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## Article

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## SOCIAL MEDIA IN THE DEVELOPMENT OF SUSTAINABLE BUSINESS

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### Abstract

Due to the transformations appeared in the contemporary society, the way natural resources are used, at the United Nations it has been ascertained that a development strategy must be found, strategy which would lead to an effective use or preservation of these ones for the following generations. The use of certain tools to streamline the activities and at the same time to reduce the use of exhaustible resources is required. The businesses conducted in the virtual environment can be an effective way to reach this purpose and social media provides the necessary tools to develop this kind of business.

Within this article are presented the ways that social media can become a platform for sustainable business and a support for the development of goods and services that can become sustainable. To determine the image that business environment has on these aspects, a research has been carried out to determine the perception regarding social media and how sale and marketing activities can be realized through the agency of this one.

**Keywords:** Social media, sustainable business, marketing, new consumer, innovation

**JEL Classification:** Q01, M19, M20, M31

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### Introduction

Accelerated economic development from the second half of the XXth century led to a dramatic reduction of the existing natural resources and to irreversible changes to the environment we live in. Therefore, in 1987, the United Nations Council adopted a resolution regarding durable development, which was defined as “the necessity to use the existing natural resources in order to satisfy the current needs without compromising the possibility of future generations to satisfy their own needs” (UN Report A/RES/42/187).

This way it appeared the need to efficiently manage existing resources and to create new long term strategies to satisfy these new concepts. One way to preserve natural resources would be to transfer a part or the entire economic activity of an organization online. Sustainable development is the main driving force of economic change in the future (Toma, 2012).

Thereby, on one hand the consumption of natural resources can be reduced and on the other

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hand business organizations can streamline their activity. At the same time, they can reduce their expenses by reducing the work space, by reducing maintenance expenses and other aspects that regard personnel costs. This kind of actions that imply announcing the implementation of durable development strategies will lead to the consolidation of the brand and to the improvement of the image in the consumers' eyes. Organizational change and its efficient and effective management are sine qua non condition of viability and organizational sustainability. ( Popescu et al, 2012)

Social media offers a series of tools through which business organizations can streamline their activity, develop a durable relationship with the consumers, transfer a part of their activities in the virtual environment and even develop and activate only in such an environment.

### 1. Social media as platform for sustainable business

Any economic activity relies on the relationship between two partners, the provider of products and services and the one purchasing the products and services. The manufacturer is one of the most important actors of any economic activity. If this one didn't produce and offer new products and services on the market, the consumer wouldn't have what to purchase. By manufacturer one can understand both the business organization that produces finite products as well as those organizations that provide only services that help the development of these ones.

The providers of products and services cannot maintain their economic activities if they cannot identify as accurately as possible the needs and preferences of those purchasing the products and services. These ones can be individual consumers as well as other business organizations.

In this process of identifying needs and preferences, social media can play a very important role. Social media provides a series of tools through the agency of which producers can analyze the needs from the market and can determine the costumers' expectations. At the same time, they can find out faster if the products and services they provide meet their clients' expectations.

Social media and the internet in general allow gathering almost fully complete information before purchasing a certain product or service. The consumer can read all the existing information about the product or service he is about to purchase, can compare the offers of different sellers/distributors and can evaluate the information obtained in this environment with the information from traditional media or from personal experience.

Another characteristic of social media, which influences the consumers' behavior, is the fact that the information that runs very fast in this environment is in general generated by the consumer, the manufacturer being unable to intervene too easily, without identifying itself as such in the discussions regarding a certain product or service. Therefore, the relationships between consumers and manufacturers can be maintained with the help of different types of platforms and tools provided by social media such as: specialized blogs, discussion forums, platforms that provide review and evaluation services or those that provide services for clients.

The behavior of the actual consumer, of the new consumer is characterized by the lack of physical barriers, so common in the traditional buying behavior. Therefore, the

consumer/client doesn't interact only with the seller but gathers his information from various sources. Now, the discussions over a certain product or service aren't being held only at the level of a certain restrained group of persons, but has become a mass phenomenon.

The main tool provided by social media in order to reach this objective is the discussion forum. Through the agency of the discussion forums, especially created by the organization, or through the agency of the existing ones, created by consumers, business organizations can reach the proposed objectives. By participating at discussions, with the help of their own specialists, manufacturers can determine clients' needs as well as their opinions regarding the products and services they offer and by activating on the discussions forums they can influence the consumers' opinion regarding them.

