

## Social media and business practices in emerging markets: still unexplored

Not all social media-amplified campaigns that worked in the developed markets succeed in the emerging markets. For instance, YouTube and Twitter-driven TV advertising campaign featuring Mustafa helped Old Spice to increase its reach and sale in 2010 in the USA; few later, it failed to recreate the magic in India featuring Milind Soman[1]. The literature indicates that social discussions can provide immense insights into the domain-specific understanding (Joseph *et al.*, 2017; Aswani *et al.*, 2018) and economy specific explorations become important to study under such a context. For example, the linkage between stock prices and social media sentiments is positive in the developed world (Bollen *et al.*, 2011), but there was no relationship for social discussions and market performances in emerging economies (Kaushik *et al.*, 2017; Mohan and Kar, 2017). Though the reasons could be obvious – cultural differences, weak social media penetration, and language of the content, academic research exploring the differences between these markets are modest. The present special issue attempts to fill this gap with a focus on emerging markets.

The issue focuses on the social media and business practices in the emerging markets. Emerging markets, roughly mapped on the BRICS (Brazil, Russia, India and China) and similar nations, have some characteristics of developed markets, but predominantly located in the developing world, not the low-income countries. They offer attractive market to the businesses of the developed world to expand by imitating their products and services. There are instances where new products and services are introduced in both the markets simultaneously as the emerging markets are maturing faster. With the national governments in the emerging economies are aggressively pursuing foreign direct investment, the presence of multinationals in global markets is likely to accelerate. The business models of multinationals followed in the emerging economies are examined, and suggestions are made to serve the markets better (see for detailed discussion, Pels and Sheth, 2017). Not surprisingly, there is increasing interest to research emerging economies. For instance, Halil and Simsek (2017) looked at the US-based emerging market mutual funds, and Bao and Lewellyn (2017) examined the ownership structure and earnings management in emerging markets. There are special issues in the journals (for instance, Faisal Ahammad *et al.*, 2017) and research centers in many business schools (e.g. Emerging Markets Institute at SC Johnson College of Business, Cornell University) that focus on the emerging markets.

The research on social media platforms and their use by businesses are also in nascent stages. With leading social media platform like Facebook claiming 2.13 billion monthly active users[2], the impact on customers and businesses cannot be ignored. As the platform and internet giants are pursuing network penetration models like Free Basics and internet-beaming balloons, social media usage is likely to increase all over the world. These efforts are targeting erstwhile non-access population in the emerging economies and are likely to explode the social media population significantly. The low resources environment in the emerging economies is likely to result in the differential use of technologies in the emerging economies. For instance, mobile payment system like mPesa was scaled up from innovative use of the bottom of the pyramid and imitated in developed markets (Foster and Heeks, 2013).

As businesses are forcefully integrating social media into their future strategies, the field is likely to witness a flood of research emerging from all possible disciplines. Social media can be explained as electronic technologies that enable two communications between users and populated predominantly by the user-generated content (Kaplan and Haenlein, 2010).



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The research about social media is approached from three major perspectives: people, businesses and technology. For instance, Dwivedi *et al.* (2015) focused on social media marketing. They suggested that the future research could look at the different age groups, country contexts and marketing types for comparisons. Not surprisingly, this view is dominated by researchers from business schools and management discipline. A review from people's perspective (Ngai *et al.*, 2015) formulated causal chain model lineated sets of antecedents, moderators and mediators and outcomes. Brand equity and customer relationship are outcomes in the organizational context. Personal context had user intention and user behavior. The rest of all variables or factors are from the society or individual orientation. This view seems to be coming more from psychologists and other social scientists. The third set of studies is coming from computer scientists who focus on the technical aspects of the platforms or development of an application that can be deployed on top of the platforms. They also contributed to the business and people domain of the literature, but the predominant focus is on the methodology by which large scale of data can be handled.

Social media can be used by businesses in almost all business domains – customer engagement, brand awareness, marketing, product design and development, human resources management, and sales and marketing (Rathore and Ilavarasan, 2018). However, the field of research is yet to explore many areas. Kapoor *et al.* (2017), in their impressive review, indicated that social exchange theory, network theory and organization theory are adopted predominantly; Facebook, online communities, and Twitter are the three dominant platforms of focus; behavioral aspects of social media use and their integration with marketing and organizational aspects are frequent. An extensive review of social media analytics research (Rathore *et al.*, 2018) pointed out that sectors like finance, manufacturing, education and health are examined inadequately. Also, Twitter is studied more than other platforms, and classification techniques and regression models are more popular than others.

