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Social Media as Persuasive Technology for Business: Trends and Perceived Impact in Malaysia



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Presentation Structure

- **Background of Study**
- **Literature Review**
- **Methodology**
- **Phases of Research**
- **Findings**
- **Conclusions (impact of study)**

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Motivation of Study

- **Studies show that SM...**
 - have gained **tremendous popularity** among Internet users
 - has become an **integral part of consumers' behaviour** and lifestyle
- **Several studies in the US provide evidences that the use of SM have positive impact on business especially on the SMEs**
- **As such, SM may be considered as persuasive technology due to its potential ability to change attitudes/behaviours of the users**



Problem Statement

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- **Most studies on SM impact and usage are conducted outside Malaysia.**
- **Reports on trends, impact and visibility in Malaysia, however, have yet to be widely recorded and published.**
- **Such study in Malaysia is still in its infancy. In fact, empirical studies on these issues are highly scarce in Malaysia.**



Research Questions

- **What is the trend in social media utilization as persuasive technology among businesses and Internet users in Malaysia?**
- **How significant is the impact of social media utilization on business in Malaysia?**
- **How should a business entity increase the visibility of its company in social media environment?**



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Aim and Objectives of Study

- **Aim**
 - **to ascertain the usage of social media as persuasive technology in business environment.**

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Aim and Objectives of Study

- **Specific objectives:**
 - **To determine the trends and perceived impact of social media for business purposes in Malaysia.**
 - **To analyze how social media contents are designed for visibility for business purposes.**
 - **To propose social media business visibility design guidelines.**



Literature Review

- **Previous studies:**
 - SM have a dramatic impact on company's **brands and reputation** (Universal McCann, (2008))
 - One quarter of the Inc. 500 companies used SM extensively and perceived that SM was very important for **business/ marketing strategy** (Barnes & Matson (2008)).
 - FB had contributed to an overall **economic impact** of 2.6 bil pounds and had supported 35,200 jobs in the UK (Deloitte, 2012).



Literature Review

- **SM as a persuasive technology:**
 - **persuasive technology (Captology) – relates to **how people are motivated and persuaded** when interacting with computing products /applications. (Fogg, 2003).**
 - **Based on 4 principles:**
 - **Reduction – reduce complexity of process**
 - **Tunneling – guide users through a process**
 - **content tailoring – content is tailored towards users' needs**
 - **Suggestions – offer similar/ complementary products**



Literature Review

- **Status of FB usage in Malaysia:**
 - **FB is very popular among Malaysian Internet users – 13.2 mil users and ranked 18th in the world (Socialbakers.com, 2012)**
 - **Unsurprisingly, in our study, **FB is the most commonly used** SM among SMEs in Malaysia (85.7%).**
 - **the top 50 FB business users are occupied by large corporations such as...**
 - **Airasia, McDonald Malaysia, Tourism Malaysia, 1Malaysia, Pizza Hut Malaysia, Malaysia Airlines, DiGi Youths, Maxis.**



