain referrals for their product and services. The participant from Organization A stated that:

“Social media is used as the voice of the brand; we use it for branding, marketing and public relations. We gather updates from fans, feedback from fans, we want the fans to know that we are listening to them as well...We try our best to fulfil our customers’ needs via social media. We use social media for getting customer opinions.”

Similarly, Organization B stated that they get referrals through social media:

“...we ask our customers to tell their friends via social media about our company’s special promotions, and then they get points. It is basically getting people to talk about our brand, and incentivising them to share information about our company...”

4.1.2. Information search and sharing

The respondents also claimed that they use social media for sharing the organizations’ information with the public, and that they also gather a lot of information about their customers and competitors via social media. The respondent from Organization B stated that:

“...we get information about our potential customers as Facebook gives a lot of analytics about customers, such as demographics, age group, where they come from, which type of communication work better for which customers.

Similarly, the respondent from Organization C also stated the importance of social media usage as:

“...it’s really for customer intelligence or business intelligence, we do a monthly report about customer’s insights, concerning what our customers are saying about us; what are their problems; and what they are happy about our bank, and we feed this information to different units so that they can either fix their problems and if they are not doing well, then they can improve themselves. We also do lots of research and get information about our competitors and market using social media...”

The respondent from Organization D said that they share the information about their organization and product with the public via social media, which helped in building a good relationship with their customers.

“...most of our customers are consuming information about our company via social media. And we are consuming information about our customers via social media... It allows us to share information with customers. Customers know about our company through Facebook. It builds a good relationship with customers...”

Table 1 shows the information concerning the organizations interviewed and the social media tools they use.

Table 1
Organizations and social media usage.

<table>
<thead>
<tr>
<th>Organizations</th>
<th>Industry</th>
<th>Interviewee</th>
<th>Year-social media initiated</th>
<th>Social media channels used</th>
<th>Facebook likes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organization A</td>
<td>Airlines</td>
<td>Senior manager of social media commercial and social media executive</td>
<td>2008</td>
<td>Facebook, Twitter, Blog, histogram, Flickr, YouTube</td>
<td>1,616,211</td>
</tr>
<tr>
<td>Organization B</td>
<td>Telecommunications</td>
<td>Head of web sales and services Head of marketing and communications</td>
<td>2009</td>
<td>Facebook, Twitter, YouTube</td>
<td>528,794</td>
</tr>
<tr>
<td>Organization C</td>
<td>Bank (finance)</td>
<td>Head of digital marketing</td>
<td>2010</td>
<td>Facebook, Twitter, Blog, YouTube</td>
<td>650,367</td>
</tr>
<tr>
<td>Organization D</td>
<td>Manufacturing</td>
<td>Senior manager of marketing</td>
<td>2011</td>
<td>Facebook, Twitter, YouTube</td>
<td>40,354</td>
</tr>
<tr>
<td>Organization E</td>
<td>Consumer products</td>
<td>Senior manager of media, issues and crisis management and media relations executive</td>
<td>2010</td>
<td>Facebook, Twitter, YouTube</td>
<td>21,919</td>
</tr>
<tr>
<td>Organization F</td>
<td>Airlines</td>
<td></td>
<td>2009</td>
<td>Facebook, Twitter, Blog</td>
<td>556,725</td>
</tr>
</tbody>
</table>
Many organizations also agreed that they know about their competitors, their moves and activities through social media. The respondent from Organization D stated:

"...yes we do see what our competitors do, I personally subscribe to the social media pages of all competitors, we do have a social media monitoring platform, currently it is very basic, through which we gather basic information, such as number of fans they picked up, why and how they promote people to join their Facebook page. This year we are going to look more specifically and conduct a detailed search about our competitors; we can subscribe to monitoring services, then we can look at what others are doing, so that we can leverage on whatever information we have..."

4.1.3. Customers relations and service

The organizations stated that social media is mainly used to have two-way communication with customers, to build a good customer relationship, to serve customers efficiently, to reach new customers and also to obtain opinions and feedback from customers. The participant from Organization F stated that:

"...we get customer feedback, views from customers about their experience either good or bad, so it helps in building a relationship with customers. It also helps in making the brand more prominent..."

While Organization B stated that they use social media mainly for customer service activities:

"Social media in our organization is used for customer service; we operate from 9 a.m. to 12 midnight. This is another channel for customers to interact with us directly if they have any specific need..."

The usage of social media for customer service activities was elaborated upon in more detail by the respondent from Organization C, as follows:

"We started with Twitter first and we focused on customer service...our customers started following us on Twitter so that they can get help or assistance on banking products and services queries. By the time we started the Facebook page it was more like two-way communication..."