The blog is another tool for the manufacturers to influence consumers' opinion regarding the products and services they provide. The most powerful aspect of a blog is that it allows the answer to a simple question: "How can I serve better my clients?" (Hayward, 2011).

Blogs can be built and maintained by the organization or it can appeal to specialists of the field where the manufacturer operates. The specialists, whose voice is listened to by consumers, can present the products and services provided by the manufacturer. The articles and posts presented on specialists' blogs can be independent of the manufacturer's opinion or can be paid by the manufacturer. Paid articles are a part of the products and services promoting activity, therefore they are a marketing activity and must be marked as such. Instead, independent articles, which cannot be influenced by the manufacturer, are more valuable, with a higher credibility in the consumers' eyes, because they present the products impartially.

Another role of the blogs is that, by evaluating the reactions of those posting comments on the articles published on blogs, one can have a better picture and in a faster way of consumers' opinion regarding the provided products and services.

Through the agency of blogs, specialists from certain fields, which are not employees of a certain organization, can be recruited to get involved in developing some projects of the organization, or even be permanently employed.

Platforms for sharing files, video, audio or images are other tools that can be useful in the activity of promoting and analyzing the activity. In the case of these platforms one can also speak about promoting the products and services and at the same time about analyzing the comments attached by those who visualized or listened to these files.

Another role of these sharing files platforms is that of educating the consumers or even their own employees. On these platforms there aren't posted just files from the entertainment category, but also files with educational character. This kind of files, posted on sharing media platforms can contribute to public education, by accessing them directly or by distributing links toward them through the agency of other social media platforms, such as social networks, blogs, microblogs, etc.

The pages created on social networks can also contribute to the promoting process as well as to the direct communication with clients and own employees. Although social networks are probably the most visible platforms from social media, in the relation with the manufacturer's activity, these ones have a smaller role. These ones can only influence the manufacturer's activity through the promoting function that they can provide, but an

analysis of the efficiency of such an activity must be done carefully. Another role of social networks, created around professional groups, such as LinkedIn, is that of recruiting specialized personnel that can contribute to the further development of the organization.

Besides promoting products and services, another important aspect of social media is represented by communication, process which can be seen, from the purveyor's point of view, as a part of the process of promoting and educating, but it can be an independent activity, of direct relationship with the other actors of the economic activity. Communication can be made with the external environment of the organization (clients, consumers, distributors), as well as with the organization's employees and shareholders.

The business process can be made with the help of the platforms previously presented, as well as using the platforms that host online office applications. Applications such as those allowing video (or audio) – conferences, sharing documents or those to communicate online such as chat or e-mail are just a part of the applications provided by social media that can contribute to the development of a business seen as sustainable due to the tools it uses.

## 2. Social media as a support for the development of sustainable goods

With the opening offered by the access to internet and implicitly by social media development, a change has appeared in the way consumers gather information about products and services. For this reason, if, in the past, the organizations sent their messages with the aid of traditional means of communication, and the messages was created with the help of agencies specialized in marketing and public relations, which intermediated the relationship between the organization and media, now business agencies can create their own messages and have enough tools and ways to make their message reach the public.

The way in which business organizations sent their message to consumers without them being able to respond directly is out of date. Nowadays, through the agency of social media business, the organizations and consumers too can communicate, both partners having the advantage of knowing they are being listened to.

The way consumers search their information, the fact that written press and television are no longer the main information channels, the fact that now these ones integrate in social networks, read post on blogs, post comments on the respective posts, read comments from discussion forums, share information with those around them, force business organizations to change their strategies of communicating and making business.

In order to reach faster to consumers, business organizations must move from strategies of only sending messages to strategies that offer the consumer the information he needs when he needs it, no matter the place or moment. (Falkowl, 2010)

As any media product, even if it develops online, the information, the message sent through the agency of social media is addressed to an audience. The advantage of social media is that the audience is alive, answers immediately to the written message, so that business organizations can adapt faster their message to customer needs. At the same time, data regarding consumers' behavior, needs and customs are more relevant and easier to obtain.

For organizations, and in order to succeed promoting their products and services, the audience that is being addressed to must be well targeted. The audience addressed to by the

organization through the messages sent can be internal (own employees and shareholders) or external (consumers, investors, clients, distributors, purveyors).

Distributors can be searching new products to sell, by prospecting the market, and the consumers are those willing to purchase this kind of products. Social media, with the help of their platforms, where manufacturers presented their products and services, offer these ones a first contact with the products and services provided by the manufacturer.