Literature Review

- **Status of FB usage in Malaysia:**

FB Usage in the last 6 months of 2012



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Literature Review

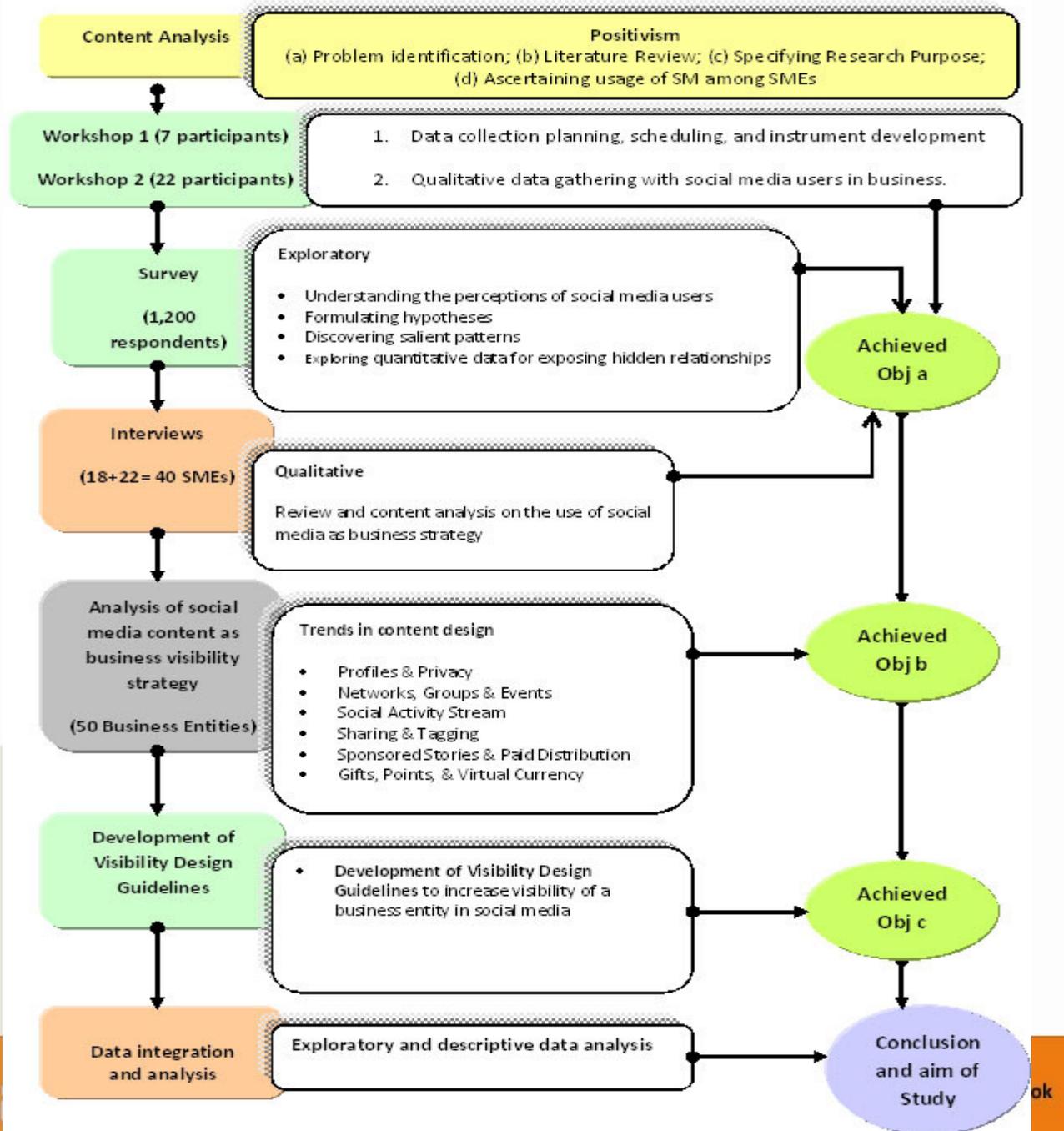
- **Status of FB usage in Malaysia:**
 - **Business firms in Malaysia begin to realise the importance of e-biz and the role of SM**
 - **Malaysians spent RM1.8 billion on online purchases back in 2010.**
 - **94 % of Malaysian online consumers use SM as a guide to shopping (Nielsen, 2011), indicating social media as a potential persuasive technology.**



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Summary of Methodology

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Methodology

Phase 1: Content Analysis

- One of the objectives is to determine the SM usage trends among SMEs in Malaysia.
- A list of SMEs from 30 different industries was retrieved from <http://www.smecorp.gov.my/v4/node/7> for sampling purposes.
- A total of 20 companies from each industry were selected randomly in 3 rounds (i.e. 20+20+20 for each industry – in total 583 companies were selected in each round)
- The companies' web sites were then analysed to ascertain usage of SM.



Methodology

Phase 2: Workshops

Workshop 1:

- **16th – 18th June 2011 to plan data gathering process, sampling, methods, and instrumentation.**

Workshop 2:

- **held in Kula Lumpur on 5th August 2011**
- **was mainly aimed at determining the trends and impact of SM use among SMEs.**
- **participated by representatives and owners of 22 companies**



Methodology

Phase 2: Workshops

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Methodology

Phase 3: Survey

- **A questionnaire was developed to ascertain the trends and impact of SM use on business from the perspective of SM users**
- **It was tested for face and content validity and was then pilot-tested in workshop 2.**
- **The questionnaire was sent to 2,000 SM users all over Malaysia (divided by regions) out of which 1,200 responded, giving a response rate of 60%.**



Methodology

Phase 4: Interview

- **Interviews with 18 company owners who use SM for business purposes**
- **The interviewees were selected based on regions – northern, central, southern, eastern, and Sabah & Sarawak.**
- **The questions raised during the interview sessions were divided into three categories which are questions on Trends, Impact, and SM Visibility.**



Methodology

Phase 4: Interview

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Methodology

Phase 5 and 6: Analysis of Social Media content as business visibility strategy

- **The visibility guidelines of SM were developed.**
- **The focus is on FB visibility as FB the most popular SM tool among SMEs**
- **Many examples of FB usage in business were analysed.**
- **Content analysis for a number of related books and articles were also performed.**
- **Findings from the interview and survey are also analysed**



