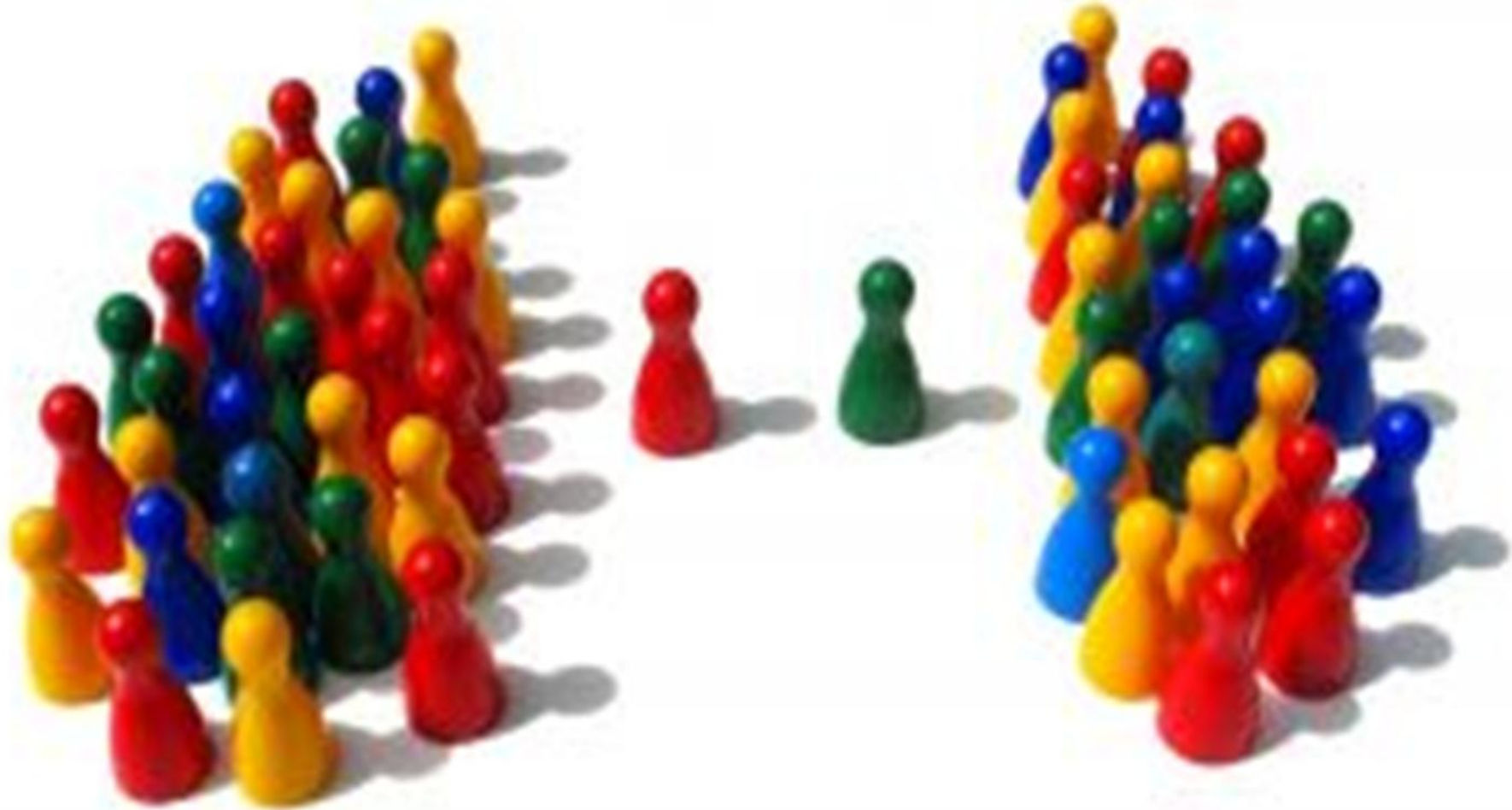
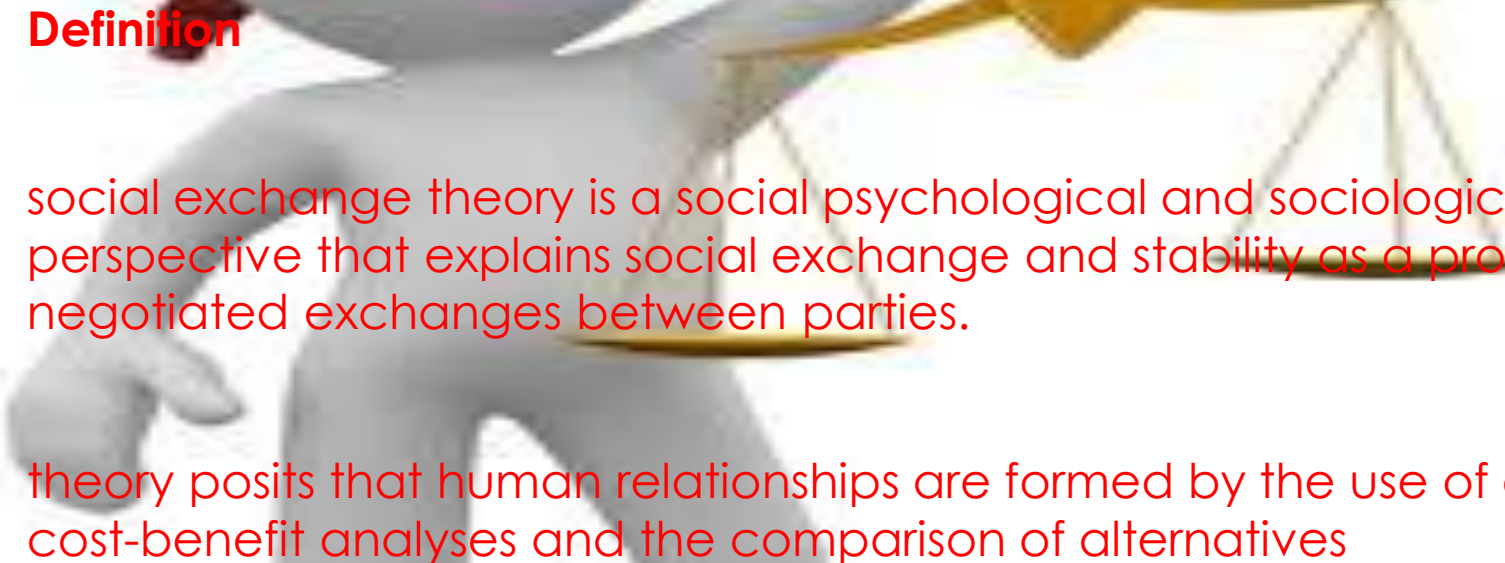