Regarding the employees and shareholders, social media can be a very effective channel to send relevant information about organizations. At the same time, it can be used as an educational tool, as well as a tool to train the own employees.

All these can constitute, in social media, a community around which the organization can develop and have a profitable business. Such a group is the one that resonates with the organization's values and principles, that uses the organization's products and services. For this reason, the persons creating this group are an important „active” for the organization, because they can transmit to others what they feel, contributing to the formation of the online community created around the organization. The key to keep alive such a group is trust, that's why the information sent must be accurate, the tone must be a friendly one, not protocolar or superior.

A community is alive as long as it communicates, expresses its ideas, brings critics or praises to the products and services provided by the organization. The community's members must feel that they are listened, that they are part of a family. They must be encouraged to be participative, because they might bring suggestions that will lead to a further development of new products and services, as well to an improvement of the existing ones.

To be successful, a business organization must focus on identifying relevant information that can contribute to the innovation process, on sharing information and knowledge inside the organization, on innovation and extracting essential information from the external environment. Inside, as well as outside a business organization, knowledge resources are embedded, and if they are not exploited, they can lead to a reduction of activity, to a loss of competitiveness and finally to the disappearance from the market. This information, which runs with the agency of social media, represents an invaluable source of knowledge, capturing and exploiting this one possibly leading to the development of new products and services, opening innovation possibility inside the organizations as well as in the economic environment.

Social media can have a major impact on the innovation process inside business organizations, which allows a more effective communication and a more effective use of the knowledge inside and outside the organization and also offers new possibilities for the appearance and development of the innovative potential.

### **3. Research regarding the involvement of social media in Romanian business**

To identify the ways in which social media can contribute to the development of sustainable business and to the way it is seen in the Romanian business environment, we have made an explorative research which included 254 respondents that activate in different economic branches. Because we wanted an image on the sustainability of the use of the tools provided by the social media, those interviewed were young persons, familiar with this kind of

applications, the distribution according to gender being of 67,72% women and 32,28 % men.

The structure of the respondent's activity domains isn't a very heterogeneous one. The majority of respondents work in fields related to the services, just a small part working in other domains such as transportation, industrial production activities. (see Table 1).

**Table no. 1. The activity field of the interviewed persons**

<b>Commerce</b>	35.43%
<b>Services</b>	14.17%
<b>Production</b>	4.72%
<b>Education</b>	2.36%
<b>Marketing and public relations</b>	10.24%
<b>Financial banking</b>	1.57%
<b>Accountancy</b>	1.57%
<b>IT</b>	4.72%
<b>Transportation</b>	0.79%
<b>Agriculture</b>	0.00%
<b>Not working</b>	15.75%
<b>Not answering</b>	4.72%

Source: original, based on the research data

The repartition of the respondent's activity domain doesn't fully comply with the occupied population distribution structure in the Romanian economy, though the main activity field remains commerce, followed at a great distance by marketing a public relations. These domains are those where social media isn't just useful, but necessary.

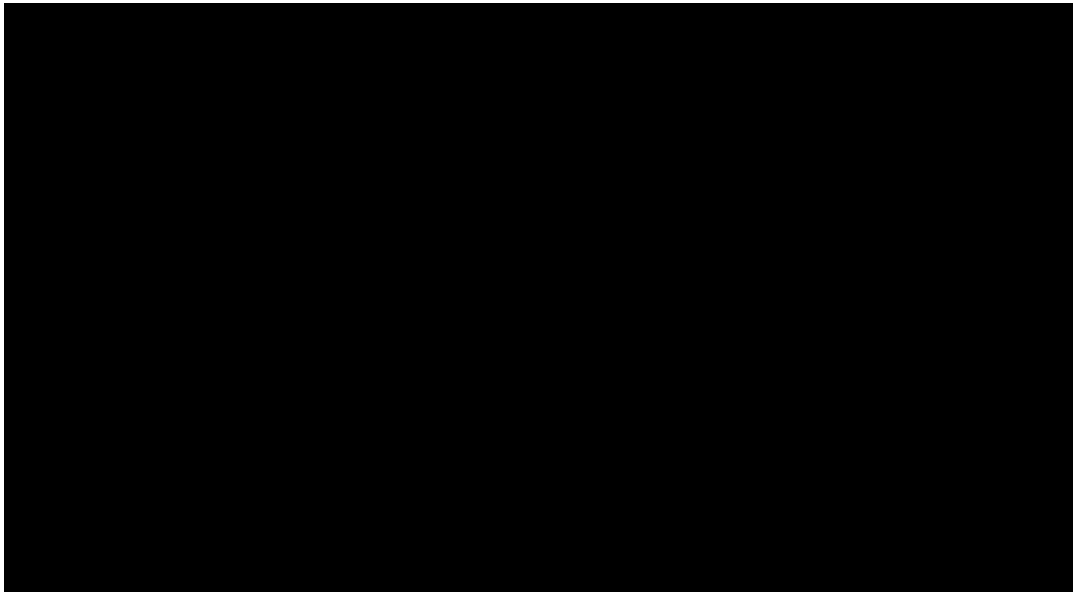
The percentage of those working in production activities is to be noted. Although according to the statistical yearbook from 2011, in the occupied population structure, involved in nonagricultural activities, the proportion of the persons hired in industry was of 30,1% and the proportion of those working in industry and who answered our research was of 4,72%. A possible explanation is the fact that those working in this field consider that they can carry out with their activity by direct, classic contact, in direct relation with the clients and potential clients and for this reason they probably think that the use of social media cannot bring a plus to their current activity.

