Social networks in cultural industries

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ABSTRACT

Although cultural industries can benefit from social networks in many ways, few Spanish studies examine the extent to which firms within this economic sector actually use such networks. This study’s objective is to investigate the role of online social networks in Spanish cultural firms. The study begins with a literature review on cultural industries and social networks. Then the study proceeds to a Delphi analysis that draws upon experts’ opinions. Results reveal a predominance of utilitarian uses over expressive ones, as well as an overriding use of proactive motivations rather than reactive ones within the context of cultural firms’ use of social networks. The study confirms the profitability of these networks and the transfer of influence or power from providers to the consumers of cultural goods and services.

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1. Introduction

Cultural industries in Spain account for 4% of GDP and about 750,000 jobs. Given that these industries intensively use qualified employees, this economic sector is clearly important to Spain.

The nature of their target audience and the type of product cultural industries offer explain why social networks use in cultural industries yields manifold advantages (Haegeman, Cagnin, Könnölä, & Collins, 2012). Nevertheless, few Spanish studies investigate the extent to which cultural industries actually use social networks. This study examines the role of online social networks in Spanish cultural firms. Specifically, this research seeks to verify the most prevalent uses of online social networks, as well as the main motivations for such use, customers’ role, and the impact that such networks have on business profitability. Collecting the opinions of a panel of qualified social networks experts helps achieve these goals. The paper has the following structure: Section 2 reviews literature on cultural industries and social networks. Section 3 presents methodology. Section 4 summarizes the results. Section 5 concludes the study.

2. Literature review

2.1. Culture and information and communications technologies

The innovative nature of cultural initiatives makes them hard to define. Cultural industries are an aggregate of economic sectors with a link to the production and distribution of symbolic works, stemming from creative processes, and targeting consumer markets. These industries comprise reading and writing (press, publishers, books, etc.), image and sound (TV, radio, cinema, copyright recorded music, etc.), performing arts (shows, theatre, concerts, etc.), and other cultural products, in other words, historical heritage, restoration activities, art market, and exhibitions.

Culture and creativity have a direct link with information and communication technologies (ICTs). This link exists because ICTs constitute a basic tool for communication and the transmission of knowledge, as well as for exchanging experiences and emotions necessary for creativity. Cultural assets are intangible because cultural demand does not require the exchange of any particular goods. Instead, this demand requires a set of values and services. This need is especially significant regarding historical heritage goods. A visit to a museum, cathedral or historical building only requires a set of associated values and services ranging from aesthetic emotion to cognitive and educational value.

Crucially, cultural assets are not simply a product. Instead, they involve a qualitative cultural experience. Information signals (e.g., experts’ opinions) influence emotions when listening to a song or admiring a picture. ICTs can disseminate—or even create—intangible cultural assets. Finally, many businesses in cultural industries rely on the emotions they generate among users and on the need for a positive environment for cultural creativity. Social networks allow consumers to share emotions and interests that generate desirable membership and differentiation.
feelings among customers. Greenacre, Freeman, and Donald (2013) identify social networks with tribes. Emotions incorporation into business strategies becomes paramount for cultural firms. Cultural and creative firms need to move people through their products so that people become part of cultural firms’ influence network. Online social networks are appropriate for channeling creativity, intangibility, and emotions that characterize this sector (Sánchez-Franco, Buitrago-Esquinas, & Yñiguez, 2012).

2.2. Online social networks

Social networks are communities of people who share interests. The Internet, along with Web 2.0 and 3.0 technologies, amplifies real-life social networks. According to Gneiser, Heidemann, Klier, Landherr, and Probst (2012), online social networks allow individuals and firms to build public or semi-public profiles within the system, to create a list of connections with users and to match their list of connections with those of others within the system. Both private and public sectors are discovering the amount of applications of these technologies (Haegeman et al., 2012). However, using such a contact network may have adverse effects. The influence shift from providers to customers because of networks’ extensions as well as the possible link between this technology and business profitability are also factors to take into consideration. This study addresses these issues: (a) social networks uses, (b) network users’ motivations, (c) customers’ influence through these networks, and (d) networks’ impact on profitability.

(a) Social networks’ uses. Business organizations are increasingly developing their own networks to distinguish themselves from competitors and to provide potential consumers with greater added value. Community membership may act as a measure of adhesion to a certain lifestyle, which permits members to be different from other consumers. This case exemplifies external use of networks. This use allows the firm to connect customers and to give them a space for sharing experiences. Finally, customers can deepen the relationship with firms, moving from fans to true champions and stakeholders (Sashi, 2012; Zaglia, 2013).