SOCIAL EXCHANGE THEORY



SOCIAL EXCHANGE THEORY

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- ▶ **Definition**
 - ▶ social exchange theory is a social psychological and sociological perspective that explains social exchange and stability as a process of negotiated exchanges between parties.
 - ▶ theory posits that human relationships are formed by the use of a subjective cost-benefit analyses and the comparison of alternatives

History of the theory

- ▶ social exchange theory was developed in the year 1958, by the sociologist George Homans. He defined social exchange as the exchange of activity, tangible or intangible and more or less rewarding or costly, between at least two people.
- ▶ After Homans developed the theory, two other theorists; Peter Blau and Richard Emerson continued to write about it. Blau focused on economic and utilitarian perspective while Richard focused on reinforcement principals which believe individual base their next social move on past experiences.

History cont.

Homans summarized the system of social exchange theory into three propositions

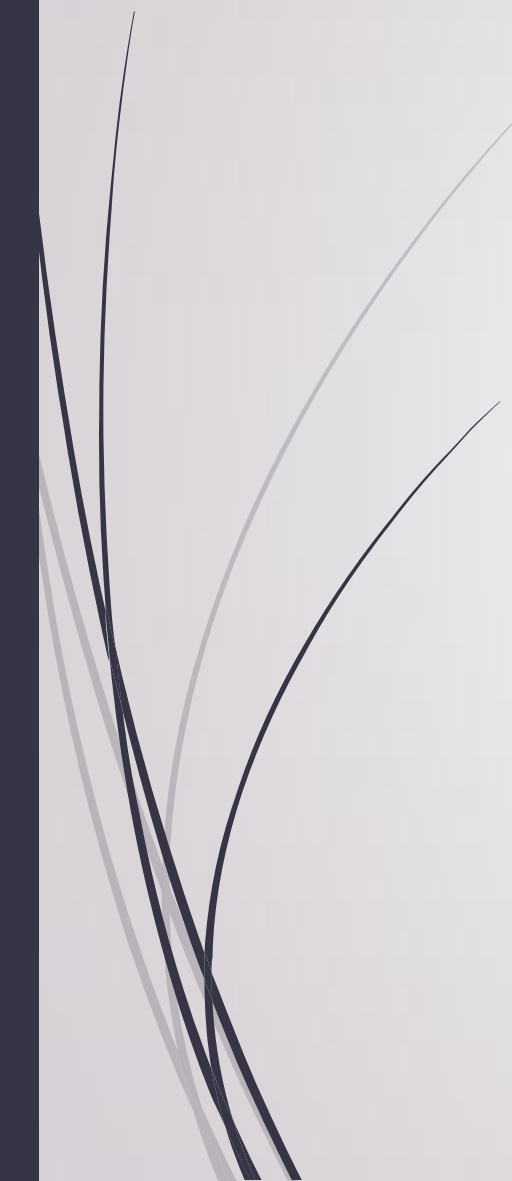
1. Success proposition – when a person is rewarded for his or her actions, he or she tends to repeat the action.
2. Stimulus proposition – the more often a particular stimuli has resulted in a reward in the past, the more likely it is that a person will respond to it.
3. Deprivation – the more often in the recent past a person has received a particular reward, the less valuable any further unit of that reward becomes.

