

Corporate Facebook Usage of Sri Lankan Public Quoted Companies

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ABSTRACT

Social media has altered the communication strategies of companies today and companies tend to use many social media platforms to cooperate with their interested parties. But it's uncertain whether the companies actually have the exact understanding of the real tenacity of use of social media platforms. Accordingly, this study aims to provide an empirical findings on how far Sri Lankan public quoted companies applying the corporate Facebook strategies. Thus, this study fills a gap in the literature by exploring the contradictory results on the same topic using a sample of Sri Lankan public quoted companies. This study provide an initial assessment of corporate Facebook usage by Sri Lankan public quoted companies under entertainment, informational and relational and transactional values based on the uses and gratification theory. Data were collected online from 42 corporate Facebook pages, and for the purpose of comparison 11 Fortune500 companies (corporate) Facebook pages have used. This study found that many of the Sri Lankan public quoted companies are representing the informational level on their corporate Facebook usage.

1.0 INTRODUCTION

Social Media (SM) can be defined as Internet-based applications that carry user-generated content and includes social networking Web sites, blogs, wikis and media file sharing sites [1]. Also SM can be classified into blogs, social networking sites, virtual social worlds, collaborative projects, communities, and virtual game worlds. Among them, social networks have become a global phenomenon and attracted extensive population from all around the world in different ages, cultures, education levels and professional world [2].

Social Networking Sites (SNS) are one of the most important representative of SM. Social network born with Web 2.0 introducing features of blogging and posting, promoted itself as a tool to help people to connect with each other and provided E-messaging facility [3]. Today, SNSs are increasingly attracting the attention of academic and industry researchers' curiosity since they create new topics day by day.

Now, however, these sites are not used solely for personal use. Businesses have entered into the social media mix and are using this new arena as a way to connect with consumers.

Since social media offers an opportunity for consumers to talk to hundreds or even thousands of other consumers around the world, companies are no longer the sole source of brand communication. Furthermore, consumers are turning away from traditional media such as TV, radio, or magazines and are increasingly using social media to search for information [4]. They concern social media as a more trustworthy source of information than the traditional instruments of marketing communications used by companies [5]. Seventy percent of internet users trust the evaluations of consumers on social media platforms when buying through online [6].

Among many social networking sites, Facebook has become the most popular SNS and the largest proportion of overall Internet traffic [7]. Hence, Facebook has attracted a substantial consideration among researchers nowadays. Facebook is defined as "a social utility that helps people share information and communicate more efficiently with their friends, family and coworkers" [8]. Facebook is handled among other social networks as the most popular and most heavily visited social network website.

1.1 Importance of a Corporate Facebook page

The rapid growth and accessibility of social media has vitally transformed the way people manage

information about their personal and professional lives. Today not only personal and professional life, the social media have revolutionized the way in which the public interacts with organizations and firms, to such a point that today the companies use social media as much as the official Web site of the firm [9].

In today's competitive economy, consumers prefer social networking based shopping and businesses can develop regional, national and global customer bases by converting to social network based selling. Social networks can also serve to enhance the customer experience by tracking customer preferences and matching offers or advertising to individual needs. This trend leads companies to prioritize social media while keeping existing web sites and traditional communication tools to interact with their publics. Therefore, how successfully companies incorporate existing corporate communication strategies into new mainstream social media is a key to organization-public relationship growth.

Using Facebook as a platform for business has become a must nowadays. Since more publics are migrating into social media, FB fan pages have become companies' largest web presences [10]. Another fact is that Stakeholders have shifted from visiting organizations' websites to visiting Facebook pages. It was found that stakeholders are now visiting Facebook pages more frequently than corporate websites [11].

Since almost most of the customers present in Facebook, a corporate Facebook page can drag the attention of an unbelievable number of potential buyers, because it reaches a millions of internet users around the universe [12]. A corporate Facebook page tells the whole story about a company. It incorporates everything and anything that the company offers to customers and potential customers. Taking into consideration all of the above, it is obvious that a company should develop an effective Corporate Facebook page to survive in the future.

