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Communications of the Association for Information Systems



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Abstract:

This article summarizes the panel discussion at Americas Conference on Information Systems (AMCIS) 2012 on the social media environment around the world, particularly the United States, South Korea, and China. The panelists discussed the current status of social networking and social media in the aforementioned countries. The first section begins with United States, with social networking pertaining to the population at large, the use of social networks in the business environment, and observed overuse and addictive behavior of wireless mobile devices (WMD) among users. The second section covers South Korea, with the discussion addressing social networking sites (SNS) and its history; the collectivism of Asian culture and how it affects users' behavior toward SNS; current trends, which include privacy concerns; and the future direction of SNS in Korea. Finally, in China, social media is further explored in the business models of SNS providers, followed by the customer base comparison between the United States and China.

Keywords: social networking, social media, United States, South Korea, China

Editor's Note: The article is based on a panel presentation at Americas Conference on Information Systems, held in Seattle, August 2012.

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I. INTRODUCTION

The social networking phenomenon, described as the blending of technology and social interaction for the co-creation of value [Morgan, Jones and Hodges, 2011], has burgeoned as individuals and communities associate on social networking sites (SNS) as a social gathering place to co-create and share user-generated content. Social networking has created a revolutionary shift that has changed how individuals use the Internet, which has permeated into their lives and is now the go-to form of communication for individuals and companies alike. Facilitating social networking is social media, which serves as a channel, or a system, that transmits information among users. Kaplan and Haenlein [2010] elaborate on the term *social media*, having created a classification scheme for different social media types, which they group into six different types: collaborative projects, blogs and microblogs, content communities, social networking sites, virtual game worlds, and virtual communities.

Social media has increasingly created new opportunities for businesses, as they reach out to millions of consumers through various channels instantly, at a relatively low cost. Businesses face a significant learning curve in leveraging social networking activity as they employ marketing research and sales promotions to strengthen and influence customer relationships. Additionally, the majority of companies interviewed by HBR Analytic Services [2010] also said they were still struggling with how to best use the different channels, gauge their effectiveness, and integrate social media into their strategies.

The panel focused on social networking and social media trends, particularly in the United States, South Korea, and China. This report consists of four sections. Following this introduction, Section II begins with the United States, as the topics pertaining to social networking revolve around the population at large, the use of social networks in the business environment, and observed overuse of wireless mobile devices (WMD) in user behavior. Next, in Section III, on South Korea, the discussion pertains to social networking sites (SNS) and its history, the collectivism of Asian culture and how it affects users' behavior toward SNS, current trends which include privacy concerns, and the future direction of SNS in Korea. Then finally, in Section IV, China is addressed, where social media is further explored in the business models of SNS providers and the customer base in the United States is compared with that of China.

II. SOCIAL NETWORKING IN THE U.S.

Recognizing the limitations of time on a panel appearance, we decided to focus on three aspects of this broad topic. We first touch on the use of social networking in the U.S. population at large. A recent report by the Pew Internet & American Life Project notes that the number of online adults using social media has increased from 8 percent in 2006 to 72 percent in 2012 [Brenner and Smith, 2013]. This statistic showed that social media is becoming integrated into people's daily lifestyle and Internet surfing habits. Businesses are recognizing this and embracing social media to stay competitive in today's marketplace. We summarize the use of social media in this context. Finally, we review some of the more worrisome psychological implications of social networking on people seemingly obsessed by it.

Population at Large

The Pew Research Center's Internet & American Life Project involves periodical surveys of the use of social networks by American adults (eighteen years and older) and other teenagers. They reported [Rainie, 2012] that almost half (45 percent) of adults owned smartphones. Since only two in five (40 percent) own more basic mobile phones, the smartphone owners are now in the majority. These phones are particularly popular with young adults and those living in relatively higher-income households, the populations most important for the marketers. Another Pew report [Brenner, 2012] notes that, as of 2012, 72 percent of online adults use social networking sites. This measure has risen significantly from 8 percent recorded in February 2005.