Methodology

Project Schedule (April 2011 – May 2012)

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Phases	Month													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Phase 1: Content Analysis														
Phase 2: Workshop 1 & 2														
Phase 3: Survey (sampling, instrument development, piloting, distribution, data analysis)														
Phase 4: Interview (sampling, appointments, interview, data analysis)														
Phase 5: Analysis of social media content as business visibility strategy														
Phase 6: Development of Visibility Design Guidelines														
Phase 7: Integrating and Analyzing data Workshop 3														
Phase 8: Documenting research findings														



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Findings SM Trends among SMEs

Social Media
usage trend
among
SMEs by
Industry
Group

No.	Group	Name	% Round1	% Round2	% Round3	Average %
1	G1	Chemical Petrochemical Products	5%	20%	35%	20%
2	G2	Electrical & Electronics Inc. Telecomm.	15%	15%	15%	15%
3	G3	Food Beverage	20%	45%	10%	25%
4	G4	Machinery & Engineering	15%	15%	5%	12%
5	G5	Manufacturing Related Services	20%	25%	15%	20%
6	G6	Metal Products	20%	15%	25%	20%
7	G7	Non-Metallic Mineral Products	10%	5%	15%	10%
8	G8	Palm Oil Based Products	10%	15%	15%	13%
9	G9	Paper & Printing	20%	20%	15%	18%
10	G10	Plastic Products	15%	5%	5%	8%
11	G11	Rubber Products	20%	10%	5%	12%
12	G12	Textile & Apparels & Leather	0%	5%	10%	5%
13	G13	Transport Equipment	5%	5%	0%	3%
14	G14	Wood & Wood Products	15%	5%	5%	8%
15	G15	Miscellaneous	10%	5%	10%	8%
16	G16	Pharmaceutical	5%	25%	20%	17%
17	G17	Supporting Product & Activities	30%	15%	15%	20%
18	G18	Logistics	30%	25%	15%	23%
19	G19	Distributive Trade Inc. Wholesale & Retail	10%	15%	20%	17%
20	G20	Business & Professional Services	15%	15%	5%	12%
21	G21	Services Provider	5%	45%	30%	27%
22	G22	Education & Training	35%	35%	20%	30%
23	G23	ICT	20%	10%	25%	18%
24	G24	Hospitality Services	25%	30%	30%	28%
25	G25	Construction & Health	25%	10%	20%	18%
26	G26	MFG Of Professional, Medical, Scientific & Measuring Devices/Parts	15%	15%	10%	13%
27	G27	Construction	20%	15%	15%	17%
28	G28	Healthcare	30%	40%	10%	27%
29	G29	Tourism	30%	35%	25%	30%
30	G30	Agriculture	0%	0%	0%	0%
		Total average percentage	16.50%	18.00%	14.83%	16.47%

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Findings

SM Trends among SMEs

Social Media usage trend among SMEs by region

No.	Region	SM Usage Trend	Percentage
1	North	48	19%
2	South	32	12%
3	East	13	5%
4	Centre/Middle	152	58%
5	Sabah	9	4%
6	Sarawak	6	2%
	Total	260	100%



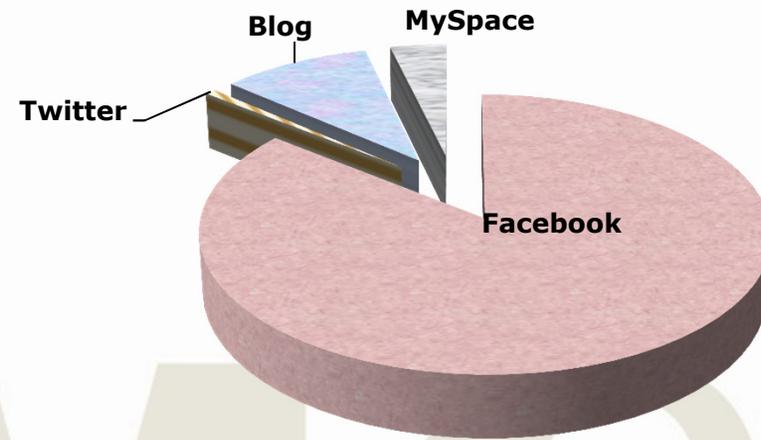
Findings

SM Trends among SMEs

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Type of Social Media Usage among SMEs

Type of Social Media	Number	%
Facebook	252	85.70
Twitter	2	0.70
Blog	29	9.89
MySpace	11	3.70
	294	100%





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Findings

SM Trends, content, and impact on SMEs

Interview/ workshop participants

Region	No of companies
Northern	4
Central	22
Southern	3
Eastern	4
Sabah & Sarawak	7