1.2 Sri Lankan Situation in FB usage

Based on 2014 statistics there are 1,214,420 Facebook users in Sri Lanka, which makes it number 74 in the ranking of all. Statistics show that Facebook penetration in Sri Lanka is 5.64% compared to the country's population and 68.37% in relation to number of Internet users. The total number of FB users in Sri Lanka is reaching to

1,214,420. The largest age group in FB in Sri Lanka is currently 18 – 24 with total of 497,912 users, followed by the users in the age of 25 – 34. There are 67% male users and 33% female users in Sri Lanka. [13]

2.0 PROBLEM OF THE STUDY

Based on the previous research findings, the researcher noted that although Corporate Social Networks (CSN), raise significant interest in the practitioners' community in terms of their marketing impact (especially as a communication tool), academic research in this area is still in its infancy. Studies addressing CSN from a marketing perspective have just begun.

Despite the global scope of several SNs, such as Facebook, a large amount of research has been conducted within the USA and, as a result, a limited understanding has been achieved outside USA [14]. Since there is less or no researches available in Sri Lanka regarding Corporate Social Media Usage of companies, this study will provide a novel contribution to the literature in the Sri Lankan context. Auxiliary, this will add a positive contribution to the prevailing literature. Accordingly, the study will fill the research gap relating to the topic on the Corporate Social Media usage of public quoted companies in the Sri Lankan context.

It is evident that there is a tendency of using Facebook at a high rate among the corporations in Sri Lanka. Thus, the researcher expects to examine the nature of corporate Facebook usage among Sri Lankan public quoted companies and how the Sri Lankan corporate Facebook practice differs from the corporate social media best practices adapted in Fortune500 Companies.

Accordingly, the study is address the problem of "How far Sri Lankan corporate sector applying the corporate social media strategies in Facebook?"

3.0 OBJECTIVES OF THE STUDY

The objectives of this study are:

- I. To identify the nature of corporate Facebook usage among Sri Lankan public quoted companies.
- II. To examine how the Sri Lankan practice differs from the corporate social media best practices adapted in Fortune500 Companies.

4.0 LITERATURE REVIEW

4.1 Theoretical Model

The Uses & Gratifications approach can be adopted as the research framework in this study to examine the level of corporate Facebook usage of the organizations.

SM as a medium of communication fits exactly the Uses and Gratification (U&G) perspective introduced by of Blumler and Katz in 1974. This perspective is concerned with whether a technology use characteristics to promote and foster individual and personal goal rather than merely enhancing exchange of messages.

This theory has been applied to a variety of mass media and media content, with the selection of media type evolving to match the dominant or emerging media of the day. The U&G approach provides a user-centered view to identify the social and psychological motives that drive individuals' use of a particular media [15]. According to the U&G theory, people are active and can meet their requirements to use some particular media based on their needs. [16].

Based on the previous findings of gratifications and considering the current research contexts of Corporate Facebook usage, businesses purposively design social media content with entertainment, informational, relational and transactional values [17].

The entertaining content such as humor and artistic works offer the audience with enjoyment and pastime. Entertainment defined as "the extent to which the activity of using information technology is perceived to be enjoyable" [18]. Informational content such as product specifications and technical details inform the audience about product attributes and finally, transactional content such as price promotions, loyalty programs and distribution points potentially reward the audience with economic value [17].

The conceptual framework is depicted in Figure 1.

5.0 METHODOLOGY

The qualitative research approach has been applied in this research. The target population of the study is the corporate Facebook pages of Sri Lankan public quoted companies. When this study is conducted in year 2015, there are 294 total number of public quoted companies under 20 industrial sectors.

The sample was selected based on presence in Facebook and also industry presence compatible with Fortune 500 companies. The number of companies were selected based on two conditions i.e., availability on Facebook and the highest number of fans (through likes) and which is also based on proportionate levels.

Consequently sample of 42 Companies was derived out of 294 public quoted companies in the Colombo Stock Exchange (CSE). This sample was selected randomly representing 11 Sectors among the prevailing 20 sectors. For the purpose of comparison, researcher used one company from each industry in Fortune500 companies.

The selection details are shown in Table 1.