Not surprisingly, the proportion of those Internet users who also used social networking sites was very high for teenagers in the age group of twelve to seventeen. They were surveyed in a period from April to July 2011. No less than 95 percent of them were online, and 80 percent of those used social networking sites [Lenhart et al., 2011]. A study of different age groups surveyed in May 2011 [Brenner, 2012] observed that as many as 83 percent of young adults, ages eighteen to twenty-nine, used social networking sites. Interestingly, these sites have become ever more popular with older adults. The proportion of users in the thirty to forty-nine age group was 70 percent, 51 percent in fifty to sixty-four age group, while 33 percent of those aged sixty-five or more were users, up from just 1 percent in August 2006. Among teens, girls are no more likely than boys to use social networking. Among adults, however, women use social networking sites at higher rates than men.

Such levels of social networks' popularity among older adults was confirmed by an IBM study, which included five other countries in addition the U.S. They reported [IBM, 2012] that, contrary to popular belief, most adopters of a wide range of digital devices are not college students. As they watch TV, 65 percent of respondents aged fifty-five to sixty-four are surfing the Web and texting. Of those aged sixty-five or older, 49 percent surf the Web and 30 percent are texting while watching TV.

What motivates the U.S. adults to use social networking sites? Researchers with the Pew Internet & American Life Project gathered this information, too [Smith, 2011]. They surveyed 2,277 adults in April and May 2011 and asked them about their use of social media platforms such as Facebook, Twitter, MySpace, or LinkedIn. Table 1 shows the results of this investigation.

Table 1: Motivations for Using Social Networking Sites

Motivations	Major reason	Minor reason	Not a reason
Staying in touch with current friends	67%	24%	9%
Staying in touch with family members	64%	23%	13%
Connecting with old friends you've lost touch with	50%	36%	13%
Connecting with others with shared hobbies or interests	14%	35%	50%
Making new friends	9%	34%	57%
Reading comments by celebrities, athletes, or politicians	5%	20%	74%
Finding potential romantic or dating partners	3%	13%	84%

Business Gets Social

Gartner's analysts surveyed attendees of their Webinar "Taking a Strategic Approach to Social Media" to get a sense of the use of social networks in the business environments [Rozwell, 2012]. Although this sample was not representative—we assume that those not considering the use of social networks were likely not in attendance—we get an indication that these are still pioneering times. The following is a distribution of 234 answers to the question "How would you characterize your organization's social media initiatives?"

- We're trying to figure out what to do, but haven't implemented anything yet. 20 percent
- We're experimenting with social media internally. 20 percent
- We're experimenting with social media externally. 30 percent
- We're well underway with a number of initiatives. 27 percent
- We're old pros with social media. 3 percent

The reasons for investments in social networking reported by 266 attendees are: to enhance brand awareness (34 percent), to strengthen customer relationships (31 percent), to help people find and work better with each other (28 percent), to share information with business partners (6 percent), and to meet the CEO's or Board's objectives (1 percent). This indicates that the use of social network in organizations is not considered to be strategically important and is very seldom initiated by executive leaders. The survey concludes that social network initiatives are still most often led by marketing and that few organizations have established a guiding structure, such as a social media steering committee. The opportunity to use social networks with business partners remains largely untapped. Organizations need to realize that the users of social networks leave behind a wealth of insight, the so-called "social intelligence." Unwisely, fear and uncertainty lead many organizations to prohibit the use of social networks at work.

WMD: Wireless Mobile Devices or Weapons of Mass Distraction?

We are obviously observing behavioral changes as people carry out their daily lives—walking the streets, riding buses, having intimate dinners, even driving cars, while focusing on their smartphones, particularly using social networking apps. Kelly McGonigal, a psychologist at the Stanford School of Medicine, warns that people have a pathological relationship with their devices and that they don't just feel addicted, but trapped [Richtel, 2012]. Obsessive use—an addiction, really—to wireless mobile devices (WMD) has been noticed even in the Silicon Valley [Richtel, 2012]. Stuart Crabb, one of the executive leaders and a director at Facebook, offers a warning: log off once in a while, and put the devices down. The persistent demand on pings, rings, and messages is hurting not only productivity, but also personal interactions. This concerns social scientists, psychologists, and business leaders. Researchers wonder whether WMDs have addictive properties.

