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The Role of Social Media in the Enterprise’s Communication with Its Stakeholders

Keywords: net-generation; communication; stakeholders; social media; high technology services sector

JEL: M31; M21; L22


Abstract

The aim of the article is to present the role of social media in the process of communication between the company and its stakeholders, with the use of new tools. ICT tools enable rich and unlimited communication of each organization with each stakeholder. From the point of view of enterprises, this leads to a dramatic reduction in transaction costs, an increase in the effectiveness of managing contacts with interest groups, as well as spatial development and range of operations. In order to minimize marketing and promotional costs, enterprises look for all possible communication tools to reach the largest group of recipients of their message. A prime example is the phenomenon of social media, or internet “creations” that allow users to create and exchange user-generated content in order to create “crowd wisdom” used by businesses. The considerations contained in the article are an element of research on the role of social media in communicating with its stakeholders. The article is both in theoretical and practical knowledge. The subjects of the research are medium and large enterprises from the high technology service sector in Poland.
Introduction

Nowadays, companies are more and more willing to be recognized online, especially through awareness of their brand on the market and recognition in the environment. The brand of an organization plays a significant role among marketing instruments, because its position determines the level of the company’s competitiveness, it can increase its value and support the processes of winning markets. Social networking sites (websites) are increasingly used for marketing purposes. The innovation and specificity of this communication tool created excellent conditions for commercial brands to show themselves to a wide group of consumers. This potential was quickly appreciated by PR and marketing specialists, so the presence of a brand in Social Media is no longer a non-standard activity, but it has become a mandatory activity. Having an official profile by brands and animating the Internet community around them not only allows you to reach with your message directly to network users, but also to all stakeholders, which allows you to create the desired brand image without leaving it alone (Wereda & Kowalska, 2021, p. 59). What is more, the Internet allows you to create places for discussion, for information exchange between enterprises and members of the environment. In today’s social media, communicating information is more complex than it was a few years ago because the message was predetermined and imposed by specific traditional media (Sumara, Krzycki, Prokura, & Kubisiak, 2012). However, social media did not replace traditional means of communication – television or radio, but allowed users to look at information from various perspectives and ways of thinking, so-called net-generation.† Nowadays, each company stakeholder can communicate something – they have the right to express their own opinion, publish content and evaluate other statements, engage in discussions through numerous social networking sites that allow you to create your own content (called “user-generated content”, UGC) making them attractive to representatives of different generations (Evans, 2011, p. 21). The research methods used in the article are a literature query and verification of source materials, a method of diagnostic survey and deduction.

Social Media – basic identification

From the marketing point of view, content marketing tools can be divided into content tools (e.g. blogs and infographics) and content distribution tools (e.g. portal/social networking site), but the division is very fluid (Stawarz-Garcia, 2018, p. 89).

† Net-generation includes all generations of people who were born after 1980 and grew up using the Internet and related technologies (for example, Social Media). In other words it is the cohort of young people who have grown up in an environment in which they are constantly exposed to computer-based technology. It has been suggested that their methods of learning are different from those of previous generations (Sandars & Morrison, 2007).
Generally speaking, it can be stated that the enterprise’s relations with the environment are dealt with by the PR (public relations) process. Referring to many sources, the term refers to many relationships, tools and means of communication with society. In reference to the Public Relations Lexicon, the term is used in four semantic contexts (Olędzki & Tworzydło, 2009, p. 141):

- as the name of all activities aimed at achieving positive relations with the environment,
- as the name of the method and style (often promotional and propaganda or advertising) of communicating messages and information or organizing events,
- as the name of the field of knowledge about professional skills and the art of shaping the image and brand of institutions, social organizations and economic companies, in building reputation and strengthening relations with the environment,
- as a synonym of negative evaluation of competitors’ communication activity (an example of a politician’s statement: “instead of working, they practice PR”).