### 3.1 Perception on social media characteristics

In order to identify the most effective tolls of social media, which can be used in the administration of a business and to promote this one, the user's perception must be determined, as well as the perception of those willing to use social media in the organization's activity. For this purpose we want to know how the concepts characterizing social media are perceived.

According to Safko and Brake (2010) using social media in the organization's business implies communicating with the consumers, collaborating inside the organization as well as with the clients, educating the consumers and the employees and offering applications and information in the form of entertainment. On the other side, using social media in order to promote the organization's activity implies using certain marketing methods and technics, and the strategically decisions require the approval and decision of the organization's management. Therefore the respondents were asked to emphasize which of these 6 concepts: communication, collaboration, education, entertainment, marketing and management characterize social media.

As it can be seen in Figure 1, in respondents' opinion the most important characteristic of social media is communication, 81,1% from them marking this characteristic. This option is a logical one, the main characteristic of social media being communication.



**Figure no. 1. Perception on concepts that characterise social media**

Source : original, based on the research data

Social media is defined as a tool or as a communication channel where people relate, make new friends, change information, generating at the end a content. (Laine and Frahwirth, 2010)

Social media is based on the collaboration of all the members of a virtual community, social media platforms being considered collaborative platforms, where users can change information, impressions, knowledge and images. With all this, the percentage of those who considered that social media is characterized by collaboration isn't that high. This option was chosen by only 31,17 % from the respondents, which in comparison with the percentage regarding communication concept is quite low. Therefore, being aware of the usefulness of social media in comparison with the collaboration possibilities that the specific communication tools and channels provide, may not be exploited enough by the business environment.



The entertainment concept, that respondents perceive better than the educational one, actually integrates this one, because the purpose of attracting and educating the consumers is easier to reach, being masked by the first concept.

At the same time, if we perceive the respondents as members of the business community, we obtain a result not that gratifying, because these ones do not realize the potential to educate the clients via social media, fact that cannot be disregarded.

Another aspect studied by applying the questionnaire was to see if the marketing and management concept can be considered as characteristics of the general concept of social media.

Respondents associated the concept of marketing as being a concept characteristic to the social media. A percentage of 48,03 % chose this option, which denotes the fact that for a large part of these ones, social media is seen as a marketing tool.

Social media is more and more used as a tool, a communication channel, a source of information for those working in marketing. From the point of view of the consumer, as well as from the person doing business, marketing is strongly connected to the social media concept, although from a scientific point of view this is not correct.

At the same time, social media is seen by the consumer as such, and it's possible that once it is seen as a marketing tool, the purpose and effect of the sent message with its help, to no longer reach their purpose. This aspect can be confirmed by the fact that from a respondent's point of view the concept of marketing is much more characteristic to the social media than to the scientific concepts, such as collaboration and education.

Another studied concept is the respondents' perception on the fact that social media is characterized by the concept of management. As it has been said before, the management of an organization is the one to decide if and how it uses social media in promoting products and services and even in the current activity of the business organization that it leads. Without the management involvement, it is not possible for the business organization to use social media.

Only 7,09% from the respondents considered that social media can be characterized by the management concept, which denoted that these ones do not make a strong association between social media and management.