Findings

SM Trends, content, and impact on SMEs

Demographic information of the Interviewees

Age Range	Type of business	Positions/ designation	Length of SM use	Type of company
Between 20-40 years (most are in their 30s)	Beauty salon, cosmetic, boutique, training services, wedding planner, wedding accessories, production house, event management, kids accessories, advertising and printing, photography service, bakery, batik clothing, resort and homestay, and health products.	Company Owners, Managing Directors, Branch managers, Trainers, IT specialists.	1-3 years	Small and medium

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Findings

SM Trends, content, and impact on SMEs

Example screenshots of participants' FB

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Findings

SM Trends, content, and impact on SMEs

Outcome of Interview

Items	Feedback
SM used and purposes	<ul style="list-style-type: none">- most use FB- For info sharing, promotion, getting product feedback, brand awareness, selling products
The use of SM as a persuasive tool for business	<ul style="list-style-type: none">- Most agree SM can persuade people to buy products- If used correctly, SM can attract new and maintain loyal customer
Personnel requirement to engage with SM	<ul style="list-style-type: none">- There should be a dedicated person in charge of SM
Strategy to drive SM traffic	<ul style="list-style-type: none">- Search engines, referrals of fans, traditional marketing strategies (flyers, billboards, road show etc.)



Findings

SM Trends, content, and impact on SMEs

Outcome of Interview

Items	Feedback
Types of content in SM	company brief profile, product/service descriptions, price & pictures of product, info on how to order products/services, testimonials, info & pictures of distinguished customers, contests, special offers, and coming soon features.
SM that gives the greatest ROI?	FB
Impact of SM on business	All agree that FB can have an impact on business in terms of brand awareness, promotion, word of mouth, referrals, and customer service
Ranking of 5 SM success criteria	<ol style="list-style-type: none">1. brand awareness2. volume of user generated content (UGC)3. customer feedback4. web traffic5. search engine ranking

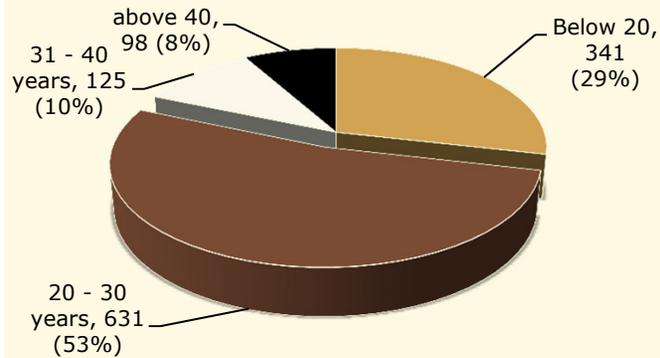


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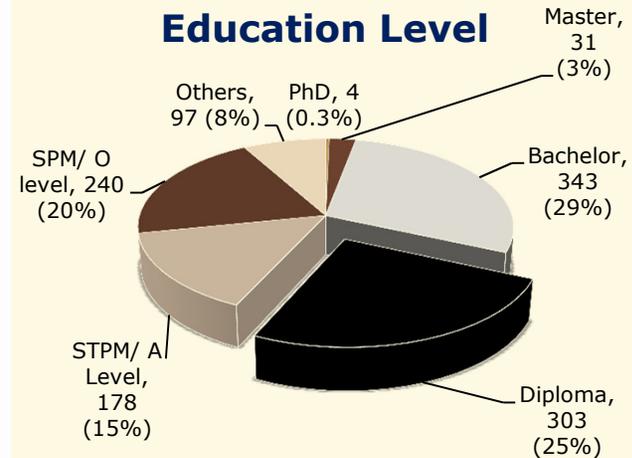
Findings