Networks internal use is also important to establish communities such as those comprising providers or employees (Sinclaire & Vogus, 2011). Personal contacts within social networks may create strong working relationships (Koch, Gonzalez, & Leidner, 2012). They also contribute to create knowledge management systems through knowledge and experiences exchange (Magnier-Watanabe, Yoshida, & Watanabe, 2010). In this sense, social networks can help create two kinds of ties among members of a work team: instrumental and expressive (Zhong, Huang, Davidson, Yang, & Chen, 2012). Instrumental ties often emerge from formal relationships at the workplace. They can effectively transfer physical, financial, or informational resources within organizations. Instrumental ties allow team members obtain information, advice, and experience from other team members. Such ties are utilitarian since their purpose is professional. Conversely, expressive ties involve exchanging feelings and satisfying affection needs, social support, and group membership feelings.

(b) Network users’ motivations. According to Xu, Ryan, Prybutok, and Wen (2012), the motivations for using social networks divide into two types: utilitarian and hedonic. Social networks create a sense of connection between users and smartphones allow users to have always connection. Networks make effective, efficient use of communication channels to organize social activities (Bendle & Patterson, 2010) and disseminate news and messages without having to send the same content to several individuals due to immediate access and coordination, which behave like two utilitarian rewards. On the other hand, hedonic motivation (Sledgianowski & Kulviwat, 2009) resides in consumers’ emotional needs and captures non-functional benefits like fantasy, happiness, sensuality, enjoyment, or delight. Casaló, Flavián, and Guinalíu (2010) summarize the motivations for using social networks into four types of needs that networks satisfy. These needs comprise: dealing with interesting issues, establishing relationships, living fantasies, and carrying out transactions. Chai and Kim (2012) analyze motivations for using network according to social and technological issues. Social issues users’ feeling of network membership, social interactions that may create trust, ethical culture inherent to network users, or even using networks as gossip vehicles (Okazaki, Rubio, & Campo, 2013). Technological issues refer to the possibility of protecting users’ security, for example, by providing the option of sharing information publicly, only with friends, or keeping the information personal. Sinclaire and Vogus (2011) pose another dichotomy by classifying motivations for networks use into proactive and reactive. Proactive involves firms setting specific objectives and well-defined strategies for network use. Reactive refers to fashion effect that involves following a trend and using networks more passively. However the absence of clear goals creates an additional degree of uncertainty around how to embrace technology.

(c) Customers’ influence through social networks. By using social networks, customers’ empowerment grows. The Internet is nowadays a highly interactive medium since the arrival of Web 2.0 and 3.0 technologies. Users can create content and obtain information. A user’s feedback on firms’ products is essential for implementing suitable marketing measures for those products (Bodendorf & Kaiser, 2009; Garrigós-Simón, Lapedra-Alcamí, & Barberá-Ribera, 2012). Customers can comment on products and influence one another in their opinions through social networks. In some sense, users become digital evangelists and prosumers (San José-Cabezudo, Camarero-Izquierdo, & Rodríguez-Pinto, 2013). They are digital evangelists because their opinions and experiences can either help spread products/services or contribute to their decline. They are prosumers because their views can influence new products or services contributing in some ways to firms’ creative processes. In this framework, users can ultimately become trendsetters. Consequently, social networks clearly change the power balance between consumers and good/services producers due to customers’ power being definitely greater than before.

(d) Networks’ impact on profitability. Undisputedly, social networks directly affect profitability, as they lead to cost reductions and revenue increases (Bughin & Chui, 2010). This positive impact results from the multiple advantages that consumer participation can bring to organizations. For example, consumers represent a source of first-hand information for firms, thus reducing the costs of coordination and information transmission and transforming word of mouth campaigns within social networks into large marketing campaigns. Customers’ participation in social networks also lowers technical service costs, as individuals may assist each other to solve problems arising from products’ or services’ use. Finally, social network interactions allow firms to evaluate customer value for community-based online service companies (Joo, Kim, & Yang, 2011). As for revenues, income increase due to advertising through social networks is worthy of mention.

3. Methodology

A two-stage Delphi study (Buckley, 1995) analyzes the role of social networks in cultural firms. In the first round, academic teachers
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