The Internet Use Disorder is a psychological disorder in which excessive use of the Internet causes an obsession with the Internet. The American Psychiatric Association recommends further study and inclusion of the disorder in

the next edition of the *Diagnostic and Statistical Manual of Mental Disorders*, but the focus is mainly on gaming. In *iDisorder*, a research psychologist [Rosen, 2012] argues that WMD overuse produces symptoms of serious psychological disorders and asks whether it is making us mentally ill. Rosen observed that some WMD users are prone to narcissism, depression, or obsessive-compulsive disorder. Among heavy users, 70 percent experience “phantom vibration syndrome.” Some heavy users of Facebook among teenagers face mood swings. Rosen also reports that technology addiction can lead to attention deficit hyperactivity disorder.

Harvard Business School Professor Leslie Perlow [2012] argues that the need to be constantly plugged-in in order to keep on top of things can be counterproductive. Her research shows that smartphones are near the top of the list of things creating stress. She is concerned that today people increasingly have two working modes—on-the-job and on-call. With the growing use of WMD, the border between these two modes is disappearing. This habit can be remedied when complete groups of people most closely working together take back their lives and start controlling how they work.

III. SOCIAL NETWORKING IN SOUTH KOREA

The Asia-Pacific region achieved one of the highest penetration rates of social networking sites (SNSs) adoption in the world, with over 50 percent of the total online population as of 2010 [Phua and Jin, 2011]. More specifically, 90 percent of Koreans between the ages of twenty and twenty-nine had signed up for Cyworld by 2006 [Schonfeld, 2006]. Koreans are typically early adopters and innovators when it comes to technology adoption and use. Based on this assumption and the history of SNS in South Korea, this section will review the current status, issues, and trends of SNS from the perspective of South Korea.

SNS History in South Korea

While social networking is a global phenomenon, South Korea was one of the true pioneers in this area. South Korea launched their version of SNS, known as Cyworld, in 1999. With “Cy,” meaning relationship in Korean combined with “world” [Schonfeld, 2006], Cyworld became one of the first SNSs in Korea, based on the definition used today. Cyworld allowed users to create profiles, upload pictures, post messages on other members’ profiles and write blogs to express their thoughts, opinions, and ideas. By 2006, Cyworld had captured 90 percent of all Koreans between the ages of twenty and twenty-nine as registered users. While Cyworld proved to be highly successful in South Korea, its attempts to enter the global market were not as successful, with failures in the United States and Europe. More recently, Cyworld’s position as the dominant SNS in South Korea has been met with a greater challenge as users began migrating to Facebook, the world leader in SNS.

Based on observations and website rankings in Korea, we see an obvious trend of Koreans migrating toward Facebook and leaving Cyworld. In 2010, Facebook was menial compared to Cyworld, which was ranked as the sixth-most visited website in Korea at the time, as reported by Alexa.com. With declining usage, Cyworld dropped to thirteenth in 2011 and was ranked as the thirty-third most visited website in South Korea by July 2012 [Alexa, 2012]. To understand this rapid change, we should first look at the culture of South Korea from a social aspect and technological perspective that is guiding current trends.

Culture and SNS

Two cultural aspects that contribute to South Korean migration toward Facebook are its social culture of collectivism and mobile phone culture. While Western cultures are often viewed as having strong individualism, many Asian cultures revolve around collectivism, with social groups exerting a strong influence. As influential members of a group begin to migrate to Facebook, so do other members within a social circle. This is an adoption pattern often seen in South Korean culture [Lee, Trimi and Kim, 2013]. From a technological perspective, a new trend in social networking has emerged, known as mobile SNS (mSNS).

