Social Media as Persuasive Technology for Business in Malaysia

Shahizan Hassan, Othman Yeop Abdullah Graduate School of Business, Universiti Utara Malaysia, Sintok, Malaysia
Norshuhada Shiratuddin, School of Multimedia Technology and Communication, Universiti Utara Malaysia, Sintok, Malaysia
Sobihatun Nur Ab Salam, School of Multimedia Technology and Communication, Universiti Utara Malaysia, Sintok, Malaysia

ABSTRACT

The use of social media for business purposes has been growing exponentially due to its great potential as an effective marketing tool. Nonetheless, studies which assess how effective social media can be as a persuasive technology are limited, especially in the context of developing countries. Therefore, this study attempts to evaluate the perceived impact of social media as a persuasive technology for businesses in Malaysia. To accomplish this, a questionnaire survey was conducted with 1,196 social media users. Geographical clustering sampling was used, together with simple random sampling to select participants for the survey, which was based in five regions in Malaysia. The outcome of the survey shows that social media can have a significant impact on business and that the majority of social media users perceive that social media content can indeed persuade people to purchase products or services offered. Furthermore, it was found that social media content can also significantly influence purchasing decisions.

Keywords: Persuasive Technology, Social Media, Social Media Impact, Social Media in Business, Social Media Influence, Social Media Trends

INTRODUCTION AND BACKGROUND OF STUDY

The impact of social media (SM) on business should not be underestimated as trends and a number of studies (e.g. Jacobs & Nakata, 2010; Universal McCann, 2008; Barnes, & Matson, 2008; SME Annual Report, 2007; Nielsen Company, 2010) have shown that SM, especially Facebook and Twitter, have been utilised extensively as business and marketing tools all over the world. Many studies in the United States and Europe have provided evidence that SM has a positive impact on business, especially for small and medium enterprises or SMEs (Swallow, 2010; Lesley, 2012; Darban & Wei...
Li, 2012). Socialbakers (2014) and Google Analytics (2014) show in their reports that most large companies have already been fully utilising SM to expand their market reach and to improve customer relations. Nonetheless, the extent to which SM can be considered to be a persuasive technology in business remains to be determined. Furthermore, the impact of SM has not been very widely reported in the context of South East Asian Region.

Studies such as those conducted by Jacobs and Nakata (2010) and many others show that SM tools have been integrated widely in e-commerce and e-business for the purposes of marketing and customer relations. As a result, terms such as social commerce and social enterprise have emerged (Turban, Bolloju, & Peng Liang, 2011). Firms are now aware of the fact that social networking has become an integral part of consumers’ behaviour and lifestyle. Some studies in Western countries have even indicated that SM such as Facebook can have a significant impact on purchasing decisions (Lesley, 2012; Darban & Wei Li, 2012). Therefore, SM can indeed be considered to be persuasive technology that can change the attitudes or behaviour of the users through persuasion and social influence (Fogg, 2003; Oinas-Kukkonen, & Harjumaa, 2008). The main purpose of this paper is to present a study which examines the impact and role of SM as a persuasive technology in the business environment.

PREVIOUS STUDIES OF THE IMPACT AND INFLUENCE OF SOCIAL MEDIA

Many studies have been conducted to ascertain the impact of SM on business, most of which were performed in the US and European countries. Universal McCann (2008), for example, carried out an impact study of SM with 17,000 Internet users in 29 countries. It was found that SM can have a dramatic impact on a company’s brands and reputation. The most significant SM tool identified in this study is a blog. It was found that 34 per cent of the respondents posted opinions about products and brands on their blogs. In addition, 36 per cent had tendency to think more positively about brands and companies that have blogs. Another study by Barnes and Matson (2008) on the use of SM among the Inc. 500 in the United States reported that over one quarter of the Inc. 500 companies used SM extensively and perceived that the role of SM was essential in formulating a business/marketing strategy.

1. What is the impact of SM utilisation as a persuasive technology for business?
2. Can SM content persuade users to engage in business related activities?
3. Can SM content influence consumers in making purchasing decisions?

The aim of this study is to ascertain the impact of the usage of SM as a persuasive technology in the business environment. The main objective is to determine the perceived impact of SM as a persuasive technology for business purposes in Malaysia. Specifically, this study attempts to achieve three sub-objectives as follows:

1. To determine the impact of SM in business;
2. To identify whether SM content can persuade users to engage in business related activities; and
3. To identify whether SM content can have an influence on purchasing decisions.

The following issues need to be addressed:

1. What is the impact of SM utilisation as a persuasive technology for business?
2. Can SM content persuade users to engage in business related activities?
3. Can SM content influence consumers in making purchasing decisions?
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