Organization E claimed that social media is also used to reach new customers:

"...social media is mainly used to gain popularity, build new customers, especially youngsters because the gold business mainly has middle-aged customers as only these people can afford to buy gold jewellery; now, Facebook can help to get young customers as well..."

Therefore, from the descriptions above, it is understood that social media is used for various purposes by organizations. Table 2 lists the various purposes of social media usage, which are derived from the themes originating from the interview data of the six organizations.

4.2. Social media impact

The respondents from various organizations explained that social media usage had contributed to improve the performance of their organizations in various ways, such as it had enhanced customer communication and customer service, improved the visibility of the brand, improved the information sharing and enhanced the accessibility of information about the customers and competitors, some organizations have also seen a cost reduction in terms of advertising and customer service. The paragraphs below discuss the impact factors identified from the interviews.

4.2.1. Enhanced customer relations and service

The organizations mentioned that one of the biggest impacts of social media usage on the organization is that it has enhanced the relationship with customers and also helped to provide a better service to the customers. Almost all six

<table>
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<th>Table 2</th>
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<tbody>
<tr>
<td>Social media usage.</td>
</tr>
<tr>
<td>(1) Information sharing and search</td>
</tr>
<tr>
<td>(2) Branding</td>
</tr>
<tr>
<td>(3) Advertising and promotion</td>
</tr>
<tr>
<td>(4) Conduct market research</td>
</tr>
<tr>
<td>(5) Reach new customers</td>
</tr>
<tr>
<td>(6) Getting referrals (word-of-mouth via likes, shares and followers in Facebook, Twitter, etc.)</td>
</tr>
<tr>
<td>(7) Develop customer relations</td>
</tr>
<tr>
<td>(8) Communicate with customers</td>
</tr>
<tr>
<td>(9) Customer service activities</td>
</tr>
<tr>
<td>(10) Receive customer feedback</td>
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</table>
organizations stated that social media helps a lot in building customer relations and enhancing customer service. For example, the respondent from Organization B stated:

“...we definitely think social media has enhanced the customer service. There are specific benefits for customer communication through social media. For example, if a customer goes overseas and they forget to activate online roaming, then this is the way to communicate with us that their phone doesn’t work. No matter where they are they can communicate with us at free cost with the help of social media...”

Similarly, the respondent from Organization C discussed about the enhancement in customer relations via social media, as follows:

“...getting comments from customers and responding to them has created a good relationship with our customers... It has improved the speed of bringing the customer information to the organization. It has also enhanced the responsiveness to customers, the customer service is made faster to a certain extent. From marketing, positioning and the customer service perspective we get a direct impact from social media...”

4.2.2. Cost reduction
Some organizations claimed that they had actually seen a cost reduction in terms of marketing and customer service from social media usage.

According to Organization A, social media usage has reduced costs in terms of marketing and customer service. As the respondent stated:

“Social media has definitely reduced the spending of the marketing dollars. Social media does eliminate the cost of customer services in certain areas, by cutting down the various layers of customer service. In some cases, social media helps to provide a service to customers directly, while for major services, social media helps to direct them to the right customer service department.”

In addition, the respondent from Organization B stated that the spending on advertisements in social media is less and very effective. He further claimed:

“We use social media in conjunction with advertising, it is a continuous improvement in terms of doing things in terms of optimization...It is more about extracting value, instead of spending more on traditional media, we now spend on social media which costs less and is very effective.”

Similarly, the respondent from Organization C stated that:

“Social media is very cost effective and reduces the marketing cost. It is like, “Did I do it more effectively using social media? One print advertisement in a newspaper costs 30 to 40K, but can spend less on Facebook post, and can get same message across to 2k or 4k people.”

The companies interviewed mentioned that they use cross-media campaigns. Initially, when they started to have a social media presence, they advertised it via print advertisement, and, whenever they conducted an online campaign, they advertised it through offline media to drive traffic towards their social media pages. Similarly, when there was an offline event or campaign they advertised it via social media pages. The organizations use both offline and online media to support each other. However, in terms of cost effectiveness the respondents mentioned that social media is more cost effective, as, with minimal cost, it can reach a large audience, especially in a country like Malaysia where people are more social media savvy.

4.2.3. Improved information sharing and accessibility
Almost all the organizations stated that social media provides various informational benefits to both the organization and its customers. As the respondent from organization D stated, the informational benefits through social media are as follows:

“...giving the content for customers to understand about our organization. Social media is the awareness channel. It enhances more information sharing between the customers and the organization”

Similarly, the respondent from Organization E stated that:

“Social media is helping us to have faster information access, which enables us to respond to market scenarios more quickly...”

