

Research on the Opportunities and Challenges of Multinational Enterprises in the Social Media Environment

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Abstract: With the rapid development of the Internet, enterprises pay more and more attention to the role of social media in enterprise development. For enterprises, however, social media is a double-edged sword. While social media brings more opportunities to enterprises, it also exposes them to many risks. This paper will analyze the opportunities and risks brought by social media to enterprises, and put forward suggestions on how to make use of social media and how to avoid the risks brought by social media.

1. Introduction

At the present stage, the development of the Internet has created unlimited opportunities and possibilities for enterprises to carry out unconventional marketing activities: there are endless ways of Internet marketing. As an open platform for opinion sharing and information exchange, social media allows people to share their opinions, experiences and opinions, and is an important channel for more and more people to get news and information. For enterprises, social media has unique advantages in collecting data, distinguishing customers, developing the relationship between enterprises and customers, marketing, building brands and so on[1], which undoubtedly brings more possibilities for enterprises. It is rewriting the rules for enterprises to enter new business fields.

In the past, many enterprises only used social media as a way to release news to the world. However, gradually, enterprises found that it was more meaningful to extract data and analyze the results from social media, which enabled them to better listen to the real needs of customers and carry out marketing better. Enterprises' good grasp and use of social media will also leave customers a good impression on the enterprise, so as to establish a positive enterprise or brand image.

But at the same time, there is no doubt that social media is a double-edged sword. For many companies, social media offers opportunities as well as risks. How to give full play to the interactive characteristics of social media and avoid risks when making extensive use of social media in marketing. All of these are the problems faced by enterprises in the new era.

2. Opportunities

As the society enters the era of mobile Internet, profound changes have taken place in the social media industry, which has changed the way people communicate information. Meanwhile, social media enterprises are making continuous business innovation towards the direction of platform-oriented organization[2]. Today, with the rapid development of new media, social media has broken the connection between people that cannot be achieved by traditional communication methods. At the moment, billions of people around the world are using social networks. The coverage of news communication brought by its huge, accurate users and deep interaction guides the direction of public opinion, creates a good reputation for enterprises and becomes an important channel of publicity. For overseas marketing, social media is no longer an “option”, but a “must have”.

At present, the most mainstream social media overseas are Facebook, Twitter, YouTube and LinkedIn. According to statistics, among the 7.2 billion people in the world, 3 billion are active on social platforms, among which 1.7 billion use social networks through mobile terminals. Currently, more than 61% of companies are using social media for promotion, while more than 90% of customers of foreign trade enterprises are using Facebook to obtain information and establish business opportunities.

As a consequence, social media is an essential part of brand development and can help you achieve brand building in various ways.

2.1 Improve Brand Awareness and Influence

Social media platforms are home to more than half the world's population, which means there are plenty of potential users for brands to tap. The information and new products released by brands on social media are more easily accepted by users, and it is also easier to achieve the target effect of brand promotion.

When people talk about brand or product on social media, it's a great opportunity to build awareness and credibility. People will spontaneously share favorite content with their friends or relatives spontaneously, thus constantly expand the influence of the brand. At the same time, the brand itself can also actively choose to cooperate with some influential people to arouse the brand awareness.

For example, Huawei is founded on the international market and has its own unique strategy in the selection of global spokesmen and communication in different regions to maximize the communication effect. The selection of Huawei's global spokesmen is mainly based on the number of its fans worldwide and whether its image and temperament are compatible with the Huawei brand. In 2016, a Huawei mobile phone took a bullet in South Africa, which brought about a great sensation on the Internet. Huawei also made full use of this incident to publicize itself. Many media outlets followed up and a large number of people retweeted the news on social media, making Huawei phones a representative of high quality.

2.2 Insight into Brand Market

One of the most valuable strengths of social media is market insight. What are better ways to understand consumers' thoughts and needs than by talking directly to them?

We can check the information and activity track of users on social media to learn about their interests and hobbies as well as their attitudes and opinions towards the brand. As an auxiliary research tool, social media can help you access a large amount of information, help you understand the market, the industry, the competitors and your users. After getting a lot of attention, there are other tools you can use to analyze users' characteristics.

You can also use social media for content testing. On social media, brands can break down

content by topic and then look at the data performance to determine which types of content are most popular with users.

For example, SK-II's travel limited edition is a duty-free product. With its special geographical location and sales environment, it is difficult for ordinary people to get its information. Based on the demand of "travel + skin care", the interest of time is to plant grass on the platform that tourists will use, and expand its influence again by showing the list twice, so that a duty-free product can easily become a hugely popular products. SK-II's travel limited edition has sold out in Japan and South Korea after two weeks of its launch.

2.3 Attract More Business Partners

Social media is attracting more and more corporate users as well as individual ones. Statistics show that 72% of U.S. companies are using social media to provide various types of services. This also gives many companies the opportunity to seek partnerships through social media and find more suitable partners.

The attribute characteristics of social media enable users to obtain more comprehensive and complete social media information than search engines, and it is easier to judge the experience and ability of partners, thus helping companies bring more potential cooperation opportunities.

2.4 Reposition Audience and Promote Brands

According to statistics, the users who know the brand for the first time rarely buy. In addition, nearly 70% of shopping cart orders are discarded. But most of the users who have already added products to their shopping carts are potential users with the precision of the brand. With some tracking tools, you can use social media ads to reintroduce these products to your potential users and encourage them to purchase.