Survey Results: Respondent's Demography

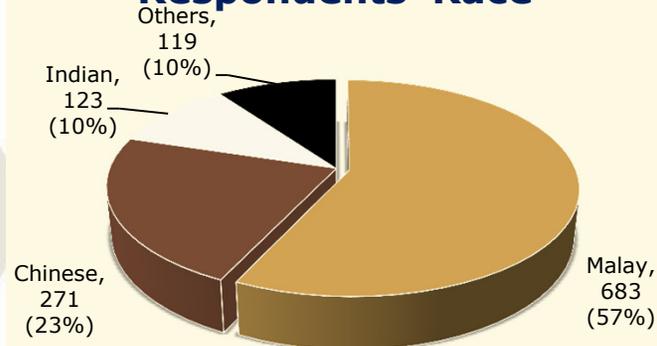
Respondents' Age



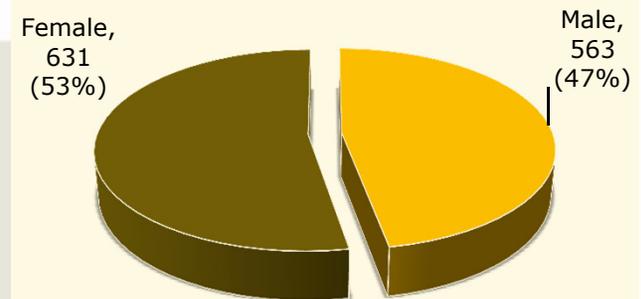
Education Level



Respondents' Race



Respondents' Gender



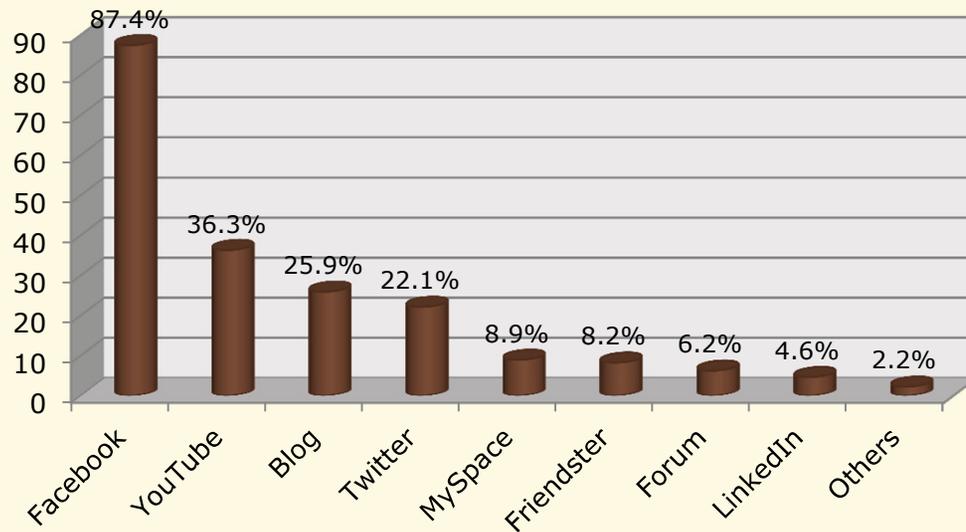


Findings

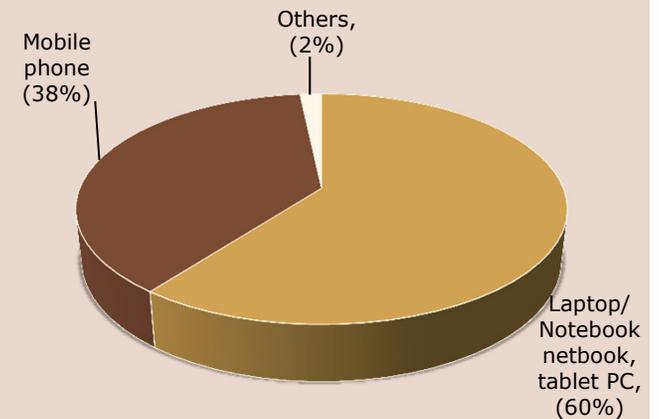