4.2.4. Improved brand visibility
Organizations also agreed that social media has improved the visibility of their brand, and enhanced brand health. According to the respondent from Organization A:

“People now see that our organization is not just airlines, it is a brand, which is more fun, young and dynamic. It has improved our brand positioning...”

The respondent from Organization D also stated that:
“Social media increases the visibility of our company on the net as we also track sentiment analysis to find the increase in brand visibility.”

4.2.5. Revenue generation

Some organizations said that social media has an impact on revenue generation, while others said that, as yet, social media has not achieved this. The respondent from Organization C stated they had already started to generate revenue through social media. The respondent explained this as follows:

“Social media also helps to generate revenue...Our credit card campaign was a revenue generator, which was only from Facebook, which increased credit card usage. The actual smaller individual key performance indicators are directly related to individual campaigns like increase in credit card usage through our credit card campaign in Facebook... We know the number of people who signed up because they actually found out about us from Facebook. We have built our own application to measure this...”

Similarly, the respondent from Organization F also mentioned that one of their programs on Facebook is a direct revenue generator. The respondent from Organization F stated that:

“We run a special programme (XXXXAA), where the customers can buy the special promotion tickets only through the organization’s Facebook page. This has increased the sales and generated revenue for the organization.”

4.2.6. Competitive advantage

With respect to competitive advantage, there were different views from the respondents interviewed. The respondent from Organization A stated that social media helps to maintain a competitive position:

“In terms of various activities, such as crisis management, sales revenue, fan engagement using social media, it helps to maintain competitive positions compared to our competitors. We use creative ways to introduce a new destination with the help of social media; we have a dedicated social media team to use social media in a creative and different way, which helps us to gain competitive advantage...”

Whereas the respondent from Organization B argued that social media usage does not provide a competitive advantage, as the competitors are also using it effectively:

“Well our competitors are also in the same place, so we don’t see any advantage over competitors. Today it is hygiene factor that everyone should use social media..., we think social media is fairly mature, it is a matter of how companies use it innovatively that might help you to gain competitive advantage...”

The above discussion shows that social media can provide a competitive advantage when the organizations use it innovatively and differently from their competitors. Various themes were retrieved from the interview data of the six organizations concerning the impact of social media. After comparing the themes for similarity and differences using constant comparison method, the final categories were identified and named based on the literature review. Table 3 portrays the final list of impact factors.

**Table 3**

<table>
<thead>
<tr>
<th>Themes</th>
<th>Category/factor</th>
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<tbody>
<tr>
<td>Fan engagement, obtain fans, serve people, customer service, increase customer relations, gain new customers and identify loyal customers (Organization A), enhance customer service, enhance communication (Organization B), good relationship with customers, faster customer service (Organization C), enhance engagement (Organization D), get new customers, improve communication with customers, good relationship with customers (Organization E), timely response to customers, improvement in customer service, enhance communication (Organization F)</td>
<td>Enhanced customer relationship and customer service</td>
</tr>
<tr>
<td>Reduce the marketing dollars, eliminate the cost of customer service in certain areas (Organization A), social media spending less for advertising and effective (Organization B), reduce marketing cost (Organization C), Cost is minimal (Organization D)</td>
<td>Cost reduction (marketing, customer service)</td>
</tr>
<tr>
<td>Getting information about customers and competitors (Organization A), getting all information from social media, customer feedback (Organization B), improve speed of customer information to organization, easier access to information about customers and competitors (Organization C), information about organization to customers, informational sharing (Organization D), faster information access (Organization E), useful information from social media (Company F)</td>
<td>Improved information sharing and accessibility</td>
</tr>
<tr>
<td>Improve brand positioning, (Organization A), increase brand visibility, improve reputation (Organization B), increase visibility of brand, improve brand performance (Organization C), enhance brand health, positive WOM (Organization D), publicity to our business, brand visibility (Organization E), more awareness (Organization F)</td>
<td>Improved brand visibility</td>
</tr>
<tr>
<td>Revenue push, drive revenue, support for revenue generation (Organization A), revenue generator (Organization C and F)</td>
<td>Revenue generation</td>
</tr>
<tr>
<td>Maintain competitive positions, gain competitive advantage (Organization A), competitive advantage (Organization C), competitive advantage (Organization F)</td>
<td>Competitive advantage</td>
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</table>
5. Discussion

The study provides an in depth analysis of social media usage and its impact among organizations. The findings showed that organizations mainly use Facebook and Twitter for their business, followed by blogs and YouTube. The organizations use social media for various purposes, such as to search for information about their market, customers and competitors. They use it mainly to identify the latest trend in the market, their target group, customer wants and needs. They also search for information about their competitors, their moves, tactics, promotional tricks and activities on social media and also in the industry. One of the main uses of social media is that it is used as an information sharing channel, through which the organization share information about their products, services, promotions, campaigns, current happenings and upcoming events to the public. The news regarding events, such as the organization’s involvement in corporate social responsibility activities is posted and shared on social media pages, which helps to enhance the image of the organization.