### **3.2 The involvement of social media in the realization of sales and marketing activities**

In order to establish how social media can influence marketing activities, a series of specific activities have been chosen.

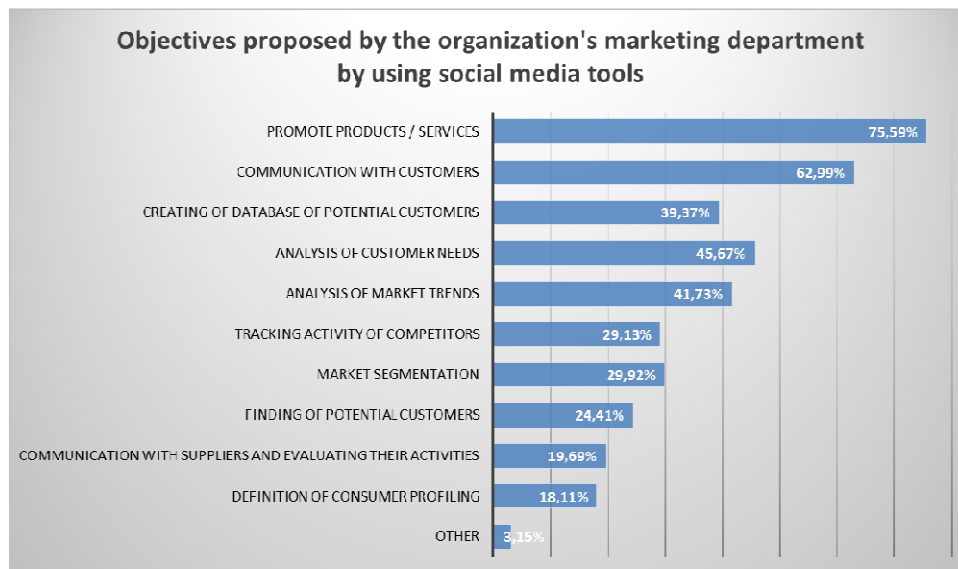
As it can be seen in Figure 2, as expected, the main objective that can be realized with the help of social media is the one regarding promoting products/services, which has the higher percentage from all the objectives of any department of a business organization, from those presented in the questionnaire.

A very high percentage from those questioned agreed that tools specific to social media can be used in communicating with clients, although a high percentage of those interviewed considered that among social media characteristics communication can be found.

With a good communication with the persons interested in the organization's products and

services, a database with potential clients can be created, fact appreciated by 39,37 % from the respondents.

Next to a good communication with the clients, a good understanding of the client's needs is required, fact confirmed by 45,67% of those questioned. The percentage is much lower from those who consider that a good communication with the costumers can be achieved through the agency of social media. This difference can be explained by the fact that in order to communicate with the clients, one can use the tools and platforms provided by the social media, but in order to determine the clients' needs, other analysis tools are necessary.



**Figure no. 2. Objectives proposed by the organization's marketing department by using social media tools**

Source: original, based on the research data

Determining the clients' needs requires analyzing and monitoring all the platforms where the organization communicates with its clients, such as blogs, forums or social networks, but also the posts from the platforms that other competitors from the market use. This involves another objective of the marketing department and more precisely, to determine market tendencies. This objective can be reached with the help of social media, as considered by 41,73% from those who participated at the research. This percentage is close to that of those who consider that through the agency of social media clients' needs can be determined. This proves that in respondent's opinion the two objectives are interdependent

A quarter from the respondents agreed that determining the characteristics of potential clients can be realized by using social media. Such an activity involves a close monitoring of the activity of those posting on social media platforms where the companies keep in touch with their clients. With such a monitoring, marketing specialists can determine clients' needs as well as their types, the way these ones relate with the organization's products and services.

One process that derives from determining potential client's characteristics correlated with

other analysis methods lead to a segmentation of the market. The two objectives have been selected by a close number of respondents. At the same time, the number of those who considered that determining the consumer's profile can be realized by using social media is of just 18,11%.

