

## **Social Networking and Web Conferencing and Their Effect on the Business World**

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## **Introduction**

If one looks at the modern business world, they will find a market in which Information Technology has become deeply imbedded. It has become impossible for companies to succeed without implementing technology as a tool, both to promote and operate their business. Two particular facets of information technology that many businesses have deployed are Social Networking as a means of promotion, and Video Conferencing as a means of operation. Social Networking provides an efficient, low cost form of advertising for many companies. By setting up a fan page on a social networking site, companies can effectively expose their brand by relying on viral marketing, or marketing that spreads from person to person, much like a virus. Due to its ability to communicate information to massive amounts of people, social networking has become a key tool in a business's quest to be the most well known and recognizable among its competitors. In addition to social networking, video conferencing provides a way for companies' employees to effectively communicate with each other, as well as employees to communicate with customers, face to face. This real person interaction allows both companies to run smoother and customer service to be better. These new information technology developments have become an essential part of the business world.

## **Background**

As of today, eBizMBA ranks the most popular social networks as Facebook with 550,000,000 members, MySpace with 90,500,000 members, and Twitter with 89,800,000 members (eBizMBA, 2010 September). Advertisements and fan pages are now included in almost all social networking sites, as well as links that will take you to a company's webpage. Now when one logs onto their social networking page, they are being exposed to various brands and products as well.

Video technology has also become a vastly used tool in the business world. Not only is video conferencing presently used by many businesses, but it is also a growing practice. In 2009, the world's market for telepresence and video conferencing equipment stood at approximately \$2 billion (IDC, 2010), but by 2014 the market is expected to double to about \$4 billion (Rao, 2010 September). This means that in five years, about twice as many businesses will use video conferencing equipment in their operations. That will allow the face to face long distance business environment that video conferencing provides to be even more widely used and accepted as it continues to grow in popularity.

### **The Effect of Social Networking**

Advertising, or promoting a brand to attract customers to your business and its products and services, is a very important part of running a successful company. Social networking has provided an entirely new way for businesses to gain exposure to millions of potential customers. Not only does social networking provide a new realm of advertising, but it also allows companies to utilize a more interactive form of advertising. On social network sites, many times users can comment on advertisements and fan pages, giving companies a form of feedback that is not available in television and print advertising. The downside of this is that due to its interactive nature, advertising on a social networking site requires a large amount of input and effort. According to Bloomsburg BusinessWeek, in order to successfully run a successful advertising campaign on a social network, "someone's going to need to spend time. This includes responding to visitors' questions, posting brilliant thoughts, adding graphics, and monitoring activity—basically trying to generate buzz." (Marks, 2010 May). The amount of effort required to advertise on social networks makes it difficult for small business, which often do not have the time or personnel to run a complex online advertising campaign, to have a negative predisposition when it comes to

competing with larger companies. This shift in the way companies advertise will cause more companies to seek social advertisers in order to keep up with a changing marketplace.

Due to its interactive nature, social networks can also help businesses identify target markets to better select potential customers. With the help of social networking, businesses can see when people are talking about their company on their pages, as well as when they comment on a fan page or advertisement. Jayme Schwartz talks about this idea, ““As a business, you’ll want to search for people and other businesses who are tweeting about our industry or product category and start following them.”(Schwartz, 2010 September, page 24). This demonstrates how companies can now efficiently conduct market research and find target markets with the use of social networks such as Twitter and Facebook. These social networking sites can allow businesses to see what potential customers are interested in, and after finding out allow businesses to cater advertisements toward their newly discovered target market.

The newest facet of social networking that companies have made use of is location based services. Location based services allow users to update their location, as well as get up to date traffic and weather information based on their location. (Global Market Information Database, 2010 May). This service has always been popular among Twitter users, and has recently become available on Facebook. This feature has become more and more useful due to the increased percentage of the public that carries smart phones, or phones that can access the Internet, because social network users can update their location on the go. Businesses have been able to use this service to their advantage by seeing when social network users tag their location in tweets and check-in at various locations, allowing nearby businesses to send the users coupons or advertisements.”(Global Market Information Database, 2010 May). This allows businesses to more efficiently advertise by

allowing them to know who is a potential customer based on geographic location. Any coupons or information they send to locals about their products is used as persuasion for a customer to visit their business.

### **The Effect of Video Conferencing**

In recent years, video conferencing has provided a means for people to have face-to-face interaction over long distances. Businesses have successfully used video conferencing as a tool to help boost both their customer service as well as their ability to communicate with other businesses. In both cases, the face-to-face environment that video conferencing allows is an ideal way to do business, as it is the closest thing to meeting in person. Video conferencing has saved companies substantial sums of money on transportation costs, as well as time due to the fact that anyone with the ability to video conference is seconds away for them. By effectively using video conferencing tools, employees are able to have multiple person business meetings, or simply chat with a single client. This technology has helped to shrink the world, and allow companies to compete in larger markets. Many video conferencing options exist, but according to an online review by Online Meeting tools, the top rated web conferencing companies are GoToMeeting 4.5 by Citrix, Netviewer Meet 6.0, and WebEx Meeting Center 8.5 by Cisco. Citrix was rated at the top of these systems by ProQuest Online Database, "Citrix Online's web conferencing tools GoToMeeting(R) and GoToWebinar(R) were rated top in overall user experience for the second consecutive year, according to Wainhouse Research in its annual "Web Metrics First Half 2010 Survey" of web conferencing users."(ProQuest, 2010 August). These services have enabled businesses and customers across the globe to communicate with each other via video conferencing. In addition to traditional video conferencing, many mobile devices now support video conferencing also, allowing companies to implement video

conferencing on the go through these mobile devices. This allows face-to-face business meetings at almost any time and setting. Video conferencing has enabled companies across the world to communicate on a face-to-face level, the next best thing to meeting in person, effectively and efficiently, and allowed business to compete in wider markets with access to more customers.

## **Conclusion**

Developments in the field of information technology have had a great impact on the way companies conduct their entire operation. Businesses are constantly looking for a competitive edge, and the capabilities in advertising and operation that social networking and video conferencing allow give businesses that competitive edge. With the required effort, social networking allows businesses to revolutionize the advertising experience with interactive advertising and easy location of target markets, while video conferencing has allowed businesses to shrink the globe, and effectively communicate face-to-face with both other businesses and customers.

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This article also ranks web conferencing solutions based on their usefulness to companies.