

Original Article

Social Media, A Tool for Increased Visibility for Engineering Firms: Risks and Benefits

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Abstract - This paper focuses on the benefits and risks of using social media as a tool for increased visibility by engineering firms. This research aims at gaining an insight on the risks that involves using social media for business and suggests possible policies to alleviate them. The materials used for this study were collected from both primary and secondary sources. Telephone interview was conducted with a total of 12 Engineering executives across Nigeria, and result was analyzed using simple percentage. The researchers defined three classes of risks; Financial, Legal and Reputational risk and seven considerations that could assist firms establish their own social media policies were suggested which includes; training of staff on the use of social media, building policies around job performance rather than productivity, appointing a lead person in-charge of all social media activities and more.

Keywords - Social Media, Internet Marketing, Engineering firms, Risks, Business.

I. INTRODUCTION

Social media refers to websites and applications that are designed to allow people to share content quickly, efficiently, and in real-time. While many people access social media through smart phone apps, this communication tool started with computers, and social media can refer to any internet communication tool that allows users to broadly share content and engage with the public[1].

Internet marketing, or online marketing, refers to advertising and marketing efforts that use the Web and email to drive direct sales via electronic commerce, in addition to sales leads from websites or emails. Internet marketing is a word that refers to the different ways of promoting goods and/or services to reach target customers through internet technologies [2]. It uses the internet as a core promotional medium in conjunction with traditional types of advertising such as radio, television, newspapers and magazines. Internet marketing includes specialized areas such as; Web marketing, E-mail marketing, Social media marketing and Search Engine Optimization (SEO).

Although individuals and organizations implore the use of social media in order to stay in touch, promote causes, get people to take action and enhance their business success, there are potential risks involved.

This paper aims at exposing the associated value and potential risks of using social media to promote Engineering firms.

A. Review of Related Work

The use of the Internet as a marketing tool in business industry offers great benefits. The internet offers benefits that can help consumers be more efficient and effective, as they search out, evaluate, purchase and use products [3]. Consumer efficiency can be enhanced by the internet's potential to provide rapid access to product related information, saving customers' efforts, time and money. Cyber-marketing will be critical to many companies in the 21st Century as they search for ways to gain, sustain and combat competitive advantage [4]. The Internet provides opportunities for an organization to enhance its" business in a cost-effective and practical manner. That is, the Internet can be used to conduct marketing research, reach new markets, better serve customers, distribute products faster, solve customer problems, and communicate more efficiently with business partners. The Internet is also a useful tool for gathering intelligence on consumers, competitors, and potential markets, as well as communicating information about companies and/or products. Marketing executives are mostly supportive of digital marketing because of the ability to easily track and measure results of the marketing communication [5]. The introduction of social media technology is accelerating and we can expect it to have a similar impact on businesses now and into the future. As new technologies became available, businesses that learn to use new technologies gain great benefits. Some of the best-known examples include technology-driven companies such as Microsoft, eBay, Amazon and Google [6].



Social media marketing consists of the attempt to use social media to persuade consumers that one's company, products and/or services are worthwhile. Social media marketing is marketing using online communities, social networks, blog marketing and more. Reference [7] defined social marketing as "concerned with the application of marketing knowledge, concepts, and techniques to enhance social as well as economic ends. It is a strategic and methodical process to establish the company's influence, reputation and brand within communities of potential customers, readers or supporters.

Similar to traditional business, online marketing presents many pros and cons. online marketing can expand the geographic reach of the company by accessing customers in markets where the company does not have a physical presence [8]. Online Marketing or e-commerce creates the ability to sell virtually any product that can be sold in a traditional retail environment. Nights, weekends, holidays, and time zones are no barriers to e-commerce. Online marketing can also reach customers that for various reasons cannot personally visit a traditional retail store [9]. However, online shopping is not attractive to all consumers. Reference [10] opined that many consumers are concerned with the privacy and security issues associated with doing business online. Almost 95% of Web users have declined to provide personal information to Web sites at one time or another when asked. According to reference [11], Credit card fraud, unwanted solicitations, and use of their information for other than its intended purpose are a few of the reasons cited. Another advantage is that, customers can make purchases without having to leave the comfort of their homes. The customer does not have to deal with the hassle of parking or the worry of losing contact with their small children presented by traditional retail methods. An added advantage of online marketing is decreased cost. Traditional retail businesses have overhead costs that associated with online marketing. These include utilities, insurance, store lease, and labor.