Research studies on the platform *per se* are almost negligible. There are at least three areas from social media platforms can be studied: design and features; strategy and tactics and management and organization. One of the most popular studies on Facebook is by itself is about how user emotions can be manipulated discretely only through news feeds (Kramer *et al.*, 2014). Inaccessibility to the platforms and their data are preventing much research being undertaken in this space. Apart from global platforms like Facebook and LinkedIn, there are homegrown platforms in the emerging economies (Ilavarasan, 2017). Wechat, Renren and Weibo are from China. Mouthshut and Pagayguy are from India. It will be interesting to learn more about them either from organizational dynamics perspective or application side.

Any usage of internet-based applications like social media platforms is dependent on the nature of ecosystem and its components. Fransman (2010) delineated four different layers of such ecosystem: network hardware manufacturers called networked elements, network providers, platforms, content and application providers, and consumers. The symbiotic interrelationship among these four layers is likely to be different and affect the way businesses use if the layers are different in different countries. This needs to be studied as well. For instance, free basics of Facebook is rejected in India and but being adopted in Bangladesh.

The emerging and developing markets offer different challenges while deploying social media for various business functions. The ownership and usage of ICTs, especially social media platforms in these markets differ significantly than the developed ones. Though the reasons are known – differential penetration rates, content availability, cost of broadband access, affordability of devices, weaker network externalities and regulatory frameworks, the state-of-the-art of social media strategies in the developing world is still emerging. The knowledge in this domain also seems to be sparse. Businesses, both local and multinationals, compete with each other in winning the emerging markets. The proven

frameworks and social media strategies are from the developed markets of better-wired consumers. They need to be customized or adapted, and subsequently disseminated. Research on political activism has gained lot more currency due to Arab Spring and other neo-social movements in the some of the developing world. The field needs to move beyond the developed world and political domain.

In the light of above discussion on social media and business practices in the emerging economies, many interesting questions can be asked. Some of them include: how do firms in low-networked markets select and use specific social media platforms? Is there a distinct social media strategy among the developing market firms? And whether firms exploit the selected features of social media platforms?

Whether firms differentiate homegrown and global social media platforms? Is there different device strategy adopted by the firms? Whether CEOs in emerging markets think differently of social media platforms? Why? What are the implications of introducing social media functions on the organizational structure? Whether social media platforms are exploited in functions beyond marketing? What is the impact of regulatory environment on the businesses' use of social media? How are firms handling social media skill deficiencies? And How are social media activities measured, and investments are evaluated?

Not all questions can be answered by a special issue constrained by space, which infers that domain – social media and business practices in emerging markets are still yet to be explored widely. This issue has seven papers selected after a rigorous peer review. Those who met the academic rigor, preferences are given to the novel papers which contributed to the understanding of emerging economies, platforms and methodology. Out of the seven papers, the geographical spread is wider – India, China, South Africa, Saudi Arabia and Iran. Two papers are review papers – one on the how social media is being used as a communication channel and other reviews the social media research in emerging economies. Five papers are empirical papers. The data collection was surveyed in four papers and one paper used content analysis of YouTube comments. Out of the four survey papers, two are from executives working in the industry, one from students and one from open customers.

Following are the major contribution emerging from the special issue papers:

- Research on emerging markets published in the Senior Scholars Basket of IS journals and Information Systems Frontiers, in the last decade is not significant. Cross-sectional studies are still dominant. There is a need for real experimental design studies. The number of a framework for organizations, governments and various stakeholders to analyze social media platforms for achieving their marketing, administrative and societal goals is limited. The nature of dependent variables used in causal models of social media usage by organizations and their impact is still not exhaustive. Multi-countries comparison of social media usage is not available.
- The national culture, seen through Hofstede's cultural dimensions, is useful in understanding differences in using social media for communication.
- In Saudi Arabia, intention to use of Instagram is determined by social influence and trust. There is no impact of facilitating conditions.
- Among India social media using consumers, consumer engagement in the electronic word of mouth is determined by trust, informational influence, sense of belonging, altruism, moral obligation, and knowledge self-efficacy.
- In YouTube advertisements in India, positive (happiness, followed by contentment and love) emotions significantly influence the consumer engagement and pride does not affect. Negative emotions are relatively less impactful, especially fear. Shame has no impact. Presence of celebrity adds value to the positive emotions.

- South African organizations are using social media for free advertising, CRM and marketing, among which Facebook, Twitter, and LinkedIn are popular. The dominant activities are relationship building, contact keeping advertising, marketing, attracting customers, brand management and information gathering.
- Social media use in Chinese organizations is determined by external pressures, internal readiness, expected benefits, strategic goals, and perceived risks, which subsequently impact the organizational performance outcomes in operation and marketing as well as the satisfaction level of both internal and external constituents, such as customers, employees, partners and suppliers.

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### Notes

1. <https://mashable.com/2010/07/15/old-spice-stats/#SPeGUmGs1aqw>
2. <https://newsroom.fb.com/company-info/>

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#### Further reading

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