



**ORIGINAL RESEARCH PAPER**

**Commerce**

**HOW FIRMS' CAN USE SOCIAL MEDIA FOR THE BENEFIT OF THEIR ORGANIZATIONS?**

**KEY WORDS:** Social Media, Twitter, Firm Performance

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**ABSTRACT**

This study is a short communication about how firms' can use social media for benefit of their organizations. Many companies use Twitter to connect with customers and stakeholders. However, many firms do not fully utilise Twitter. This study provides insights to firms about benefits of social media usage. This study is a systematic literature review of previous published research. Findings reveals that firms can use social media to make direct connections with stakeholders and followers.

**INTRODUCTION**

Many companies use Twitter to connect with customers and stakeholders. However, many firms do not fully utilise Twitter (Malhotra Kubowicz & Malhotra, 2016). Social media has changed the production and delivery of corporate information. Past research highlights the importance of social media disclosure (Lei et al., 2019). Companies can engage stakeholders through CSR focused Facebook pages (Abitbol & Lee, 2017). Most firms cannot function without social networks (Cooke, 2007). Social media is used for entertainment, networking and marketing. Their functioning and influence go beyond. Studies reveal that more investors are using social media to exchange and obtain market or corporate information to improve their investing decisions (Ajjoub et al., 2021). Social media gives CEOs both company and personal benefits, including increased openness and trust, public engagement and brand-building (Mudambi et al., 2019). Social presence is a psychological construct. Social presence includes media quality and user perception (Cui et al., 2013). Social media is the fastest growing public relations area ever. With this increase social media has impacted the many professions. Theories such as transparency, authenticity, influence, engagement and disclosure, ethics, measurement, standards and benchmarking are key areas of public relations social media research (McCorkindale & Distaso, 2014).

(Khobzi & Teimourpour, 2014) examined whether the comments if users comment on a post affect its popularity. Knowing how to boost post popularity helps organisations manage interactions with stakeholders. The authors use regression to evaluate the link between comment polarity and Facebook likes and comments. A sentiment analysis approach is proposed to analyse Facebook fan page posts. Results demonstrate a high correlation between user comments and post popularity. (Odoom et al., 2017) studied about the growth of marketing using social media platforms, the complexities and ramifications for SMEs. The study aims to advance the knowledge and awareness of the motives and performance importance of social media for SMEs in an emerging economy. Across product based and service-based small and medium enterprises, social media motivations and effects are favourable yet inconsistent. Physical product SMEs are more inclined to use social media for cost effective reasons, while services SMEs value engagement. Facebook outperformed Twitter in terms of SME performance, according to the report.

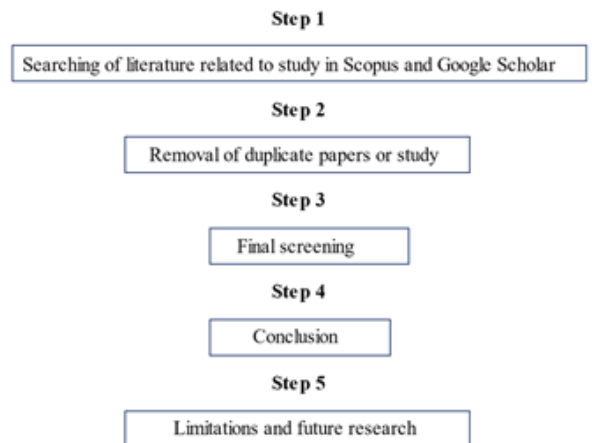
**Literature Review**

(Li et al., 2020) studied the influence of social media on small businesses in China. Companies minimise negative information disclosure but emphasis positive information through various patterns and dissemination approaches. Specifically, increasing performers are more inclined to broadcast and distribute earnings-related tweets to increase stakeholder involvement.

Individuals and organisations are paying more attention to social media as a result of this trend. When it comes to firms' levels, social media provides businesses with a chance to communicate with the market in a manner that is more real time (Ravaonorohanta & Sayumwe, 2020). (Tajvidi & Karami, 2017) studied about the effect of social media on company performance, with marketing skills of businesses in the hotel industry in the UK serving as a mediator.

**Research Methodology**

In order to conduct a literature review related to the study. International databases such as Google scholar and Scopus was used.



**CONCLUSION**

This study contributes to social media theory and provides several practical recommendations to firms. Usage of social media by firms is helpful in attracting customers and building customer loyalty. Social media is also helpful in developing better market reach. Companies can increase their revenue by building networks with stakeholders. Usage of social media is helpful in building brand names of products. With the appropriate usage of social media companies can attract genuine followers. With the help of social media usage companies can increase their search engine rankings as well.

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