## Singapore Management University Institutional Knowledge at Singapore Management University

Knowledge@SMU Office of Research

10-2007

## The Power of Social Media: Only the Tip of the Iceberg?

Knowledge@SMU

Follow this and additional works at: http://ink.library.smu.edu.sg/ksmu

Part of the Entrepreneurial and Small Business Operations Commons, and the <u>Technology and Innovation Commons</u>

## Citation

 $Knowledge @SMU, "The Power of Social Media: Only the Tip of the Iceberg?" (2007). {\it Knowledge @SMU}. Paper 180. http://ink.library.smu.edu.sg/ksmu/180$ 

This Journal Article is brought to you for free and open access by the Office of Research at Institutional Knowledge at Singapore Management University. It has been accepted for inclusion in Knowledge@SMU by an authorized administrator of Institutional Knowledge at Singapore Management University. For more information, please email libIR@smu.edu.sg.

(http://knowledge.smu.edu.sg)

## The Power of Social Media: Only the Tip of the Iceberg?

Published: October 03, 2007 in Knowledge@SMU

Social media is redefining the way people and companies around the world communicate with one another by dissolving geographical and cultural boundaries. Akanksha Goel, newly appointed Editor-in-Chief of *Stuff Singapore* -- a gadgets and technology lifestyle publication launched in the UK five years ago -- is a final-year marketing and corporate communication student at Singapore Management University. Goel, who also helped organise Asia's first PodCamp held at the university recently, talked to Knowledge@SMU about how social media compels us to rethink culture, and why companies should take advantage of these new channels to grow their businesses.

**Knowledge@SMU:** How and where did social media get started?

**Goel**: It's not so much about where social media first started but, rather, what started it. Social media was fuelled by a huge technological leap, the Web 2.0. The word was coined by Tim O'Reilly to describe a business revolution in the computer industry -- treating the internet as a platform -- and to understand the rules for success on that new platform. Web 1.0 was about commerce and Web 2.0 is about people. It gives people the power to easily edit and create web content. This affects not only the form of communication but also the quality and characteristics of the content and messages that people like you and me choose to put across, giving rise to what we, today, call social media. Social media describes the online technologies and practices that people use to share content, opinions, insights, experiences, perspectives, and the media itself. It has influenced the structure-creating elements of our entire generation. Today, sites such as Facebook, Flickr, LinkedIn and Wikipedia define the essence of social media – the power to express. Did you know that Facebook alone has 25 million users, growing by 3% per week which is 100,000 new users per day? What we are experiencing now is just the tip of the iceberg, just a start. Some call it user-generated content, some social media, and new phrases like the 'live web' are popping up everywhere. The way we communicate is changing and the conversation has begun, let's be a part of it.

**Knowledge@SMU**: How has social media changed the way we consume information?

**Goel**: Social media signifies an important shift in how public content is controlled, shaped and consumed and that, in turn, shapes what we collectively experience as shared knowledge. Social media has shortened the distance for a message to be communicated between the source and the receiver. The information highway today is no longer about command and control as much as it is about connecting and collaborating. For instance, major print newspapers such as the *New York Times* and Singapore's *Straits Times* have created online channels where they don't just push information to consumers but let them choose what news they want to read. The reader has equal power over information. With tools like RSS feeds, I can choose exactly what news I want such as, say, only fashion news. Consumption of information has transformed from push to pull. However, the phenomenon of consumers creating and controlling information is seen more in countries like the US and Canada as compared with Asia. This can be attributed to various reasons such as culture, government policies or even, simply, technological advancement. More often than not, the extent to which social media is practised in a country is directly proportional to its internet penetration rate. No matter how entrepreneurial one may be, one needs to overcome limitations of internet availability, connection speeds and so on.

Knowledge@SMU: How does Asia and, specifically, Singapore perform in the field of social media?

**Goel**: This summer, at the Singapore Management University, I assisted corporate communications professor Michael Netzley and his students conduct a study on how social media has developed differently across various Asian countries. The course looked at the uses and challenges of social media in the region, including issues of trust, changing notions of credibility, conversation culture, live web, trackbacks and more. Our findings show that Asia is a region with many layers -- different cultures, different languages and different technology preferences. These pose many challenges for communications through social media and the online world. Take a country like China where one can see that various factors affect the usage of social media tools such as blogs. For example, businesses in China often follow a top-down hierarchical structure and are known for following long-established practices. They do not encourage activities such as employee blogging. It's interesting to note, however, that over the past six months internet penetration in both India and China has grown 20% to 30% while countries such as the US are growing at around 5% because they have already reached a plateau. So, while Asia presents various complexities, it is also a region filled with immense opportunities.