Survey Results: Social Media Usage

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Type of Social Media Used



Technology Used to access Social Media



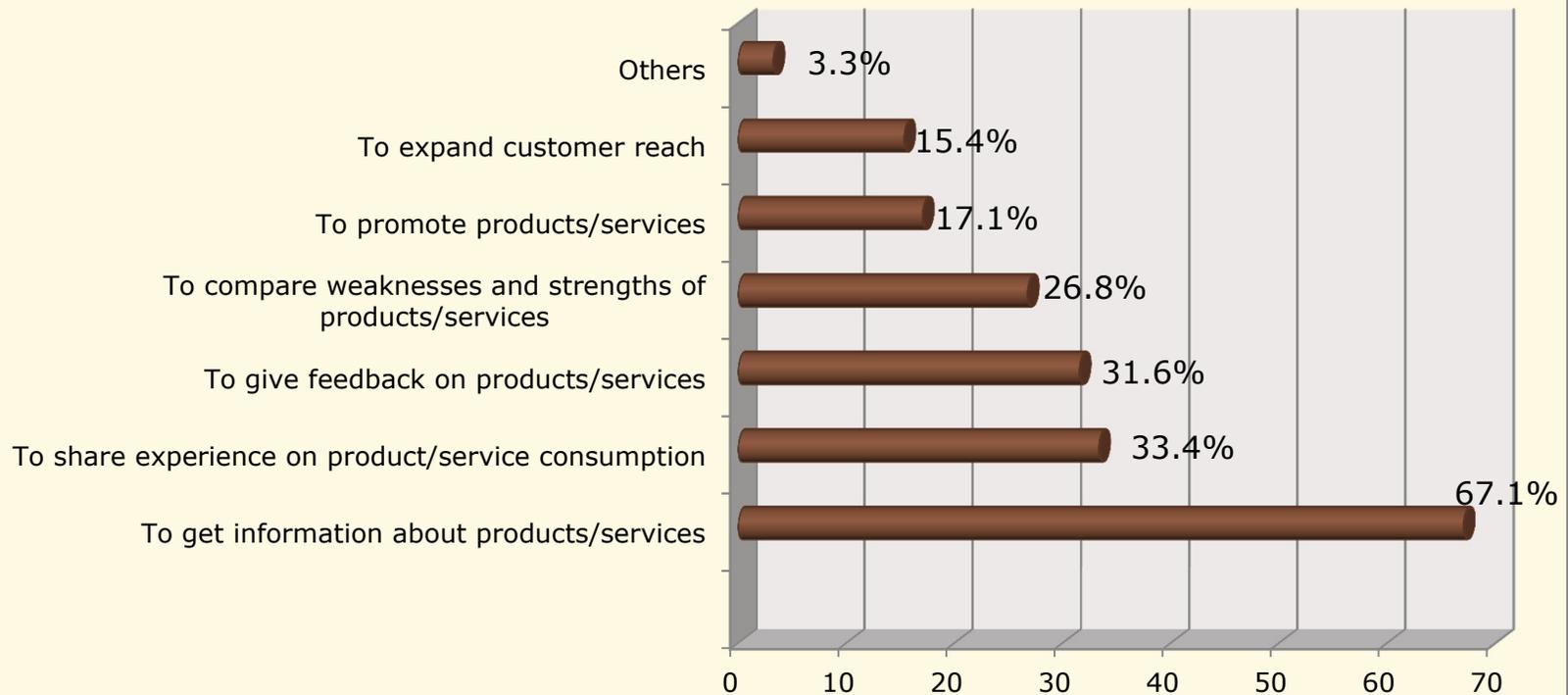


Findings

Survey Results: Social Media Usage

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Purposes of Social Media Usage