The importance of social media to one's business can never be over emphasized. Its technology allows users to easily create and distribute content through social networks using the Internet.

Social media creates a sense of intimacy and immediacy in our communications with colleagues and clients. But two very important questions we must answer are; what business value can social media platforms such as Facebook, Instagram, Twitter, YouTube and others bring to your engineering firm? And, if you're challenged just managing your email, how do you get on board or do you really need to get on board?

Below are social media platforms commonly used by businesses across the world today;

a) Facebook

A social media platform launched in 2004. Businesses create pages and group in order to reach their prospective customers and interact with their clients. Facebook was reported to have 1.13 billion active daily users on average and 1.71 billion active monthly users as of June 2016 [12].

b) LinkedIn

LinkedIn is arguably the world's largest professional network, and the best means to control your online identity. With over 450 million active users, LinkedIn user-profiles rise to the top of search results, letting you control the first impression people get when searching for you online.

c) Twitter

This is a micro blogging service created in Mach, 2006 that enables its users to send and read posts (texts/photos/video/voice notes) known as "tweets". Texts on Twitter are a maximum of 140 characters per tweet. Twitter has an averaged 313 million monthly active users as of October 2016.

Other platforms include YouTube, Instagram, Blogs, Whatsapp, etc...

II. MATERIALS AND METHODOLOGY

The researchers having reviewed materials from different books, web pages, and journals related to this work and also the mechanisms and algorithms inherent in digital marketing, coupled with the telephone interview conducted on 12 engineering executives across Nigeria, were able to draw their inference. The responses from the respondents are shown in tables 1 and 2 below.

A. Interview Questions

- Does your firm have a social media (or an online) presence?
- Does your firm have a clearly defined social media policy?
- Does your firm have e-mail communications, technology use and social media policies?
- Does your firm have an incident management plan to help you deal with instances of fraud and/or privacy breaches?
- Have social media in any way helped in the growth of your firm?
- What are the risks your company has been exposed to while using social media?

III. DISCUSSION OF RESULTS

A. Risks Associated with using Social Media Platforms for Engineering firms

To tap into the importance of social media for business, Engineering firms need to understand the risks involved in using it. All social media platforms have potential risks, but these risks are dependent on different factors which includes;

how they are used, who is using them, and the type of controls your company has in place.

However, the risks involved in using social media for your firm can be grouped into three broad categories – Legal Risks, Financial Risks and Reputational Risks.

a) Legal Risks

Legal Risks of using social media for your Engineering firm includes; Copyright claims, privacy violations, Illegal contents on social media, cyber bullying and trolling. Firms must ensure compliance with applicable laws when posting advertisements or other promotional information on its social media pages. With respect to external legal threats, content posted by third-party users could lead to civil liability for defamation or other torts, copyright and/or trademark infringement, or antitrust violations.

b) Financial Risks

Financial risks include ensuring staff use of social media during business hours is for professional purposes only, differentiating between valuable discussion and needless chatter, determining who does or does not have access to social media platforms, and whether the information disseminated trivializes the core message of the organization. Technical issues such as increased risk of viruses and malware entering the organization’s network, and costs of training may also arise. Also, ensuring proper ad targeting, making sure they get complete value of every coin spent for online advertisement is also a concern for firms

c) Reputational Risks

How do you protect your firm’s reputation while using social media to promote your business? The greatest risk to company reputation arises from the inability to control the content and quality of external communications, potentially leading to serious brand damage. These issues can arise from the inability to control staff personal use, being drawn into debates on public issues (via staff postings), and the release of sensitive or embargoed information. Also, someone

outside your organization can use social media to attack your company’s image.

The above risks can force engineering firm executives to shy away from using social media for their business. However, not having a presence on social media could have a negative impact on your business. However, its importance outweighs the risks as it can extend brands’ visibility and market shares, and also grant opportunities to fully engage with all stake holders at any given time. It’s best to understand the risks and develop strong internal policies to guide your use of social media and your response to both internal and external risks.