Industry	No.of companies	No.of companies available on FB	Selected sample	Name of Fortune500 company & rank
Banking, finance and insurance	67	53	14	JP Morgan chase-21
Beverage, food & tobacco	21	08	05	Cocacola-63
Constructions & engineering	04	02	01	John Deree-86
Footwear & Textiles	03	03	01	Hanes Brands-490
Health care	06	05	02	CVS Health-10
Motors	06	05	02	Ford-09
Power & energy	08	02	02	Chevron-03
Services	08	04	02	CSX-240
Telecommunications	02	02	02	Verizon-15
Diversified Holdings	18	09	04	Walmart-01
Hotels & Travel	37	27	07	Marriot-221

Table 1

5.1 Data Collection

The data used for this study consisted of Facebook posts from 11 popular Fortune500 companies official brand page which are created by the companies. Then 42 corporate Facebook pages of Public quoted companies of Sri Lanka were investigated against the 11 pages of Fortune 500 companies. To guarantee the accuracy of data and avoid potentially of changing Facebook policies, posts were collected daily, and observed the

activities of company Facebook page for a one month starting from 1st of October to 31st of October 2015. Month of October was taken because of the off peak in terms of business activities, thus nonbiased analysis can be carried out without so many variations.

5.2 Data Analysis Tool

The content analysis was employed as an analytic tool of the study since it allows a researcher to describe an initial snapshot of the phenomenon for which there is little theory or related research and to analyze the content of written, spoken, or pictorial communication in a systematic, objective, and quantitative manner [19].

6.0 DATA ANALYSIS AND DISCUSSION

According to the data analysis it showed that, 66.67% of Sri Lankan public quoted companies have corporate Facebook pages and it implies that 33.33% of public quoted companies do not have corporate Facebook pages. In contrast to this only 26% of Fortune 500 does not have Corporate Facebook pages.

Main findings derived from content analysis for the purpose of objective 1 & 2 are shown in Table 2.

Objective 1: To identify the nature of corporate Facebook usage among Sri Lankan public quoted companies

Entertainment: Entertainment gratification among SNS users was strong and pertained to leisure and amusement needs [20]. In Sri Lanka, the companies use corporate Facebook to some extent for the purpose of enjoyment and is favored by people because they find it exciting to communicate with others through this medium.

Informational: Informational content is the highest content among three types of content among the FB presence in Sri Lankan context which is similar to Fortune500 companies as well. The percentages are 41% and 57% respectively. Informational content consists of information regarding the product or service description and technical details. Out of these two factors product specifications (32%) has the highest value.

Relational and transactional values: Transactional content such as price promotions, loyalty programs and distribution points potentially reward the audience with economic value. In Sri Lankan

corporate sector as well as in F500 the second highest presence goes to this content and when looking at data can identify that price promotion category of Sri Lankan companies and Loyalty programs category in F500 holds the highest presence from relational and transactional values content.

Objective 2: To examine how the Sri Lankan practice differs from the corporate social media best practices adapted in Fortune500 Companies.

Both Sri Lankan and Fortune500 companies' majority posts are on informational content. But the percentage of Fortune500 is 16% higher than Sri Lankan context. Secondly relational and transactional values place the order in both parties and not like informational factors this is higher in Sri Lankan public quoted companies by 16%. The least posts are used about entertainment factor and both Sri Lankan and Fortune500 companies have an equal percentage which is 20%. According to this, it can be said that Sri Lankan companies also have identified the importance of Facebook presence as international companies.

Main category	Sub Category	% of Sri Lankan companies	% of Fortune500 companies
Entertainment	Humor	1.14	0.88
	Artistic work	18.52	19.30
	Total	19.66	20.18
Informational	Product specification	32.19	31.58
	Technical details	8.83	25.44
	Total	41.02	57.02
Relational & Transactional	Price promotions	19.94	1.75
	Loyalty programs	18.23	21.05
	Distribution points	1.14	0
	Total	39.32	22.80

Table 2

7.0 CONCLUSION & RECOMMENDATION

This study gives many stimulating findings for the knowledge of Facebook presence of Sri Lankan companies.

It was found that 66.67% of the Sri Lankan public quoted companies have corporate Facebook pages compared to 74% of the Fortune500 companies in 2015. Though there is a slight gap, it is a good trend in Sri Lankan companies in terms of using Facebook corporate pages. In Sri Lankan context the most dominant content is Informational content which is 41% also similar to Fortune500 companies.