As for Singapore, we are more like the US and the UK than an Asian country in terms of how we consume social media. We have no issues with language as we are comfortable with English, so it's easy for us to adopt social media as part of our lives. The social media scene in Singapore is a tale of two contrasting situations. Netizens fervently

use social media in their everyday lives, utilising the latest social media tools. Even the Singapore government has taken the laudable step of engaging in the 'blogosphere'. However, businesses are generally still sceptical about the benefits of using social media, and are content to use traditional forms of media to communicate with their audiences.

Knowledge@SMU: How do you think social media is redefining cultural boundaries?

**Goel**: Take a company which wants to make its products global. That company has to look at each country in its target group and be sensitive to its culture in terms of what to expect and how to localise its products if necessary. But with social media, all that is gradually narrowing down. For instance, I'm always in touch with my Canadian friends and, even though I'm so far away in Singapore, there's nothing to stop me from communicating with them from a cultural perspective. Come to think of it, there are very few people who are culturally similar to me on my Facebook account. So the question is, if social media is causing so many people around the world to communicate across geographical boundaries, what's going to happen down the road? Does it mean that culture and cultural differences are no longer important? No, of course not. It's just that we are rethinking and redefining what we mean by culture.

For example, in the past we've equated culture with nationality. We speak of Indian culture, Chinese culture, or American culture with little reference to the distinctions among very different groupings within a given national boundary. With greater access to diversity within a nation, our conception of culture is taking on narrower frames of reference. Rather than seeing oneself as essentially a citizen of a nation or a local community, people are more free to define themselves along tighter conceptions of identity and commitment, such as ethnic, religious or ideological affiliation. In this sense, the more global we become, the more focused and differentiated our attitudes and views. We are no longer forced into a certain homogeneity of lifestyle, belief or social knowledge. Also, by gaining access to vast amounts of information, one is no longer dependent upon the `village' for knowledge and affirmation. For example, communication technologies allow citizens of countries where religious conversion is illegal to access vast amounts information about other faiths, radically revamping one of the most significant intercultural communication encounters -- religious missions -- and making truly independent thinking possible.

**Knowledge@SMU**: How can companies make better use of social media?

**Goel**: In the past, companies would usually just take out a print advertisement to market a new product. Some consumers would like the product and some wouldn't which was fine. Now, companies can put their product on a blog and, overnight, it is possible to have their product ousted from the market or be a resounding success. There's so much more at stake and the market could go either way. Some companies are fearful of this, while others take their chances and ride the social media wave to reach greater heights. For example, Chevy Tahoe, an American automobile company, decided to invite people to post their own commercial messages about America's best-selling SUV online where the ads would be free to migrate to YouTube or anywhere else. Chevy supplied the video clips and music. Users could then mix and match the material and add their own captions. The response was off the charts. In the wake of environmental concerns, there were rogue entries which subverted the Tahoe message with references to global warming, social irresponsibility, the war in Iraq and so on.

Chevy isn't the only company to take this risk. In the spring of 2004, Burger King brought people in with its "subservient chicken" campaign. Visitors to a website could type in a command and watch a guy in a chicken suit do anything they asked as long as it corresponded to one of 400 pre-recorded moves. No one knew whether people would participate or, if they did, whether they would send in anything good. The answer, some 2,000 submissions later, was 'yes' on both points. I know it can get scary out there, but what choice do businesses have? The future is here. They can either stay in their bunkers or go out there and participate.

If businesses want to participate, then the only advice I have is that they should be honest and consistent in their messages. The consumer has gotten more power now and, instead of seeing that as a problem, companies need to realise the immense potential and opportunities that social media offers. Consumer-generated media has made marketing no longer just about making and selling but about sensing and responding. Brands that once pushed content at us now ask what we have to say. Advertisements no longer just define our sense of fashion, choices, or identity, but ask us to help define theirs. None of this is stranger than the idea that you can sell a product by sitting back and letting people put their own spin on it. How can a company not want in on that?

**Knowledge@SMU**: Is social media more relevant for tech-savvy people who can adapt better to online communication?

**Goel**: Initially, when I started exploring social media and its effects on communication and society, I thought that introducing a new 'online' culture would be a culture shock for some individuals, particularly the older and less IT-oriented groups. Over time, through conversations with many people, I've changed the way I look at this. It's not about how old or tech-savvy you are but it's all about attitude. My grandfather in India sends me more messages through YouTube videos than my friends overseas do. In fact, I'm convinced that he'll probably start his own podcast before I get to mine. So, it's not about what you can do as much as what you want to do. The essence of social media is attitude.

- ↑ back to top (#top)
- hack to top (#top)

All materials copyright of Singapore Management University (http://www.smu.edu.sg) and the Wharton School (http://www.wharton.upenn.edu) of the University of Pennsylvania (http://www.upenn.edu), Privacy Policy (http://knowledge.smu.edu.sg/privacy.cfm).