Social media is also used by organizations for branding. The interview results revealed that one of the respondents stated that “social media is used as the voice of their brand”. This is true as the situation now is that brands talk to the customers, customers talk to the brands, and, most importantly, customers talk to each other. This situation is a new type of engagement that was impossible before Web 2.0 (Akar and Topcu, 2011; Awareness, 2008). The results also showed that advertising and promoting products and services on social media would reach more people, as many people spend their time mostly on social media sites, such as Facebook and Twitter. Consumers are turning away from the traditional sources of advertising: radio, television, magazines, and newspapers (Rashcty et al., 2007; Vollmer and Precourt, 2008). They are turning more frequently to various types of social media to conduct their information searches and to make their purchasing decisions (Lempert, 2006; Vollmer and Precourt, 2008).

It was also found that social media is used for conducting market research, especially to obtain customer feedback on existing products and services and also opinions about upcoming new products and services. Social media is also used to reach new customers and to get referrals and enhance word-of-mouth communication. Through social media sites like Facebook, the organizations can ask their customers or fans to share a particular link and recommend a product or service to their friends. Marketers are beginning to understand the use of social media as a component in their marketing strategies to reach out to customers (Akar and Topcu, 2011; Tanuri, 2010).

Another very important aspect for which social media is highly used is to develop a good relationship with customers, to have effective communication with customers. Social media tools help organizations to have two-way communication with customers. This continuous communication with customers can be used for solution development by utilizing customer opinions in making key product decisions (IBM, 2007; Zyl, 2009). The results also demonstrated that social media is also used for customer service activities by answering customer queries directly via social media and directing them to the right place for more in depth services.

Moreover, the important findings of this study are the identification of social media impact factors. The results showed that social media has helped to improve the performance of the organizations in various areas. Social media usage has helped organizations to enhance customer relations and customer service, improve the brand visibility, and improve information sharing and accessibility. Some organizations stated that social media usage also reduces the cost of marketing and customer service activities. Two organizations mentioned that they have been able to generate revenue with the help of social media, and, those organizations that are using social media innovatively have also seen a competitive advantage over their competitors.

As mentioned earlier, the results revealed that social media usage in organizations have a stronger impact in terms of cost reduction for marketing and customer service activities. In today’s era the digital advertisements, especially in social media websites, such as Facebook and Twitter, have, to a great extent, reduced the cost of advertising.

Secondly, the social media has a greater impact on the enhancement of customer relations. Customer relations are improved by allowing customers direct access to information for which they would previously have had to telephone or e-mail. This eliminates the frustration caused by delays (Zyl, 2009). The interactive nature of social media has created a two-way communication between organizations and the public that has helped organizations to improve the relationship with the public.

Furthermore, the effective use of social media among the organizations has enhanced the brand image. The organizations interviewed stated that “Even though bad feedback posted on the organizations’ Facebook page by customers can spoil their reputation, if the issues are handled carefully, and, responded to immediately in a caring and polite manner, then there are high chances of winning the customers hearts, through which the brand image can be improved…”

One of the most important impacts of social media usage is the improvement in information accessibility; the organizations can easily obtain the information about their potential customers, their tastes, their wants from the conversations on the Facebook pages. By becoming a fan of Facebook pages of other organizations, they can also obtain the information about their competitors, their activities, their tactics and their brand sentiments. It is also possible for organizations to obtain general information directly and easily via social media about the market, new trends, and industry information. Moreover, organizations can also easily deliver the organizational information to the public in a timely manner.

The results of the study also revealed that some organizations have generated revenue via social media usage, whereas others have not actually gone to that stage. In Malaysia, organizational usage of social media is still in its growing stage; therefore, the direct impact of social media on revenue generation is minimal at this level. Furthermore some organizations...
have also stated that the use of social media in their organizations has given them a competitive advantage. When the organizations use social media in an effective and innovative manner, they can actually realize a competitive advantage. Therefore, the findings highlight that social media can provide extensive benefits to organizations when it is used effectively and innovatively. Similar to the current study, previous studies have also found that technology usage/adoption has a positive impact on organizational performance (Apigian et al., 2005; Moen et al., 2008; Shuai and Wu, 2011). Table 4 summarizes the results of the study.