The mobile phone culture in Korea is very prevalent, and many people continually adopt the latest and best technology. Korea has become a cell-phone-dominant culture as it strives to be the world’s first ubiquitous society. In 2010, when the iPhone was first introduced in South Korea, Koreans adopted the technology on the basis of social status. Koreans who owned an iPhone always kept their phone on display while those who were not iPhone users typically kept their phones in their pockets. However, Samsung Galaxy has emerged in 2012 as the greatest trend and has quickly become the new social status symbol, replacing the iPhone. During a class survey of 100 Korean students, ninety-nine were smartphone users, with 47 percent using Samsung Galaxy and 27 percent using the iPhone. The smartphone culture in South Korea is paving the way for new trends in SNS use.

Current Trends in South Korea

To evaluate current trends in South Korea, a survey was given to 100 students at a local university in South Korea. All participants were Korean students. A follow-up interview was then given to eight students to obtain more in-depth information. Table 2 displays descriptive statistics resulting from the survey administered in Korea.

Smartphone Used	Social Apps Downloaded	Most Used Functions	Facebook Usage Statistics
Samsung Galaxy: 42	Kakaotalk: 96	Kakaotalk: 96	Days per week: 6.24
iPhone: 27	Facebook: 88	Facebook: 88	Times per day: 5.39
Vega: 12	Cyworld: 54	Internet: 40	Minutes per day: 21.64
LG Optimus: 6	Twitter: 29	Cyworld: 30	
Nexus: 3	Kakaostory: 25		
Other: 10	Google+: 5		
Did the ability to access Facebook on your mobile phone influence your decision to join Facebook?			Yes: 63 No: 25
Do you prefer social networking on the computer or using your mobile phone?			Mobile SNS: 77 Computer SNS: 11
*Sample size (n) = 100			

Social applications are the most prevalent and highly used applications in South Korea. Kakaotalk is a Korean mobile application that allows users to set up a profile containing an avatar and a status message. Users can text each other or participate in a group chat with many friends. Facebook is the second most used application, with students reporting that they use Facebook on an average six days per week for more than twenty-one minutes per day. The majority of Korean students stated that they prefer mSNS over the computer-based SNS.

During interviews conducted with eight students from a university in South Korea, many students stated that the biggest reason for using Facebook is to keep up with their international friends. Cyworld is blocked from foreigners outside of Korea due to their registration process which requires a Korean social security number. The mobile application also significantly influenced the use of Facebook, with sixty-three students stating that they started using Facebook only because of the mobile application. Several students, who had stated that the mobile application did not influence their decision to use Facebook, continued by saying that they were Facebook users prior to the release of mobile Facebook.

Privacy Concerns in South Korea

Since South Korea is a collectivist society, social image is very important. Goffman [1959] describes impression management theory, where individuals attempt to manage their image and potential threats to their reputation. As social connections on SNSs like Facebook continue to increase, individuals must take measures to protect their privacy and maintain their reputation. During interviews conducted with eight students in South Korea, all eight students confessed that they often block others from information posted on their Facebook page. The most common reason cited was that their private information is intended only for certain social groups and not for everybody. Korean students are very aware of privacy concerns and take measures to manage their image when participating in SNS.

While Korean students claim they often block others in order to conduct impression management, they also said it would hurt their feelings if they knew others were blocking them from certain information. One student wrote, *“I would definitely feel awful if I noticed someone blocked comments from me.”* This creates a potential conflict in SNS use when trying to conduct impression management because it could alienate other members within the group who are blocked from information posted online.

Emerging Trends in South Korea

The #1 most used application in Korea is Kakaotalk, with a 93 percent penetration rate and average use of eighteen minutes per day [Koreanclick, 2011]. In addition, South Korea has proved once again to be an innovator and leader in social networking through the development of Kakaostory (Ranked as the #1 SNS application in South Korea as of July 2012). Kakaostory is an extension to Kakaotalk that connects users based on their phone number or user ID.

Kakaostory is the first true mobile SNS, existing only as a mobile application. Kakaostory allows users to post pictures and status messages and to comment on other users' postings. The Korean culture is shifting toward mobile computing and ubiquitous information and away from traditional desktop computing. Kakaostory has all the elements of Web-based SNS but resides solely in the mobile application.