Moreover, the authors state that the entities constituting the target groups of activities undertaken by enterprises under PR can be divided according to the degree of connection with the organization into the closer and more distant environment. Various groups of stakeholders are mentioned in the literature on the subject (more on this subject by Wereda, 2018). However, more and more often e-PR gains value through public relations activities carried out via the Internet. e-PR, also known as Web PR or Internet PR, can affect all activities of the enterprise on the Internet, from positioning, through creating traffic on the corporate website, and ending with the presence in all kinds of information, industry or social websites. In connection with the above, enterprises are adopting a strategy of using social media to contact a wide group of stakeholders in the evolutionary manner (Okonek, 2009, p. 4).

In general, you can define a social network as a website that exists based on the community gathered around it and creates the so-called Social Media through its activities (Obar & Wildman, 2015, pp. 745–747). The term “social media” refers to digital media and technologies (social software) that enable their users to be bi- and multi-sided creating and exchanging media content with each other. Social media includes all media (platforms) that through the digital channels, enable users to communicate with each other and to interactively exchange information (Drzazga, 2013, pp. 103–104). The variety of social networking sites available on the Internet today poses a challenge to come up with a single definition, but there are some common features (Kaplan & Haenlein, 2010, pp. 60–62):

- social networking sites are based on web applications,
- user-generated content is the lifeblood of portals,
- users create their own profiles,
- social networking services facilitate the development of online social networks by linking the user’s profile with other people or entities with similar interests or to some extent related to them.
In order to organize the knowledge about social networking sites, it is necessary to analyze the information available in the literature. First, social networking sites are sites where each user can create their own profile; they mainly serve to increase the sense of belonging to a social group and with such identification, these websites can be divided into two categories (Chambers, 2006; Mangold & Faulds, 2009):

- external social networking (ESN) – open (public) and accessible to all Internet users, they enable them to freely communicate with each other. Their users can send their photos and make friends with other users, usually after both parties accept the previously sent friend’s request,
- internal social networking (ISN) – closed (private) communities made up of a group of people of a single workplace, association, institution or other organization as well as a closed group created by an ESN user, i.e. one that can only be reached by invitation from a friend.

It should be remembered that usually social networking sites allow you to control your privacy, i.e. users can choose what is and what is not visible to others in their profile and who can view or contact their profile. However, some social networking sites have additional options, such as creating groups with specific interests, uploading videos, and chatting in forums. In addition, there are “geosocial sites” that use web-based mapping applications to gather users according to their geographic location, which is useful in creating a company’s communication process with stakeholders.

There is also a trend towards greater collaboration between individual social networking sites, led by enterprises such as OpenID and OpenSocial. Its idea is to enable users to create one common profile on many websites. In this way, the following websites cooperate with each other: Facebook, Flickr, Blogger, WordPress, etc.

The basic types of social media are (Bonek & Smaga, 2012, pp. 14–15; Castelló, Morsing, & Schultz, 2013):

1. Websites whose users create profiles and use them mostly for social or entertainment purposes, e.g. Facebook, Google+.
2. Microblogs used to exchange information with friends; you can include short text messages and links to other sites; Twitter is the world’s largest service of this type.
3. Professional communities in which users establish business contacts, such as the global LinkedIn or the Polish GoldenLine.
4. Industry communities, such as the website for Stack Overflow developers, and websites for doctors and pharmacists.
5. Portals whose content is created by users posting texts, graphics, photos, videos, humorous materials. Examples include Wikipedia, YouTube, Flickr, and recently the more and more fashionable Pinterest, and in Poland, Demotywatory or Wrzuta.
6. Thematic social networking sites, e.g. Myspace.com, currently closely associated with the artist community, especially musicians, and the Filmweb.pl portal that brings together Polish cinema fans.
7. Portals in which users recommend each other interesting content found on the web, for example, global Digg.com.
8. Citizen journalism websites where articles on various topics are published not by professional editors but by users, for example, in Poland this is Salon24.pl.

9. Blogs – user-run mini-services that used to be an online diary but are now diverse.

10. Discussion forums – all large Internet portals have them, but they also exist as independent websites, often focused on a specific topic, for example, industry forums, photo forums, forums devoted to car brands, local or even housing estate forums.