In conclusion, this study demonstrates that social media is gaining popularity in contemporary society. People and especially companies become more successful in their attempts to influence the different users via social media and social networks in particular. Therefore, it is recommended that as a modern strategy companies can use corporate social media for entertainment, informational and relational and transactional values to give a higher customer satisfaction.

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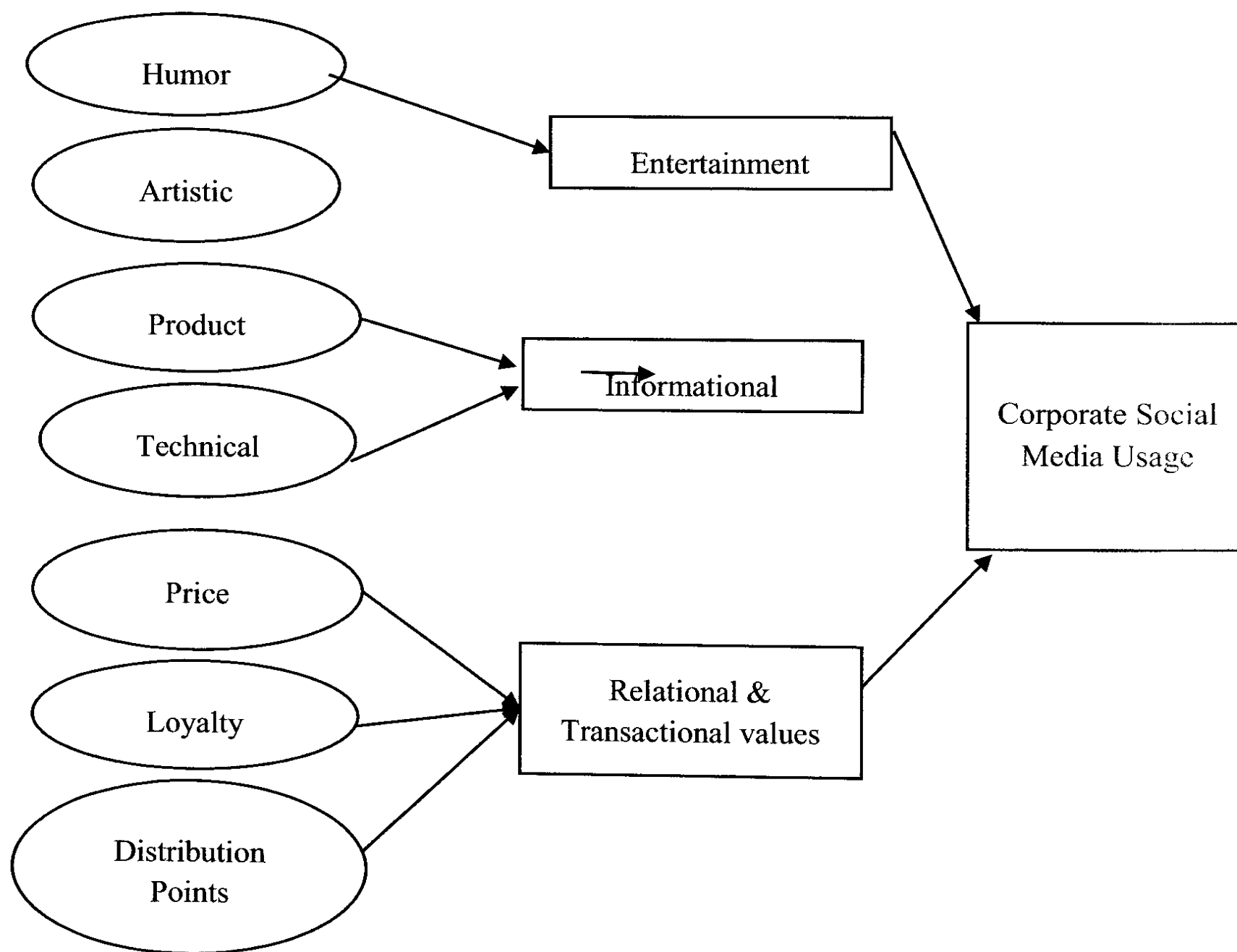


Fig 1 : Conceptual Framework