Why the theory was developed

- ❖ To help people understand relationships well; why some relationships work while others fail.
- ❖ To explain why we choose to start and continue only certain relationships.
- ❖ To explain communication and interaction, as well as the factors governing interaction in humans.

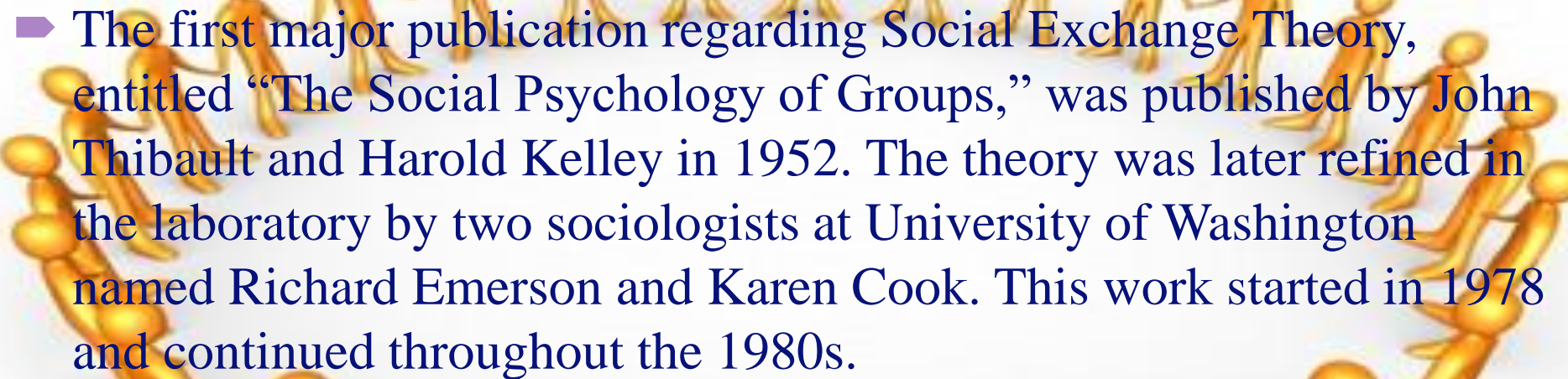


What does the theory say

- ▶ It says that humans base their behaviours on rational calculations designed to maximize individual profit.
 - ▶ Most people value acceptance, loyalty, financial support, affection and companionship and so we might find it rewarding to be in a relationship with a person who enhances our social status. This is classified as a reward.
 - ▶ On the other hand costs arise whenever there is a negative value for an individual. For instance relationship that cost us time, money and effort or all the adjustments we make to coordinate with another person.
 - ▶ The net outcome is equal to rewards take away costs.
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Is there any improvement to the theory

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- ▶ The first major publication regarding Social Exchange Theory, entitled “The Social Psychology of Groups,” was published by John Thibault and Harold Kelley in 1952. The theory was later refined in the laboratory by two sociologists at University of Washington named Richard Emerson and Karen Cook. This work started in 1978 and continued throughout the 1980s.

Example

Katherine Miller poses many objections to Social Exchange Theory in her 2005 publication. She says Social Exchange Theory assumes that the intimacy achieved in relationships is linear in nature, despite many relationships skipping traditional steps or regressing.

Application of the theory in communication



- Social exchange theory enhances interpersonal communication as it develops from shallow relations to intimate relationships. Persons are not only aware of what is around them but also aware of their awareness.
- This theory implicates that human beings are aware of each other's concerns and needs thus this enhances effective communication amongst people.

Application of the theory in social media



- Social exchange theory would be a valid paradigm for studying and explaining how people form networks, express their opinions, and pass information to each other in applications such as Wikipedia, YouTube, Facebook, Second Life, and Twitter.
- The theory also applies to Social Media from a marketer's perspective, because it breaks down the main human factors involved in forming relationships with a gain to both sides. It is certainly valuable to keep these factors in mind when analysing and monitoring social media marketing efforts.



*Thank
You*