11. Opinion and recommendation websites, the users of which evaluate products or online stores, for example, Yelp.com, and in Poland – Opineo.pl.

12. E-commerce websites using social mechanisms: auctions where not only companies, but also private individuals trade new or used items (for example, eBay.com, and Allegro.pl in Poland), social lending websites where private individuals borrow money each other (for example, in Poland – Kokos.pl), social exchange offices where Internet users exchange currencies (for example, in Poland – Walutomat.pl).

Social media offers many opportunities to engage in dialogue with customers, as shown in Figure 1. Every year there are more and more such methods, however, it should be remembered that some of the presented ones are not yet available in different countries. Interestingly, Facebook and Twitter are the leaders in social media. A large number of Facebook users use it on average more than 30 minutes a day, and there are also other platforms such as Twitter, Instagram, Kik or Snapchat.

![Figure 1. The social media landscape in 2020](Classic: Social Media Landscape 2020)
Originally, social media was supposed to be used to keep friends and share information. However, when looking at modern society, many people are staring at the screens of phones, tablets or laptops and it can be said that these are currently the basic channels for maintaining relationships and obtaining information. In connection with the above, social media can be used by sellers and enterprises to acquire customers, maintain relationships with them, as well as remind themselves in the form of repeated advertisements.

Communicating the enterprise with its stakeholders via social media

It should be remembered that it is the digital era, also called the “fourth era”, that is the era of digitization and the network, the main feature of which is unlimited connectivity and global reach. Thanks to this network, more than seven billion people around the world stay in touch. They also exchange information, knowledge, and online purchases with each other using this network. The process also involves billions of electronic devices and machines with artificial intelligence installed and used by humans (Skinner, 2018, p. 31; Chua, Alton, & Snehasish, 2013). The digital age is also presented in literature as the reconstruction era. This term reflects the influence of this era on every sphere of the organization’s activity – the re-profiling of the entire business environment of enterprises, the manner of customer service and the product range released to the market. It focuses its resources primarily on the use of modern solutions and combining them with appropriate means of mass communication in order to translocate huge databases. The reconstruction era is defined as the stage in which the business models of enterprises, their methods of operation, were dictated by changes taking place in digitization (Adamczewski, 2018, pp. 14–15). The year 1990, considered the birth of the Internet, led to the transition to a new generation of information and technology every 10 years. Contemporary authors believe that humanity is slowly entering the next decade called “Web 4.0” (Skinner, 2016, p. 41).

Figure 2 shows the evolution of the Internet from Web 1.0 to Web 4.0. The first stage of evolution created the network that appeared first and was used mainly by enterprises that wanted to promote themselves on the Internet. The content posted was static content, that is, content that was delivered to users in the same version or that contained the content of databases from a set that were published to recipients. The pages consisted of little extensive content, while the web browsers were “modestly” extensive (Narayanan, & Colarelli O’Connor, 2010, p. 505). The first website was designed in 1991 by Tim Berbers-Lee. The vast majority of websites were created by universities and research institutes to present to the public a list of the collected knowledge. Another feature of this generation was control over the pages and organizing the content (Skinner, 2018, pp. 41–43). The advent of Web 2.0 brought about the start of online sales, as well as the development of payment services. In this decade, Internet publishing platforms also began to emerge, offering the construction of websites and
Further transformation of the Web led to the creation of Web 3.0, which made it possible to change the data, information made available on the Web. Users can not only make modifications to electronic devices, but also increase the reach of the network, i.e. penetrate to a larger group of recipients of information (Noskova, Pavlova, & Iakovleva, 2015, pp. 16–17). Skinner (2016, p. 422) presents Web 3.0 as the “Internet of Values”, that is, a generation based on the exchange of value, for example, the ability to control your banking and technology investments using the web. The Web 4.0 generation largely uses what Web 3.0 was based on. It puts more emphasis on artificial intelligence and Cloud computing. In the literature on the subject, it is believed that Web 4.0 in the future may completely integrate the real world with the virtual world. This process will be supported by the use of artificial intelligence, which will support the operation of the application and detect and fix errors in them (Kose, 2016, p. 288).