Distribution of respondents according to occupation: All respondents are Engineering firm Chief Executive Officers (CEOs).

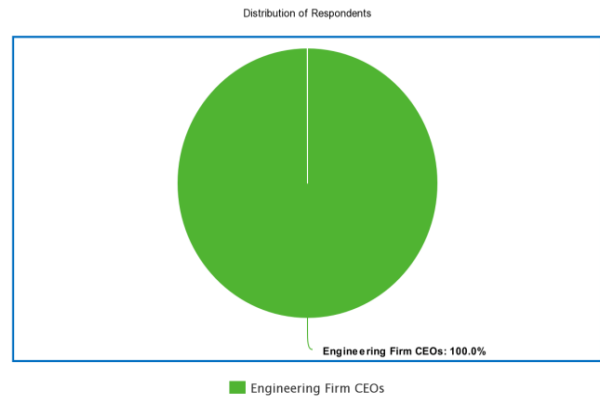


Fig. 1 Demographics of the respondents according to occupation

Even though the benefits of using social media outweigh the risks, the above listed risks associated with its usage can be greatly mitigated.

Exerts from the respondents telephone interview are analyzed using simple percentage in Table 1 below;

Table 1. Social media platforms used by respondents

s/n	Social Media Platforms	Responses (n=12)	
		Yes	No
1	Facebook	12	-
2	Instagram	6	6
3	Twitter	12	-
4	LinkedIn	10	2
5	Whatsapp	12	-
6	YouTube	1	11

All respondents make use of Facebook, Twitter and Whatsapp social media platforms for their business. Only 50% (6) of the respondents own a business page on Instagram social media platform. About 83% (10) of the

respondents own a LinkedIn account for their business while only a mere 8% (1) of the respondents use YouTube as a tool for their business.

Table 2. Responses from telephone interview

s/n	Questions	Responses (n=12)	
		Yes	No
1	Does your firm have a social media (or an online) presence?	12	-
2	Does your firm have a clearly defined social media policy?	3	9
3	a)Does your firm have e-mail communications, technology use policies?	10	2
	b)What about social media policies?	2	10
4	Does your firm have an incident management plan to help you deal with instances of fraud and/or privacy breaches?	5	7
5	Have social media in any way helped in the growth of your firm?	9	3

100% (12) of the respondents have social media presence however, only about 66% (8) are highly active. 75% (9) of respondent companies did not have a clearly defined social media policy.

While 83% (10) of the respondents have policies regarding email communication and technology use, only a mere 16% (2) have policies that specifically address social media usage. About 58% (7) revealed that their organizations do not have an incident management plan to help them deal with instances of fraud and/or privacy breaches. However, 75% (9) revealed that social media has greatly influenced the growth their business while 25% (3) insist the influence is slightly above average.

Many firms already have an electronics communication policy that guides appropriate use of the organisation’s computer system, reduces employee expectations of privacy, and reduces the company’s risk. Regardless of which approach is taken, the policy must be consistent and integrated with other company policies. The researchers suggest that policies be tailored to the unique circumstances and policies of a given firm after important factors have been considered because, every firm uses social media platforms differently in ways that best suit them. Below are general considerations that should assist a firm in the development of its own social media policy;

- Executives should lead by example. Their social media lifestyle should be a living example of what they expect from staff.
- Policies should be built around job performance rather than productivity.
- Access to company’s social media platforms should be restricted based on certain requirements. Establish a protocol for who can post what information about the firm, and on what social media platform(s)

- Staff should be encouraged to use social media responsibly.
- Adequate training on use of social media should be provided for staff.
- Firms should appoint a lead person in charge of all social media activities.
- Include your legal department in policies that have legal implications, such as copyrighting, Bullying and harassment, etc...

IV. CONCLUSION

The researchers conducted a telephone interview on the usage of social media platforms, its implications (risks) and benefits by engineering firms in Nigeria and reported the responses herein. Findings revealed that the use of social media offers the potential for increased visibility and more efficient communications for engineering firms. However, the risks are evident, and must be managed. Risks were categorized into reputation, legal, and financial risks. Firms must develop rigorous policies and practices to alleviate the risks, so that they can enjoy the rewards of their social media engagement.

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