Other mobile SNS applications have gained popularity in South Korea, such as Whoshere, Skout, and Badoo. These applications are known as location-based services where users can meet other individuals within a certain distance of their current location. This has become a popular way to meet people in South Korea. These location-based services allow users to create profiles, containing pictures and status messages, as well as comment on other members' profiles. In South Korea, people typically meet through the use of location-based services and then trade Kakaotalk/Kakaostory IDs to become more personal and stay connected.

IV. SOCIAL NETWORKING IN CHINA

Previous sections have shown deep roots of social networking in the United States and South Korea. However, with SNSs such as Facebook being blocked from mainland China, the growth of this industry is taking separate paths. Therefore, this section will discuss social networking in China and compare it with U.S.-based SNS. Doing so allows us to investigate how the Blue Ocean strategy may provide a viable means to help SNS businesses grow. Many investors are raising concerns about how these SNS innovators sustain their growing needs and react to daily changing markets (e.g., the disappointing performance of Facebook stocks). With some successes and lessons learned, SNS leaders tried entering new markets, such as China. We argue that distinctive cultural environments yield unique business models. Understanding such distinctions helps practitioners discover new markets, explore untapped revenue channels, and identify the opportunities/challenges of SNS innovation.

It has been recognized that globalization is a key ingredient fueling the growth of SNS business. Therefore, adjusting and converting cultural differences into strategic benefits calls for research that considers multiple socioeconomic contexts. A conspicuous strength of computing technologies, as argued by Parker and Van Alstyne [2005], is its ability to match, network, or filter various kinds of information content. SNS offers matching capability through which human beings can associate with each other. Dhar and Sundararajan [2007] further contend that, as personal social networks grow, products that derive their commercial values from such networks would become more valuable. Consumers view SNS as a "compilation of applications and services that facilitate collective actions and social interactions online, with the help of multimedia information and evolution of aggregate knowledge" [Parameswaran and Whinston, 2007].

SNS Business Model and Customer Base in China

Cultural and socioeconomic factors are important when dissecting the social phenomena and analyzing the market landscape. U.S. and China share very distinctive societal contexts. As a result, local players dominate local markets. In such countries as China, South Korea, and Japan, native SNS providers (QQ in China, Mixi in Japan, and Kakaotalk in South Korea) effectively outperform Facebook and MySpace, in spite of the first-mover advantages of these American firms. MySpace, for example, assumed an indigenous brand name—JuYou, in China—so as to adapt to the new environment. Such strategy does help the company to occupy a few more percentages of market share. Nevertheless, native providers consistently lead the competition. As of October 2012, MySpace (JuYou) in China is still under construction—a sign of a half-cooked localization strategy. Meanwhile, the Chinese government blocks Facebook because of political differences. Even in Japan and South Korea, where politics do not play a critical role in market penetration, Facebook and MySpace are left in the dust by Mixi and Kakotalk in terms of volume of unique visitors and site stickiness, which refers to the sustainable user interest.

With its massive population and growing middle class, China has received much attention in various IS studies. The SNS market in China is thought to be an underdeveloped landscape with significant potential. Hence, comparing the business models of American with Chinese SNS might lead to interesting implications in both academic and practical dimensions. Table 3 [Guo and Yu, 2009] illustrates the revenue channels used by major SNS vendors both in the U.S. and in China. The strategy of utilizing these channels varies significantly from business to business and country to country. Tencent Company, a Chinese Internet firm, using the social networking software named QQ, has a regular customer base of over 300 million people. The company generates 63.6 percent of its annual revenue from mobile value-added services, followed by online games and digital avatar accessories sales. For the U.S.-based SNS company MySpace, advertisement contributes close to 100 percent of business income, partially because the company does not charge users for service; meanwhile, commercial revenue in Tencent accounts for less than 15 percent. In Table 3, almost all platforms provide mobile service. Some (e.g., Facebook and Sina Weibo) rely heavily on display ads to generate income. Like Pengyou, a Tencent's attempt at real-name SNS, QQ.com utilizes its well-established B2B model to expand revenue options in online commerce. Premium memberships, such as "V-Status," allow public figures to enhance their influence and generate incomes for SNS providers. Unlike Coca-Cola and other legacy ventures, digital business entities have not yet been able to fully capitalize their brand marketing campaigns. QQ.com and Google+, in attempting to solidify their subscribers' brand recognitions, are innovators in this regard. Online gaming and third-party applications are relatively esoteric to the other revenue channels. However, as the influence of online leisure games and MMORPG (massive multi-player online role-playing game) keeps growing, no SNS provider is immune from customer demands to combine their favorite games and online socializing.