The main idea of Web 4.0 is the development of intelligence. Created intermediaries or “agents” included in IT programs will support the process of reasoning, communicating and cooperating with other applications or systems via the Internet, the purpose of which will be to achieve the assumed tasks on behalf of a given user (Murugesan, 2010, p. 4). Network development offers many opportunities for enterprises, but also creates some kind of risk (Chabik, 2014).

<table>
<thead>
<tr>
<th>Tool/technology utilization level</th>
<th>Content creation level</th>
<th>Content creation level</th>
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<tr>
<td>low</td>
<td>low</td>
<td>high</td>
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**Figure 2. Internet evolution**

Source: Author’s own study based on (Networked Digital, 2020).
The role of social media in communicating with stakeholders on the example of the high-tech service sector

High technology, high-tech service enterprises, requiring a lot of knowledge (knowledge-intensive), play a key role in the development of the economy and the services market, they are the source of its competitiveness, modernity and economic benefits, and their role systematically increases (Korpus & Banach, 2017). Moreover, defining high technologies is currently difficult due to the fact that most new technologies cross the boundaries of industries according to traditional classifications (Wojnicka, Klimczak, Wojnicka, & Dąbkowski, 2006). It is generally assumed that it consists of industries and services which, compared to other industries and services, are characterized by a higher share of expenditure on research and development (R&D) in the final value (Zakrzewska-Bielawska, 2011, p. 20). According to Central Statistical Office (GUS) in Poland, the high-tech sector is mainly characterized by:

- advanced technology,
- high research and development intensity,
- high level of innovation,
- short life cycle of products and processes,
- rapid diffusion of innovation,
- increasing demand for highly qualified personnel,
- large capital expenditure,
- high investment risk.

The high-tech sector is characterized by the rapid “aging” of investments, close scientific and technical cooperation within individual countries and on the international arena between enterprises and research institutions, and fiercer competition in international trade (Niedbalska, 1999, p. 98).

According to the Organization for Economic Co-Operation and Development (OECD) classification, which takes into account the intensity of expenditure on research and development in relation to the added value of individual industries (domain approach), there are four main categories (Korpus & Banach, 2017):

- high-technology sector,
- medium-high-technology sector,
- medium-low-technology sector,
- low-technology sector.

The high-tech sector includes enterprises where the share of expenditure on research and development in revenues ranges from 8 to nearly 15% (Wojnicka et al., 2006), i.e. they are entities producing aviation and space equipment, drugs and pharmaceutical products, computers, electronic products and office machines, radio, television and communication equipment and apparatus, as well as medical, precision and optical instruments (OECD, 2011, p. 1).

The OECD list of high-tech fields using direct and indirect expenditure was revised by Eurostat and the Joint Research Center of the European Commission
(JRC) in 2008. The calculation was prepared with the use of direct and indirect R&D expenses for 2000, and the data was prepared for sectors from 18 OECD countries (GUS, 2015). Due to the intensity of R&D activity, the sectors are grouped as follows:

- low technology – R&D intensity below 1%,
- medium-low technology – R&D intensity between 1 and 2.5%,
- medium-high technology – R&D intensity between 2.5 and 7%,
- high technology – R&D intensity greater than 7% (GUS, 2015).

In addition, the OECD (2011) indicated high-tech services belonging to the category of knowledge-intensive services (KIS). These mainly include: activities related to the production of films, video recordings, television programs, sound and music recordings, broadcasting of free and subscription programs, telecommunications, activities related to software, IT consultancy and related activities, information service activities and research and development work. The full diversity is presented in Table 1. According to Eurostat, it defines the following codes as knowledge-intensive services (KIS) and as high-tech KIS.