6. Conclusion

Even though many researchers have investigated social media from an individual perspective, organizational-level research on social media has not grown as rapidly (Lovejoy and Saxton, 2012). Therefore, this study contributes to the academic field of social media by investigating the organizational usage of social media. Moreover, based on the results, various usage and impact factors in relation to social media have been identified, which can be used by future researchers for further investigation.

This study investigates the usage of social media qualitatively through in depth interviews, which provides clearer insights and understanding of social media usage in an organizational context. In the case of social media, some researchers say corporate adoption of social media while new is already showing enormous benefits. Many process improvements may be found through efficient social networking programs and organizational connectivity (Leader-Chivée and Cowan, 2008). However, at the same time, social networking tools can also create regulatory, disclosure and legal risks, as well as waste people's time (Moocroft, 2008). Because of these issues, most of the organizations are in a confused state as to whether to use them. However, this study provides clear evidence regarding the importance and benefits of social media. Knowing this, those organizations that have not adopted the technology can actually plan for their successful adoption.

Moreover, not many of the previous studies have investigated the actual impact of social media usage on organizations. Through in depth discussions with the senior managers of the organizations, this study has identified the impact of social media usage on the performance of organizations in various areas, such as cost reduction in terms of marketing and customer service, enhanced customer relations, improved information sharing and accessibility, revenue generation and competitive advantage.

In addition, the various purposes for which social media are used in organizations are identified. Therefore, the results of this study can be used as a guide for those organizations that are currently using social media at a minimal level, as these organizations can use it for a wider range of purposes, as suggested by the research findings, and also by those organizations that plan to use social media in the future.

This study is limited in the selection of sample and participants; only social media managers from six large organizations that are using social media are investigated. Investigation through larger samples would provide greater support and strength to the findings. In addition, this study only included large organizations, the results may be different for different sized organizations, such as small and medium, which can be considered a limitation of the study.

This study investigated the reasons why organizations use social media and its impacts on them using a qualitative approach, which helps to gain a deeper understanding of the phenomena. Generally, in most cases, subsequent research is needed to further validate the findings. It must be highlighted here that the results of the present study could be used as a basis to develop items to measure usage and impact among different stakeholders (including customers, suppliers and

<table>
<thead>
<tr>
<th>Research questions</th>
<th>Findings</th>
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<tbody>
<tr>
<td>1. For what purpose do organizations use social media?</td>
<td>Organizations use social media for various purposes such as:</td>
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<tr>
<td></td>
<td>• Information sharing and search</td>
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<td></td>
<td>• Branding</td>
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<tr>
<td></td>
<td>• Advertising and promotion</td>
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<td></td>
<td>• Conduct market research</td>
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<td>• Reach new customers</td>
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<td></td>
<td>• Getting referrals</td>
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<td></td>
<td>• Develop customer relations</td>
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<td>• Communicate with customers</td>
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<td>• Customer service activities</td>
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<td></td>
<td>• Receive customer feedback</td>
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<td>2. How does social media usage impact the performance of the organizations?</td>
<td>Social media usage has improved the performance of the organization in areas such as:</td>
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<td></td>
<td>• Enhanced customer relationship and customer service</td>
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<td></td>
<td>• Cost reduction (marketing, customer service)</td>
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<td></td>
<td>• Improved information sharing and accessibility</td>
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<td></td>
<td>• Improved brand visibility</td>
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<td>• Revenue generation</td>
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<td>• Competitive advantage</td>
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employees) in various organizations. This study focused on one respondent from each organization, albeit they are the ones who fit the selection criteria. Future research could collect empirical evidence using a quantitative approach, such as a survey. Only then, would the results be validated statistically.

Acknowledgments

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Appendix A. Interview protocol

A.1. Section 1: purpose of social media usage

1. What social media tools are currently used by your organization?

<table>
<thead>
<tr>
<th>Social media tools</th>
<th>Usage</th>
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<tbody>
<tr>
<td>Facebook</td>
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<tr>
<td>Twitter</td>
<td></td>
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<tr>
<td>Blog</td>
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<tr>
<td>YouTube</td>
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<tr>
<td>Flickr</td>
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<tr>
<td>RSS</td>
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<tr>
<td>Other social media sites</td>
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</table>

2. When did your organization decided to embark on the social media strategy? And why?
   Time: 
   Reason: 
   Key person to initiate:

3. Currently for what purpose does your organization use social media?

A.2. Section 2: social media usage and organizational performance

4. What are the various areas of the organizational performance that can be improved by social media usage?

5. In particular, have your organization seen any direct impact of social media usage on your organizational performance? If yes in which area?

References