Table 3: Revenue Channels—U.S. and Chinese Samples

	Display advertising	Mobile service	Online commerce	Premium membership	Brand marketing	Online gaming	Third-party apps
U.S. samples							
Facebook	High	Yes	Limited	No	No	Limited	Strong
Twitter	Low	Yes	Limited	Yes	Limited	Limited	Moderate
Linkedin	Low	Yes	Limited	Yes	Limited	No	Weak
Google+	Low	Yes	Limited	Yes	Moderate	Limited	Weak
Chinese samples							
QQ.com	Moderate	Yes	High	Yes	Strong	Strong	Limited
Pengyou	Moderate	Yes	High	Yes	Weak	Moderate	Strong
Sina Weibo	High	Yes	No	Yes	Moderate	Moderate	Limited
Renren	Moderate	Yes	No	Yes	Limited	Moderate	Strong
Kaixin	High	Yes	No	Yes	Limited	Moderate	Strong

The website stickiness is a critical indicator of SNS success. It can be measured by subscribers' continuous socializing activities, which account for over 50 percent of users' activities on Facebook. The leading Chinese SNS vendor, however, has less than 10 percent of users socializing continuously. We can infer that the Chinese subscribers tend to migrate from one platform to another, whereas Americans adopt multiple platforms at the same time. China's dynamic socioeconomic factors lead to a less stable SNS landscape than that of America. The socioeconomic development across the country can also impact the market of digital services, in which China's geographic layout plays a role in the extreme contrast between the rural countryside areas and the urban areas, with the more developed economy along the Southeastern coast of the continent. In the U.S., a couple of service providers dominate the market, and some niche players survive. Unlike China, geographic location in the U.S. is not a major factor influencing SNS adoption.

Political ideology is another distinction between U.S. and Chinese SNS landscapes. A stringent political ruling over mass media sets the tone for practitioners. Open source SNS is not so open in China. YouTube, Facebook, and Twitter are banned in China. Providers that failed to comply with governmental guidance in the media industry left the market (e.g., Google). These days, third-party applications have gained tremendous popularity among SNS subscribers. The Chinese app developers, however, are not able to fully enjoy such explosive demand, mainly because: (1) There are a large number of developers competing and aiming to profit from writing code for online apps; (2) The low entry barriers, in terms of skills and resources, intensify the competition on the supplier side; (3) The online censorship by the Chinese government is a major factor, suppressing creativity and innovation.

The Blue Ocean strategy promotes unreached markets where competition is irrelevant. A key to sustaining a competitive advantage is to explore the landscape beyond the current market. Equipped with these understandings, SNS providers are better prepared to make important decisions when entering a foreign market. SNS in both U.S. and China may reap the benefits of exploring new markets by attracting more subscribers.

V. CONCLUSION

Social media, without a doubt, have been one of the greatest catalysts in the digital revolution as it has transformed and shaped users' daily lives in such a way that it's hard to distinguish between users' "offline" and online lives (which have become so integrated with their "offline" lives). This preferred platform of communication allows for individuals and companies to have a conversation and more and more interact with each other in this gathering place, as users throughout the world see social media as their personal go-to center for collaborating, sharing, learning, entertainment, and networking. Social networking has become embedded in the core of users' lives, as users view social networking as an extension of themselves; the information they share reveals more about their identity—to be seen, to be heard, and to be recognized.