**Table 1.** Classification of high-tech knowledge-intensive services (technologically advanced services that require extensive knowledge)

<table>
<thead>
<tr>
<th>Name of the enterprise category</th>
<th>Activity codes</th>
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| Knowledge-intensive services (KIS) | 61 Water transport  
 | | 62 Air transport  
 | | 64 Post and telecommunications  
 | | 65 to 67 Financial intermediation  
 | | 70 to 74 Real estate, renting and business activities  
 | | 80 Education  
 | | 85 Health and social work  
 | | 92 Recreational, cultural and sporting activities  
| High-tech KIS | 59 to 63 Motion picture, video and television programme production, sound recording and music publishing activities; Programming and broadcasting activities; Telecommunications; computer programming, consultancy and related activities; Information service activities  
 | | 72 Scientific research and development  
| Detailed division of high-tech KIS | 1. Motion picture, video and television program production activities  
 | | 2. Motion picture, video and television program post-production activities  
 | | 3. Motion picture, video and television program distribution activities  
 | | 4. Film screening activities  
 | | 5. Activities in the field of sound and music recording  
 | | 6. Broadcasting radio programs  
 | | 7. Broadcasting of generally available and subscription television programs  
 | | 8. Wired telecommunications activities  
 | | 9. Wireless telecommunications activities, except satellite telecommunications  
 | | 10. Activities in the field of satellite telecommunications  
 | | 11. Activities in the field of other telecommunications  
 | | 12. Software related activities  
 | | 13. Activities related to IT consultancy  
 | | 14. Activities related to the management of IT devices  

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| Detailed division of high-tech KIS | 15. Other service activities in the field of information and computer technologies  
16. Data processing; website management (hosting) and similar activities  
17. The activity of Internet portals  
18. Activities of news agencies  
19. Other information service activities, not elsewhere classified  
20. Research and development work in the field of biotechnology  
21. Scientific research and development works in the field of other natural and technical sciences |

The study covered all medium and large high technology service enterprises from section J in divisions 59–63 and section M 72.1 according to PKD (Polish Classification of [Economic] Activities) 2007 from all voivodeships. The survey was conducted in June 2019, while the number of all medium and large enterprises in the high-tech KIS category at the end of 2018 was 552 entities. The selection of respondents was purposeful as part of the analysis of the role and involvement of stakeholders in the activities of enterprises. The study also concerned the determination of the volume of tools and means of communication used by enterprises to communicate with stakeholders, using both traditional methods and social media. The respondents were mainly managers responsible for relations with the environment and PR, as representatives of the high-tech KIS sector from Poland. A study was conducted on 200 entities.

As part of the research, respondents were asked which stakeholder groups have a distinctive role in the activities of their organization. The key companies mentioned were clients, cooperating companies, experts, subcontractors, contractors and employees. In the case of stakeholders of the second level of influence, research institutes, universities, media and local communities were mentioned.

When analyzing the basic means and forms of communication of the surveyed enterprises with key stakeholders, direct and telephone conversations, e-mail contact, Intranet and paper documentation dominate. Teleconferences, dialogue or consultation sessions, external instant messaging or social networking sites are used by a small percentage of respondents. Obviously, in contact with specific groups, the forms of communication change slightly. The surveyed respondents emphasize that in contact with employees, the Intranet, e-mail contact, face-to-face conversations and meetings, as well as telephone calls and transmission of paper documentation are predominant. The use of social media in contact with employees amounts to approx. 13%, it is caused by this that within the organization, everyone prefers closer contact through face-to-face meetings, mailing or using the Intranet.

On the one hand, in contact with clients, both individual and institutional, the respondents indicated e-mail contact, telephone conversations and direct conversations or paper documentation as the dominant forms of communication. On the
other hand, social networks constitute a higher percentage than in the case of contact with employees and amounts to over 25%. Subcontractors and intermediaries were another group mentioned by the respondents as key stakeholders. In the case of the frequency of contact with these groups, the situation is very similar to the situation in the case of customers and accounts for 20% – Figure 3.

Figure 3. The frequency of using the means of communicating with external process subcontractors and intermediaries

Source: Author’s own study.