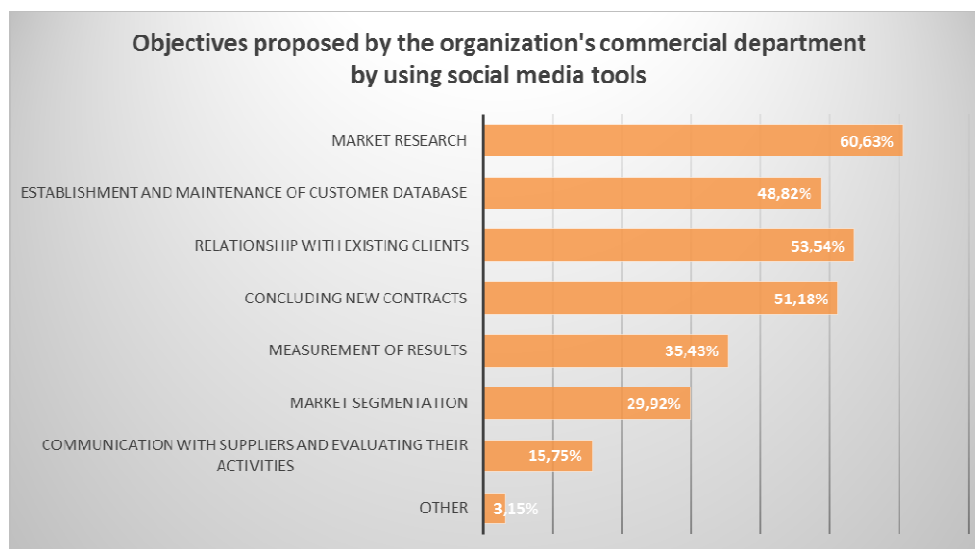
An objective that, in respondents' opinion, cannot be realized efficiently through the agency of social media is to communicate with the purveyors and to evaluate their activity. Although communication is the main characteristic of social media, the fewest respondents chose this objective, one possible explanation being the fact that this statement was associated with the phrase "activity evaluation", a process which is harder to realize with the help of social media.

### 3.3 Social media involvement in realizing sale and commercial activities

Because in Romania there are business organizations that do not have a specialized marketing department but one that has sale and commercial attributions in general, it has been considered necessary for this research to analyses the activities that are related to both concepts.

As it can be seen in Figure 3, the most important objective, in the respondents' opinion, that can be realized using social media, is that of prospecting the market.

Segmentation of the market is not a specific objective just for the commercial department, but also for the marketing department. This one received an identical percentage of options when selecting the objectives that can be fulfilled with the help of social media, and that is 29,92%.



**Figure no. 3. Objectives proposed by the organization's commercial department by using social media tools**

Source: original, based on the research data

The measurement of results obtained a percentage of 35,43%, which is a good result

considering that sales results can be compared with the number of persons that followed a certain promotion film or become fans of the organization on a socializing network. A report could be realized between those interested in the organization's products and services and the effective sales.

The results for the other objectives, which are specific both to the sales department and to the marketing one, such as communication with the clients, communication with the purveyors or creating a database with the clients, obtained similar results, the differences being quite small.

### **Conclusions**

The aspects taken into consideration were regarding social media influence on the organization as well as on the way social media allows organizations to relate inside business environment allowing the development of a sustainable and durable business.

The activity of a business organizations can be influenced by external actors, but by internal ones also. The relationship with the purveyors and distributors can affect the activity of a business organization decisively. Social media can intermediate more effectively the relationship between the two partners allowing a constant connection and a fast communication between them. Also, choosing partners and mediate them can be eased due to the facilities offered by social media.

The analysis of the external environment represents the most effective method to identify the opportunities appeared on the market, but also the threats that can have negative effects on the entire activity, but the effective functioning of an organization is generated by the existent relations in the internal environment.

Gaining sustainable competitive advantages depends mostly on realizing strategies based on the essential resources, capacities and competences owned by the organization. An analysis can determine the ways to improve own resources, so that they generate value at the level of the entire organization. Organizations can influence the internal and external environment with the help of social media, which is very important for its development. The way management relates with its employees and shareholders can be adjusted by using social media tools and at the same time their answer to the management requests and needs is much faster.

Those who have participated at this research consider that the main characteristic of using social media in the organization's business is communication. Through the agency of social media business, organizations can promote their products and services, can have a constant relationship with the clients, and can receive reactions from their costumers regarding the products and services they provide. Also, a communication from the organization towards the consumer can be achieved, as well as from the consumer towards the organization, leading to the consolidation of a sustainable business.

From respondents' point of view, the marketing department is the main beneficiary of social media. Also, they appreciated that most objectives of an organization that can be reached with the help of social media are specific to marketing department. As regard to the other departments that can exist at the level of a business organization, those that have participated at the research didn't acknowledged the potential that social media provides, but identified for each of these ones specific objectives that can be realized with the agency

of social media.

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