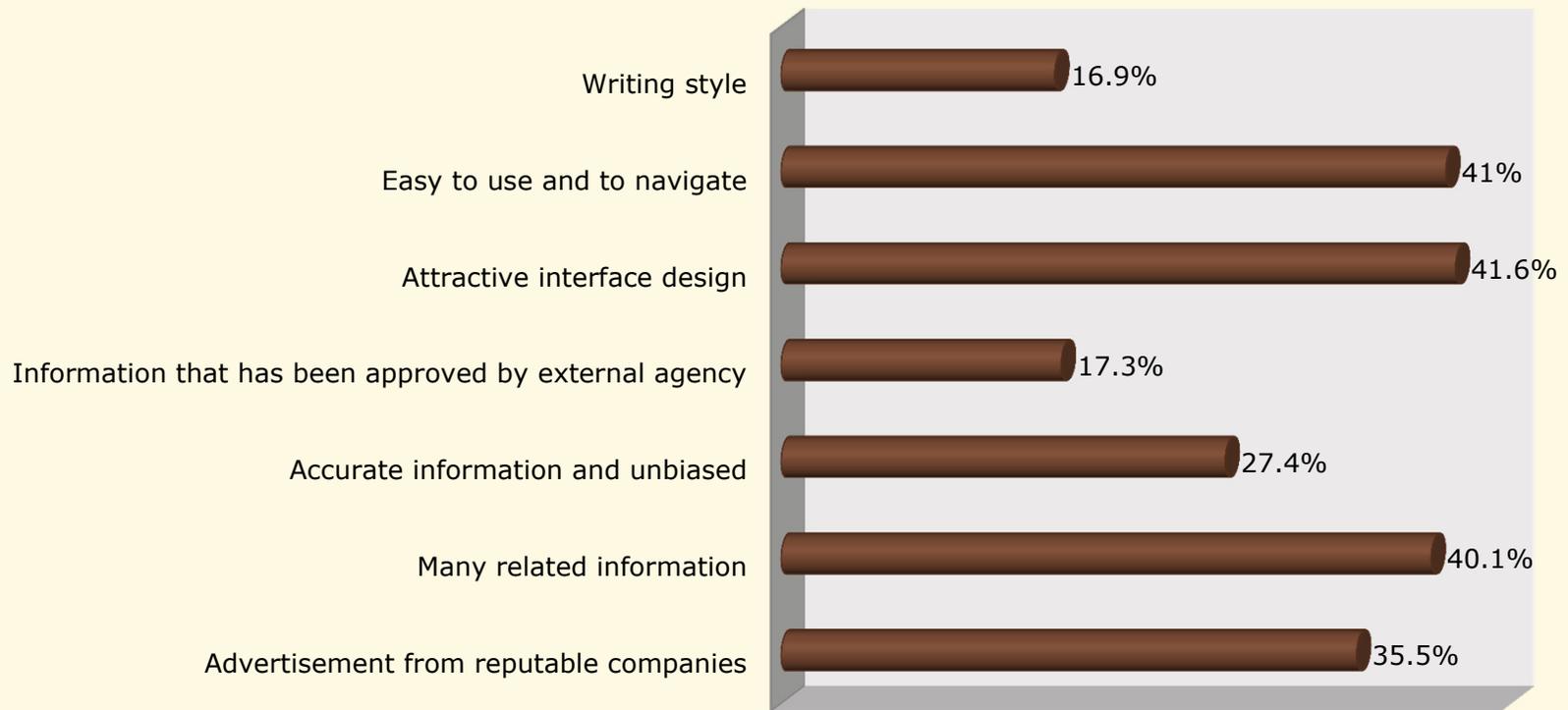


Findings

Survey Results: Social Media Impact

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Credibility Elements of Social Media





Findings

Survey Results: Social Media Impact

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Social Media Impact on Business	Yes	No
1. Have you ever been made aware of a product or service through Social Media usage?	75.9%	24.1%
2. Have you ever bought a product or service after following the information or conversation from Social Media?	43.6%	56.4%
3. Have you ever changed a decision for buying a particular product or service after getting the information about it from Social Media?	47.4%	52.6%
4. Have you ever stopped using a particular product or service after getting negative information about it from Social Media?	47.7%	52.3%
5. Have you ever made a complain about a particular product or service through Social Media?	28.9%	71.1%
6. Did you get feedback about your product or service complaints from fellow Social Media users or company's representative?	68.4%	31.6%

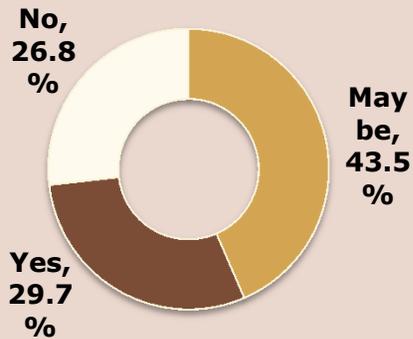


Findings

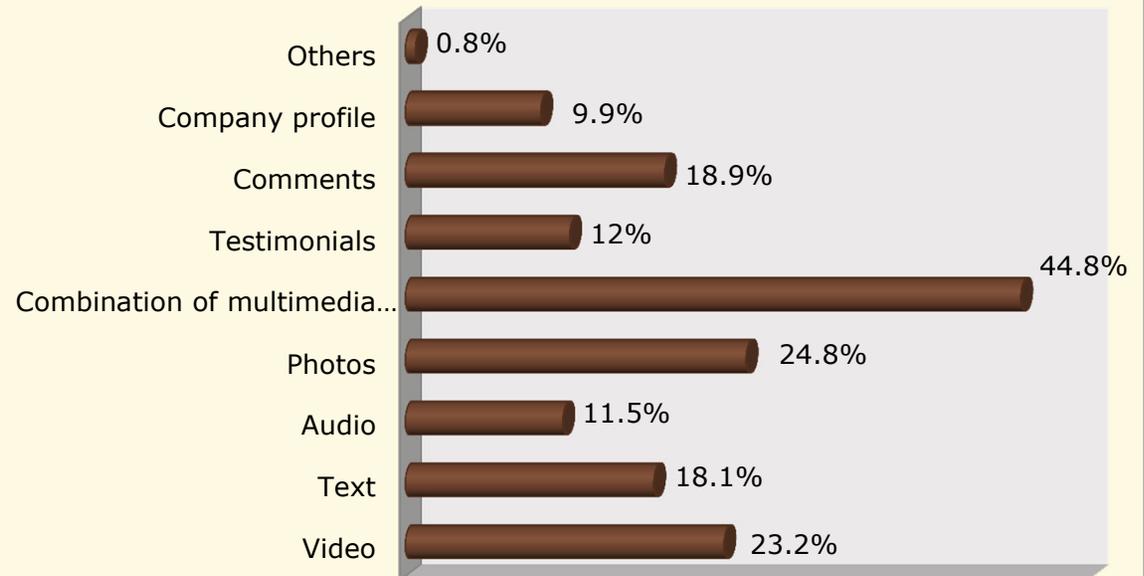
Survey Results: Social Media As a Persuasive Tool

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Can social media be able to persuade you to buy products or services?