Summarizing the above considerations, it should be emphasized that Polish enterprises in the high-tech sector make little use of social media in building contact with stakeholders. They still commonly use traditional forms of promotion and traditional methods of direct talks, i.e. face-to-face contact, telephone calls. However, forms of contact using the Internet are also popular, i.e. voice messengers, company portals, e-mail communication. This situation may be caused by a greater focus on greater certainty and reduced risk in face-to-face relationships. Very often, managers prefer to get to know their stakeholders through physical contact and maintaining traditional forms of communication due to tradition as well as their own safety. The use of formal letters and e-mails, personal and telephone conversations are the basis of everyday means of communication. Unfortunately, enterprises will have to respond to the COVID-19 situation by significantly accelerating the development of digital tools for communicating with others. Through the pandemic, there is seen the difference between the so-called market leaders and marauders. Virtually not everyone can afford costly changes, but at the same time no one can afford to stand still. The future of enterprises is for those who provide clients with communication solutions that correspond to changing digital habits.
Conclusions

Summing up all the considerations, the following arguments in favour of using Social Media should be presented (Krumay & Geyer, 2016, Mustonen, 2010):

1. The first key factor supporting the need to use social media in the organization’s communication with stakeholders is the crisis of social trust in institutions, corporations, official messages and information conveyed through traditional media (Szwajca, 2016).

2. It should be emphasized that social media facilitate the activities of the organization and may influence the applied practices, legislation, regulations and opinions of influential stakeholders. Pavitt (2012) argues that, thanks to the power of word of mouth communication, informed consumers can communicate via various social media channels to express their concerns and share information with the group (Kang & Hustvedt, 2014). This increased level of control and exposure due to easily accessible Internet access, and the willingness of stakeholders to use social media makes the risk of negative publicity too great for organizations to act recklessly. Indeed, damage to an organization’s brands can lead to loss of stock value, consumer boycotts and employee turnover (Boele, Fabig, & Wheeler, 2001). To avoid this, organizations consistently strive for greater transparency about their activities, revealing important aspects of their supply chains through better communication with stakeholders (Pavitt, 2012) to ensure compliance with social standards.

3. In various business-to-consumer (B2C) sectors where organizational behaviour and subsequent interactions with stakeholders via social media have a direct impact on profitability, social media can stop irresponsible behaviour. However, the pressure of social media does not have such a strong impact on business-to-business (B2B) relationships. An example is the energy sector, where enterprises do not sell their products and services directly (only through intermediaries) to the final consumer. Examples of such B2B organizations are auto parts manufacturers, oil exploration and production corporations, and mining companies, the latter of which as core industries can often have direct and highly destructive environmental and community devastating effects. As a result, pressure on social media alone may be insufficient to ensure B2B companies remain accountable to others. To try to involve all stakeholders in such areas and to provide some remedies and protection against unethical activities, the concept of corporate social responsibility was introduced (Warhurst, 2001; Owen & Kemp, 2013; Moffat & Zhang, 2014).

4. Another argument is the fact that the Internet is currently becoming the basic source of knowledge about the organization and its offer. Customers look there not only for information about products, but also for the opinions of other users, their advice and recommendations that guide them when making a purchase decision. In addition, they share their comments and remarks, and create groups of users and supporters of a given product or brand. For journalists, websites and entries on ac-
counts in the most popular social media are invaluable and a source of “hot” topics and sensations (Szwajca, 2016, p. 137).

Social media platforms also pose certain risks to organizations. First, media platforms cannot be controlled by the organizations that use them, so information dissemination is difficult to control. Second, creating value through the use of social media requires an organized and well-managed plan or approach, so companies need to acquire specific knowledge to avoid the effects of “cannibalization” between different marketing channels and identify the right target groups in new media channels. With reference to the conducted research, it can be noticed that enterprises use social media to a small extent to communicate with stakeholders, and on the other hand, they emphasize that one of the most important benefits of being present in social media is communicating with interest groups by taking advantage of their phenomenon.

References