Within the United States, the use of social networks has grown from 8 percent in 2005 to 72 percent in 2012. This usage is particularly high among the younger population, but social networking has become ever more popular among older adults as well. The main reasons for using social networks are to stay in touch with current friends and family members and to reconnect with old friends. In the business environments, the use of social networks is still in the early adoption stage. Here the main reasons for adoption are to enhance the brand awareness, to strengthen customer relationships, and to improve collaboration among workers. Fear and uncertainty unwisely lead many organizations to ban the use of social networks at work. Unfortunately, increased use of social networks for personal and business interactions often devolves into a pathological relationship with devices. Users not only feel addicted, they feel trapped. Researchers have observed psychological disorders among heavy users of wireless mobile devices. At work, the need to be constantly plugged in can be counterproductive. The costs and benefits of social

networking are not solely an American phenomenon, as social networks have spanned the globe connecting people of all countries and cultures.

In China, *Guanxi*, a generic term referring to the interpersonal networks and influential relationships that facilitate social activities, prevails among nearly all Chinese businesses. Compared to the market-based paradigm that is widely seen in the U.S., the Guanxi-based paradigm delivers critical impacts to successful business efforts in China. Foreign firms must realize the importance of strategic positioning of Guanxi as an impetus. SNS vendors entering a different cultural context (e.g., China) must have a comprehensive strategy that considers multiple facets of the target market in order to take full advantage of a new landscape. Such a strategy must address these concerns: political influence, public media administration, revenue channel management, a rapidly growing economy in under-developed areas, and integration of service platforms (e.g., B2B).

From a business perspective, social networking has become a powerful marketing tool reaching customers in way never seen before. Unlike traditional forms of marketing, compounded with the overwhelming speed in the growth of social media, companies are facing the challenge of how to effectively incorporate their social media efforts in order to obtain a return on their investment. Companies have to create a balancing act when dealing with how much and the methods to invest in their social media efforts and where to capitalize on the opportunities that social media offers. According to HBR Analytic Services [2010], more effective companies use social media to interact with customers by creating online customer groups and monitoring trends, such as promotions, sharing, review sites, discussion forums, and blogs.

Audience Feedback

The audience for the panel was very receptive and enthusiastic about this topic and the different areas covered during the discussion. Many of the questions were directed at the continued globalization of social networking and cultural differences among users. For example, one audience member asked for a better understanding of how different cultures use SNSs and for more depth regarding the impact impression management plays based on cultural differences. This would be an area well suited for future research on information sharing and privacy. Other researchers in the audience called for a more in-depth investigation regarding how a Guanxi paradigm replaces a market paradigm as an important enabler of business success. Some other feedback suggested that, compared to the market driven factor, Guanxi is more vaguely defined and less predictable. Moreover, there are many cultures (e.g., southern Europe) embracing the Guanxi paradigm in addition to the Asian collectivism societies.

In addition, many participants were interested in the future direction of research in the area of SNS concerning mobile use and a sustainable revenue strategy. This sparked an in-depth conversation about revenue strategies being based on advertising and banner ads, which did not appear on mobile SNS applications at the time of the panel discussion. Since then, advertisements have been added to mobile applications but with little indication of success. Based on the audience feedback, it is recommended that future research investigate sustainable revenue strategies from the perspective of the SNS and also from organizations migrating SNS services within their operations.

Future Direction of Social Media

While some people may see social media as a passing fad and believe the phenomenon has reached a saturation point, others believe social media will continue to shift and evolve and that they will play an even more integral role in shaping the destiny of digital platform architecture for the individuals, in addition to businesses that are already heavily reliant on social media. But today, with so much information being shared publicly, and with users agonized by which information to share with whom, experts believe that we are reaching a tipping point where, rather than the SNS continuing to expand with public access, it will actually go in the opposite direction, and become more exclusive, moving in tighter private circles and personalized private sites, which will give users much more control over what is shared and with whom.