What type of social media content can persuade you to buy products or services?





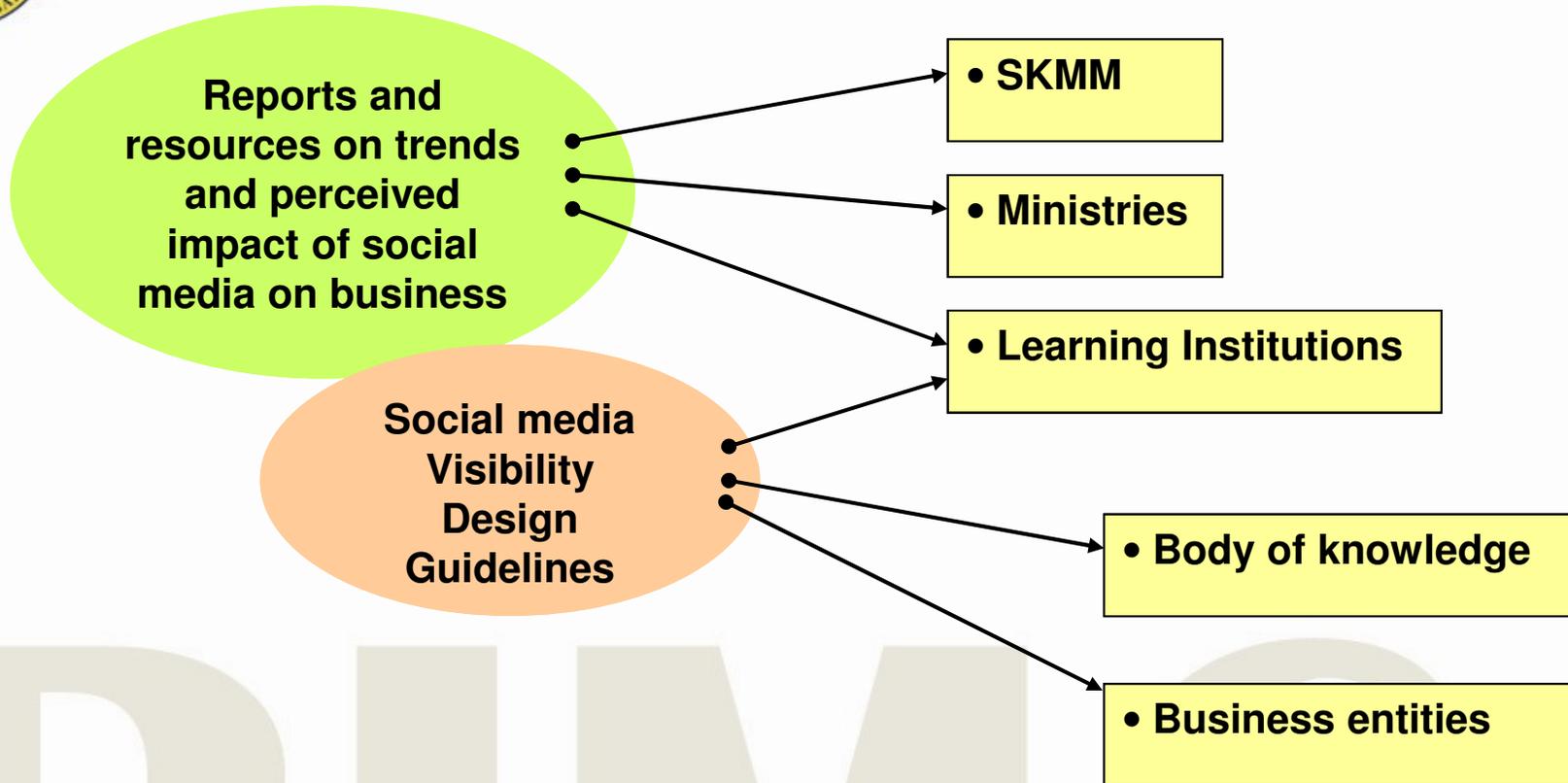
Contributions of Study

- **Provide essential information and resources for SKMM - ascertain the extent of which SM are being used in business by sector and by product or services.**
- **Visibility Design Guidelines will contribute to the design research body of knowledge and also to business community.**



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Beneficiary of Contributions





Conclusion

This study shows that

- **SM has already had an impact on SMEs and there are potentials that SM will be widely used among SMEs in the near future**
- **Many business owners would like to fully utilise SM but lack technical expertise – intervention programmes needed**
- **SM such as FB can indeed be an effective persuasive tool for business if used correctly with right strategy**



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End Of Presentation

Thank you



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