2.5 Generate High Quality Sales Opportunities

The success of many companies in the retail, travel and finance sectors with Facebook has proven the positive impact of social media on sales opportunities.

Many U.S. retail companies already use Facebook Ads to post news, use the Internet to download coupons, tweet product-related topics, monitor customer behavior, and combine email marketing with blog marketing to generate significant sales opportunities.

Social media promotes the sharing economy by connecting people and relying on the logic of relationships[3]. Compared with traditional marketing methods, social media will be closer to users. It has changed the original one-way infusion of information transmission mode, making communication more efficient and diversified.

The building of a brand cannot be separated from users. Therefore, it is necessary to adapt to changes, grasp changes, and make full use of social media to serve the brand, so as not to be abandoned by users, surpassed by competitors and eliminated by the market.

3. Challenges

3.1 The Challenges from the Inherent Characteristics of Social Media

The changing social media environment has brought challenges as well as opportunities. Even the success or failure of the affair is possibly due to the very same reason. Based on the inherent characteristics of social media, information spreads quickly and efficiently, whether it's good news

or bad news. Take Starbucks as an example. On January 12, 2007, a host of China Central Television, criticized the opening of a Starbucks branch in The Forbidden City as a damage of traditional Chinese culture, protesting in personal name and demanding that Starbucks should move out of The Forbidden City. But Starbucks didn't take it into consideration seriously until four months later the media coverage of all sides overwhelming, netizens reaction was also very strong. Under the pressure of public opinion, Starbucks withdrew from The Forbidden City, which marked the end of Starbucks' seven years of operation in The Forbidden City. A good news travels fast on social media and a bad one even faster. Enterprises should keep sensitive to the kinds of news that appear on social media especially those related to themselves.

Privacy problem is another challenge posed by the inherent characteristics of social media. Many social platforms have a raffle function, and in the marketing campaigns enterprises often use the raffle function which needs to collect fans' personal information. In recent years, however, a variety of network information leakage problems make people began to worry about privacy of social network and the improper handling of information, people no longer believe platform's ability to protect their data security while social platform is still an important part in people's lives. Users will stop interacting with enterprises on social media if they don't believe that enterprises are acting openly and responsibly. As a result, enterprises and marketers alike will need to be vigilant about privacy and transparency in the future because social media is based on trust.

3.2 The Challenges from the Trends of Social Media

However, it's not only the inherent characteristics of social media that can be challenges for multinational enterprises. The trends that social media is showing today are increasingly becoming challenges for multinational enterprises. And these challenges should be given considerable attention as much as the opportunities because the possible damage caused on enterprises cannot be offset by the benefits gained.

Nowadays, consumers are using social media in a more active way. With the explosion of the new media, consumers significantly change their media usage patterns. The consumption of the media has been fragmented. In other words, they are habituated to get content in the fragmentation of time by different devices and platforms. Sometimes consumers even use multi-screens, which abstracts their attention[4]. In order to attract attention, telling stories directly to readers via video and images becomes popular, and this way is remarkably effective for those enterprises who want to cover considerable content and data. Nevertheless, not all enterprises are suitable to this, and each enterprise must be sure to take the time to find the right perspective for itself and experiment with different forms of content to activate its social media marketing strategy. In terms of data in 2019, WhatsApp, the "storytelling" social platform, has 450 million daily active users, Instagram has 400 million, Facebook Messenger has 70 million and Snapchat has 150 million. The rising way of telling stories require enterprises to adopt more abundant and more vivid media to deliver information to the public.

In social media marketing activities, what the enterprise cares about most is the return on investment, so they pay extra attention to social media evaluation index, such as how many "likes" advertising tweets or activity harvest, of course, we can understand that, because these data is the most simplest way to evaluate and easy to get, but now this method has not been adapted to the changing social media environment already, in fact the quantity of "likes" cannot fully indicate whether the brand marketing content is supported by the people, and also cannot reveal the actual effect of advertising. Now we need to focus on more meaningful data and indicators related to engagement, such as the number of comments and retweets. Therefore, in the future, no matter the size of the brand, it should be a priority to redefine the measure criteria to evaluate the effect of

social media.

More and more customers are looking for customer service on social platforms. In the early days of social media, social media was generally used as a distribution platform for content and advertising. However, with the increasing demand for customer service, social media has become a new customer service channel for enterprises. Consumers will care about how the brand provides support and help to them through social media, if the demands of customers are ignored by a brand on social media, they are likely to turn to choose the brand that competes with it. If they get a good service experience through social media, they will prefer to recommend this brand to others. Therefore, enterprises should strive to provide efficient and high-quality customer service on social media for customers, so that the enterprises can establish a good reputation in the future.

4. Conclusion

Social media is a growing market that will continue to grow in the foreseeable future. Companies should have their own understanding of the potential value of social media and crisis management. With the rapid development of social media, enterprises first need to closely follow the development trend of social media, keep pace with The Times, and constantly adapt to the new social media to ensure that they will not be “abandoned” in the new era. Secondly, enterprises should keep their insight into the market, pay attention to the needs of consumers and attract more business partners. Third, enterprises need to give full play to the interactivity of social media, make communication more efficient and diversified, and create high-quality marketing opportunities. In addition, rational use of social media, which is a double-edged sword, requires enterprises to constantly improve the management of social media, improve the awareness of crisis. Confronted by social media risks, enterprises must ensure user privacy and establish an intact mechanism of preventing and controlling public opinion, so as to avoid the adverse impact of social media as much as possible and build a good corporate image.

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