A new emerging trend has become even more pronounced: an evolved method of communicating with other users, as social interaction goes mobile, which marries the visual, dynamic, mobile, and user-generated content. As mentioned previously, mobile-based social networking (mSNS) has already made great strides in South Korea. As more users connect to the Internet via smartphones, mobile devices, and tablets, businesses will benefit from capitalizing on the trend of Social, Location, and Mobile marketing (SoLoMo). As businesses incorporate image-based platforms with mobile ease of use and place an emphasis on the quality of its social media distribution strategy rather than solely on the volume of content, this reorientation will provide a huge advantage over competitors.

In addition, the migration from computer-based SNS to mSNS poses significant challenges and threats to SNSs. Websites like Facebook make the majority of their revenues through banner advertisements. However, these advertisements are not visible within the mobile application. If users continue to spend more time on their mobile application rather than the website, advertisements used to generate revenue in order to survive will dissipate. The future in SNS resides in the ability to generate revenues that can support and maintain the company. Companies like Kakaotalk in South Korea have created a profitable revenue model by selling emoticons. These are cute little characters that a user can buy and display during chat conversations. Such characters are very popular in Asian countries and are heavily used during text conversations. While this revenue model might be more difficult to maintain in Western countries, the venture does demonstrate the implementation of commerce with the social realm, leading to a future of social commerce that has yet to be fully developed.

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APPENDIX A: PANELISTS AND TOPIC

Topic: Social Media Around the World*

Panelists: J. P. Shim, Georgia State University
 Sasha DeKleva, DePaul University
 Matti Rossi, Aalto University School of Economics, Finland
 Aaron French, Kyungpook National University, Korea
 Chengqi Guo, James Madison University

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J.P. Shim is Executive Director of Korean-American Business Center and a faculty of Computer Information Systems at Robinson College of Business at Georgia State University. Before joining at GSU in 2011, he was faculty of BIS and Larry and Tonya Favreau Notable Scholar at Mississippi State University. During the past twenty-seven years at MSU, he was a seventeen-time recipient of outstanding faculty awards, including John Grisham Faculty. He has published five books and seventy journal articles. His coauthored paper has been cited as top in SSCI citations, Elsevier citations, and downloads in DSS. He serves on Wireless Telecommunication Symposium as Program chair. He has received awards, grants, and distinctions, including NSF, Microsoft, U.S. Small Business Administration, and Japan Foundation. He has been interviewed by the media (CBS TV, AP, AJC) and worked as a consultant for Booz Allen, U.S. EPA, KIA Motors, and others.

Sasha Dekleva is a Professor at the DePaul University's Kellstadt Graduate School of Business in Chicago. He has over ten years of industrial experience in engineering, systems analysis, and management at IBM and other companies in Slovenia. Besides being on the faculty at DePaul University since 1985, he had taught at the Universities of Iowa, Maribor, and Ljubljana. His papers appeared in journals such as *MIS Quarterly*, *Information Systems Research*, *Communications of the ACM*, *Data Base*, *Information & Management*, *Journal of Software Maintenance*, *Journal of Systems and Software*, and many others. His current research interests include wireless communication technologies and applications, IT management, and valuation of IT investments.

Aaron M. French is currently an Assistant Professor of Management Information Systems in the College of Business at Kyungpook National University in South Korea and will be joining the faculty of the University of New Mexico this summer. He received his PhD in Business Information Systems at Mississippi State University. He has received outstanding teacher of the year awards at Mississippi State University and Kyungpook National University. His research has been published in the *Journal of Information Technology*, *Journal of Internet Banking and Commerce*, and *The Journal of Internet Electronic Commerce Research*. His research interests include social networking, eCommerce, cross-cultural studies, and technology acceptance.

Chengqi Guo is an Assistant Professor and Madison Research Fellow of Computer Information Systems and Management Science in the College of Business at James Madison University. He received his PhD in Business Information Systems from Mississippi State University. He received a Masters of Operations Management and Information Systems from Northern Illinois University and a B.S. in International Marketing from Guangdong University of Foreign Studies, Guangzhou, China. He is a senior consultant and Director of International Business Development at JDArray Co. Ltd, Beijing China. His research interests are Information Systems security, social media, mobile computing, technical innovation, human computer interaction (adoption, trust, privacy, and communication), innovative technology in education, and cross-cultural studies.



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